

ALASKA DEPARTMENT OF ADMINISTRATION
DEPARTMENT OVERVIEW
UNIVERSAL SPACE STANDARDS
AND LABOR CONTRACTS

Presentation to

**House Labor &
Commerce**

February 5, 2014

Commissioner Curtis W. Thayer



ORGANIZATION CHART

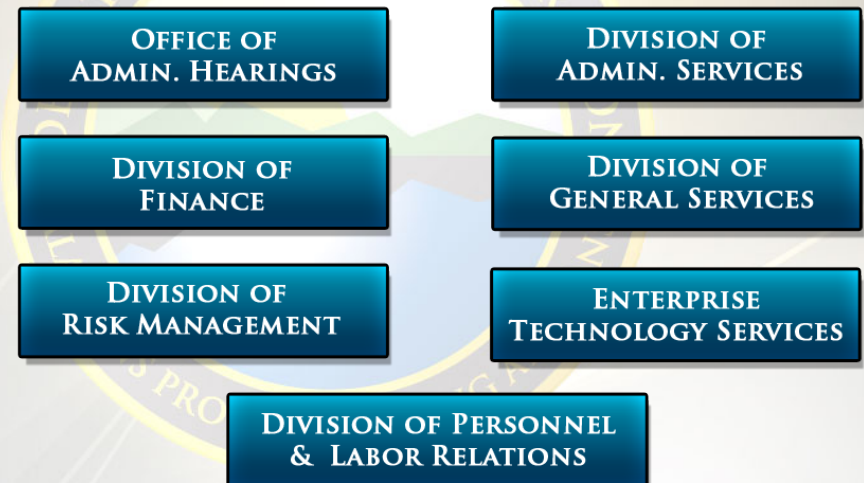
DEPARTMENT MANAGEMENT



SERVICES TO THE PUBLIC



SERVICES TO STATE AGENCIES



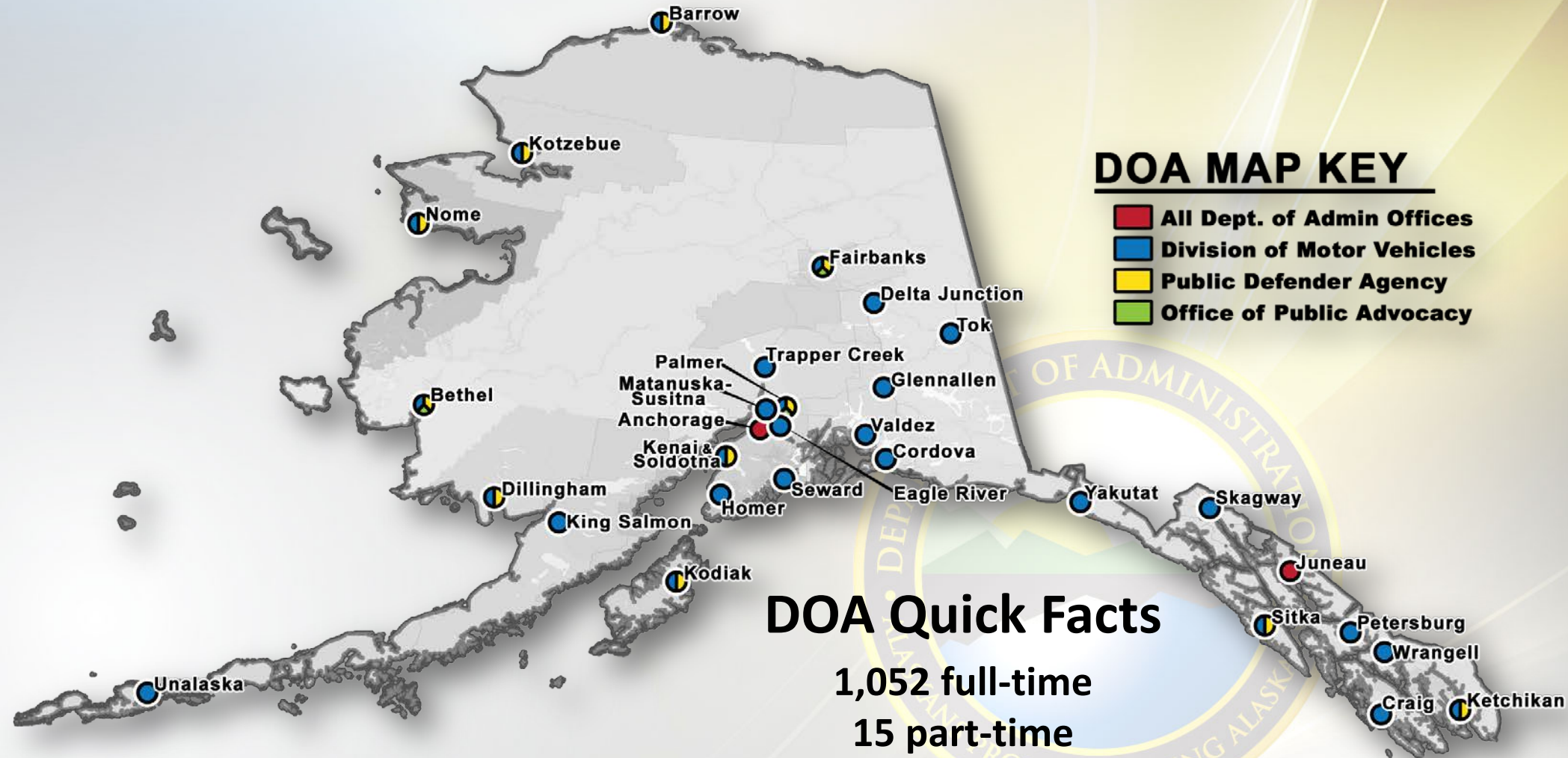
SERVICE ACROSS ALASKA

DOA MAP KEY

- All Dept. of Admin Offices
- Division of Motor Vehicles
- Public Defender Agency
- Office of Public Advocacy

DOA Quick Facts

1,052 full-time
15 part-time
55 non-permanent
in 31 locations

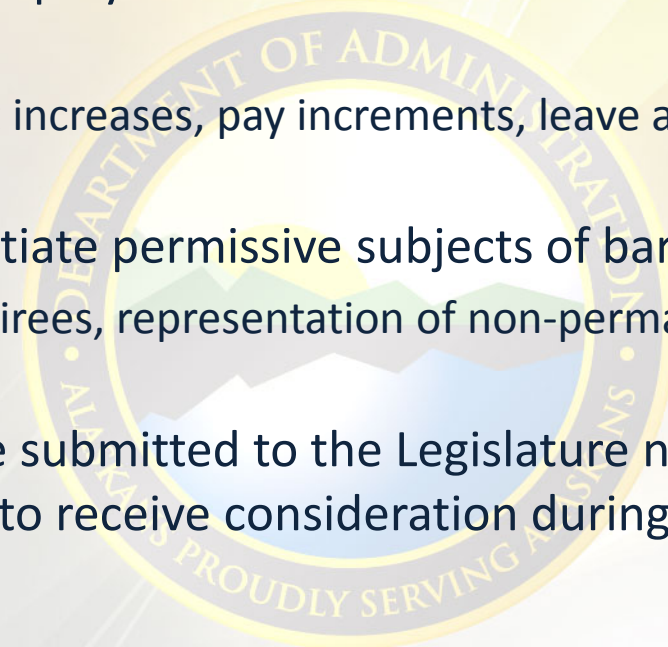


LABOR CONTRACTS



BARGAINING 101

- Negotiations are mandated by the Public Employment Relations Act (AS 23.40.070-23.40.250).
- Bargaining begins in accordance with the terms set forth in the collective bargaining agreements but generally commences between the months of October and December.
- The State must negotiate and enter into written agreements on matters of wages, hours and other terms and conditions of employment. These are considered mandatory subjects of bargaining.
 - For example: cost of living increases, merit increases, pay increments, leave accrual, health insurance
- The State may, but is not required, to negotiate permissive subjects of bargaining.
 - For example: classification, benefits for retirees, representation of non-permanent employees
- Monetary terms of the agreement must be submitted to the Legislature no later than the 60th day of the legislative session to receive consideration during that calendar year (AS 23.40.215).



BARGAINING 101

- If negotiations do not lead to agreement and mediation fails, employees (except protective service personnel) have the right to strike.
- Employees who are on strike do not get paid, but may not be terminated because they choose to lawfully strike.
- Striking employees may be replaced – either temporarily for the duration of the strike, or permanently under certain circumstances.
- Our goal is to reach a fair and balanced agreement.

Contracts are...

- three years in duration
- typically bargained by the State on a cycle of 3-5 separate agreements each year



STRIKING

AS § 23.40.200 specifies the three strike classes of public employees.

Strike Class 1

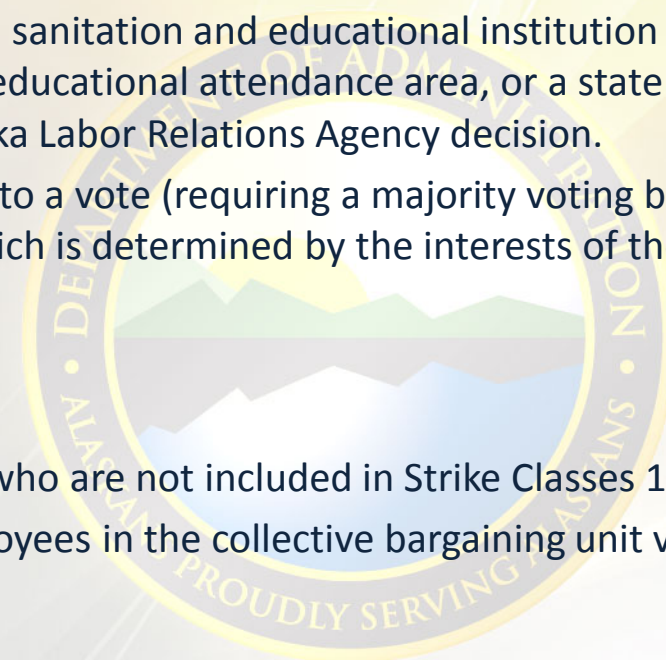
- This class is composed of police and fire protection employees, jail, prison and other correctional institution employees, and hospital employees.
- These employees may not strike.

Strike Class 2

- This class is composed of public utility, snow removal, sanitation and educational institution employees other than employees of a school district, a regional educational attendance area, or a state boarding school and AMHS vessel employees through the Alaska Labor Relations Agency decision.
- These employees may strike after mediation, subject to a vote (requiring a majority voting by secret ballot). The strike may only last for a limited time which is determined by the interests of the health, safety or welfare of the public.

Strike Class 3

- This class is composed of all other public employees who are not included in Strike Classes 1 or 2.
- These employees may strike if a majority of the employees in the collective bargaining unit vote by a secret ballot to do so.



BARGAINING UNITS (BU)

Contracts That Expire on June 30, 2014	Number of Employees
AVTECTA - Alaska Vocational Technical Teachers Association	41
IBU – Inlandboatmen’s Union of the Pacific	669
MEBA - Marine Engineers’ Beneficial Association	107
MMP - Masters, Mates and Pilots	98
PSEA - Public Safety Employees Association	509
Contracts That Expire on June 30, 2015	
ACOA - Alaska Correctional Officers Association	885
LTC - Public Employees, Local 71	1,797
TEAME – Teachers’ Education Association of Mt. Edgecumbe	27
Contracts That Expire on June 30, 2016	
ASEA - Alaska State Employees Association	8,931
APEA - Alaska Public Employees Association	2,274
CEA - Confidential Employees Association	199
Non-Covered - Exempt, Partially Exempt and Excluded	1,370

SOURCE: Bargaining Unit Profiles, collected June 30, 2013

AVERAGE YEARLY BASE SALARY FOR FY 13

Yearly Average Pay*

AVTECTA - Alaska Vocational Technical Teachers Association	\$75,876.24
IBU – Inlandboatmen’s Union of the Pacific	\$51,334.92
MEBA - Marine Engineers’ Beneficial Association	\$73,228.68
MMP - Masters, Mates and Pilots	\$85,077.00
PSEA - Public Safety Employees Association	\$84,632.40 (AA), \$70,169.52 (AP)
ACOA - Alaska Correctional Officers Association	\$61,716.48
LTC - Public Employees, Local 71	\$54,697.80
TEAME – Teachers’ Education Association of Mt. Edgecumbe	\$64,363.20
ASEA - Alaska State Employees Association	\$57,087.72
APEA - Alaska Public Employees Association	\$82,825.68
CEA - Confidential Employees Association	\$58,096.20
Non-Covered – Exempt, Partially Exempt and Excluded	\$99,474.48

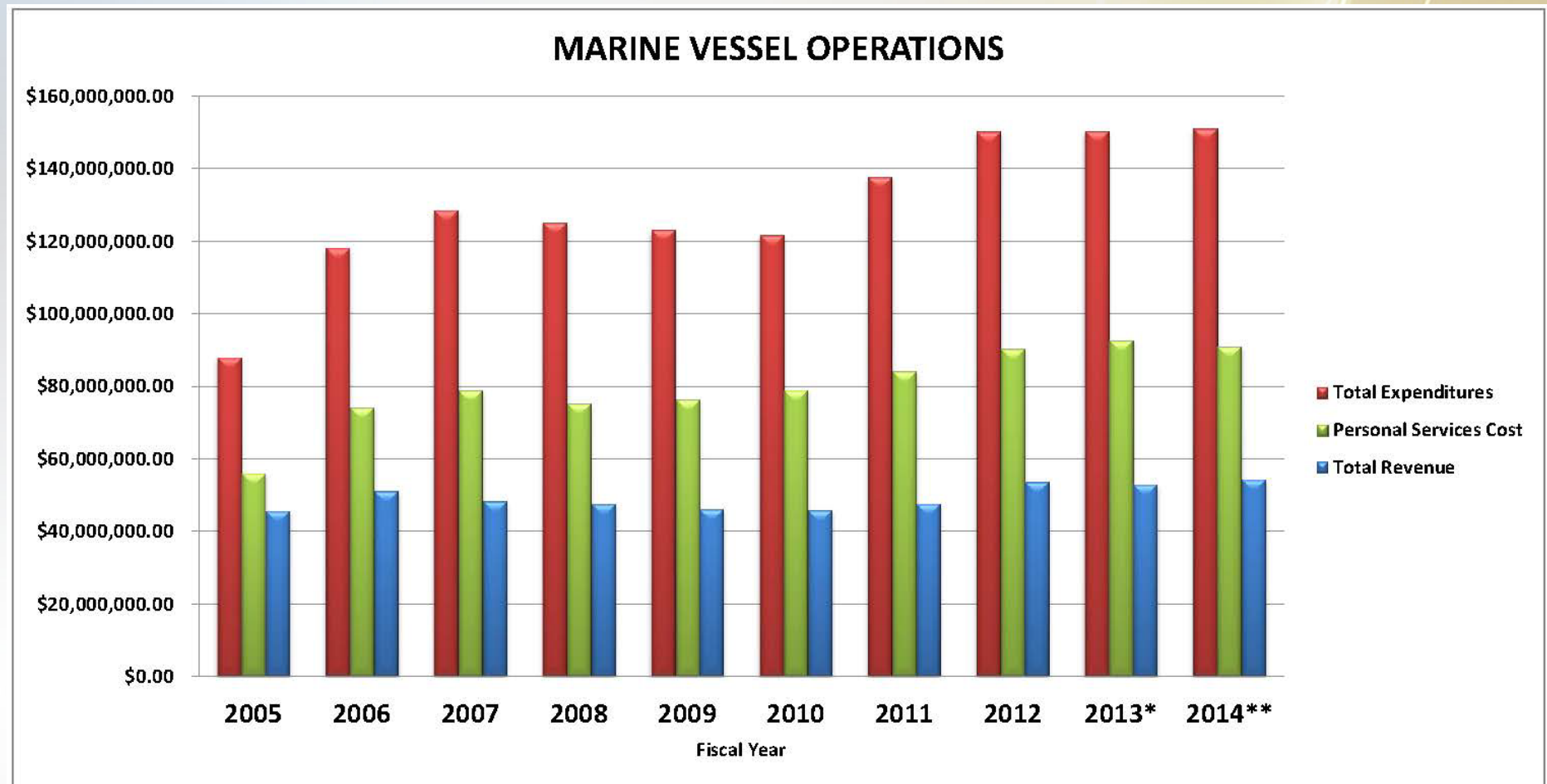
Average employee benefits percentage is 49%

* Includes geographic differential

AA – DPS; AP – DOTPF

SOURCE: Bargaining Unit Profiles, collected June 30, 2013

EXPENSES VS. REVENUE EXAMPLE



*FY 2013 revenues and expenditures have not been finalized yet. These figures are estimates based on current data.

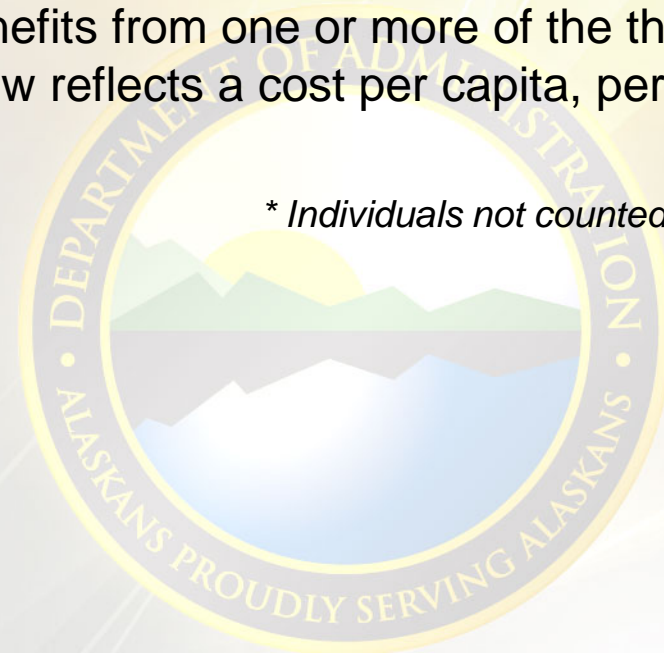
**FY 2014 data is estimated based on the FY 2014 Authorized Budget.

PER CAPITA TRANSPORTATION COST

System	Number of Primary Users	Net Cost to State	Cost Per Capita
Highways	674,012	\$28,545,600.00	\$42.00
Rural Aviation	206,480	\$42,944,300.00	\$166.00
AMHS (Ferries)	107,525	\$118,812,900.00	\$1,105.00
All Systems	732,298*	\$181,642,200.00	\$248.00

The AMHS is more costly to the DOT&PF than other systems within the agency. Each borough or census area in the state benefits from one or more of the three major transportation systems. The chart below reflects a cost per capita, per DOT&PF system:

** Individuals not counted twice*



MONETARY TERMS

Examples of monetary terms found in State collective bargaining agreements

Cost of living differential (COLD)

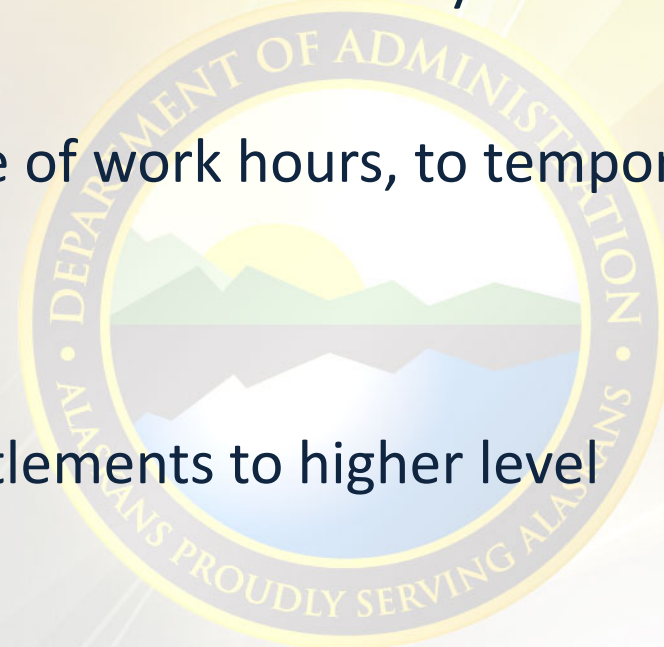
- Collective bargaining agreements, in accordance with AS 23.40.210, require a cost of living differential (COLD) for AMHS vessel employees residing in Alaska. Employees either receive a lump sum payment each pay period or it is built into their hourly rate of pay.

Travel pay

- Pay for time spent traveling, outside of work hours, to temporary work assignments

Nonwatch pay

- Paid in lieu of certain overtime entitlements to higher level employees



MONETARY TERMS*

Estimated 1% Increases

- **Inlandboatman's Union of the Pacific:**
 - FY 2015 would be \$499,800
 - Cumulative total over 3 years would be \$5,023,100
- **Marine Engineers' Beneficial Assoc.:**
 - FY 2015 would be \$156,400
 - Cumulative total over 3 years would be \$1,572,100
- **Masters, Mates & Pilots:**
 - FY 2015 would be \$166,300
 - Cumulative total over 3 years would be \$1,671,500

** all calculations include benefits based on a percent of pay*

*** does not reflect vacancy or turnover*

Cost of Living Differential (COLD) Payments**

- **Inlandboatman's Union of the Pacific:**
 - Paid as part of hourly rate.
 - The hourly rate is increased by \$4.06 to \$5.14 per hour for employees whose primary place of abode is within Alaska.
- **Marine Engineers' Beneficial Assoc.:**
 - FY 2011 is \$1,048,432.37
 - FY 2012 is \$1,042,448.05
- **Masters, Mates & Pilots:**
 - FY 2011 is \$1,088,572.15
 - FY 2012 is \$1,069,276.37

MONETARY TERMS

Understanding cost of living allowance (COLA) increases over time...

Year	CPI Increase	MMP/MEBA	IBU	PSEA
2004	2.6%	7.0%	7.0%	0.0%**
2005	3.1%	6.0%	6.0%	3.0%
2006	3.2%	6.0%	6.0%	3.0%
2007	2.2%	3.0%	0.0%	3.0%
2008	4.6%	\$2,381 Lump Sum	\$2,137 Lump Sum	5.0%
2009	1.2%	5.0%	5.0%	3.0%
2010	1.8%	4.0%	4.0%	3.0%
2011	3.2%	0.0%	2.0%	2.0%
2012	2.1%	0.0%	2.0%	2.0%
2013	Unknown	0.0%	1.0%	1.0%
TOTAL	24%	31% + \$2,381	33% + \$2,137	25%

** (contract was not ratified, interest arbitration award was not retroactive)

TOP THREE EARNERS

TOP THREE EARNERS FOR THE PUBLIC SAFETY AND MARINE UNITS

MMP	Regular Pay	Premium Pay	Other Pay	Total
Master 1	\$120,588.34	\$45,395.73	\$2,304.64	\$168,288.71
Master 2	\$111,179.90	\$54,632.78	\$2,304.64	\$168,117.32
Master 3	\$130,107.14	\$29,702.81	\$7,081.64	\$166,891.59

MEBA	Regular Pay	Premium Pay	Other Pay	Total
Chief Engineer	\$143,637.22	\$17,853.70	\$22,429.40	\$183,920.32
Chief Engineer	\$149,127.64	\$16,270.15	\$10,085.08	\$175,482.87
First Assistant	\$101,701.15	\$39,858.12	\$19,858.14	\$161,417.41

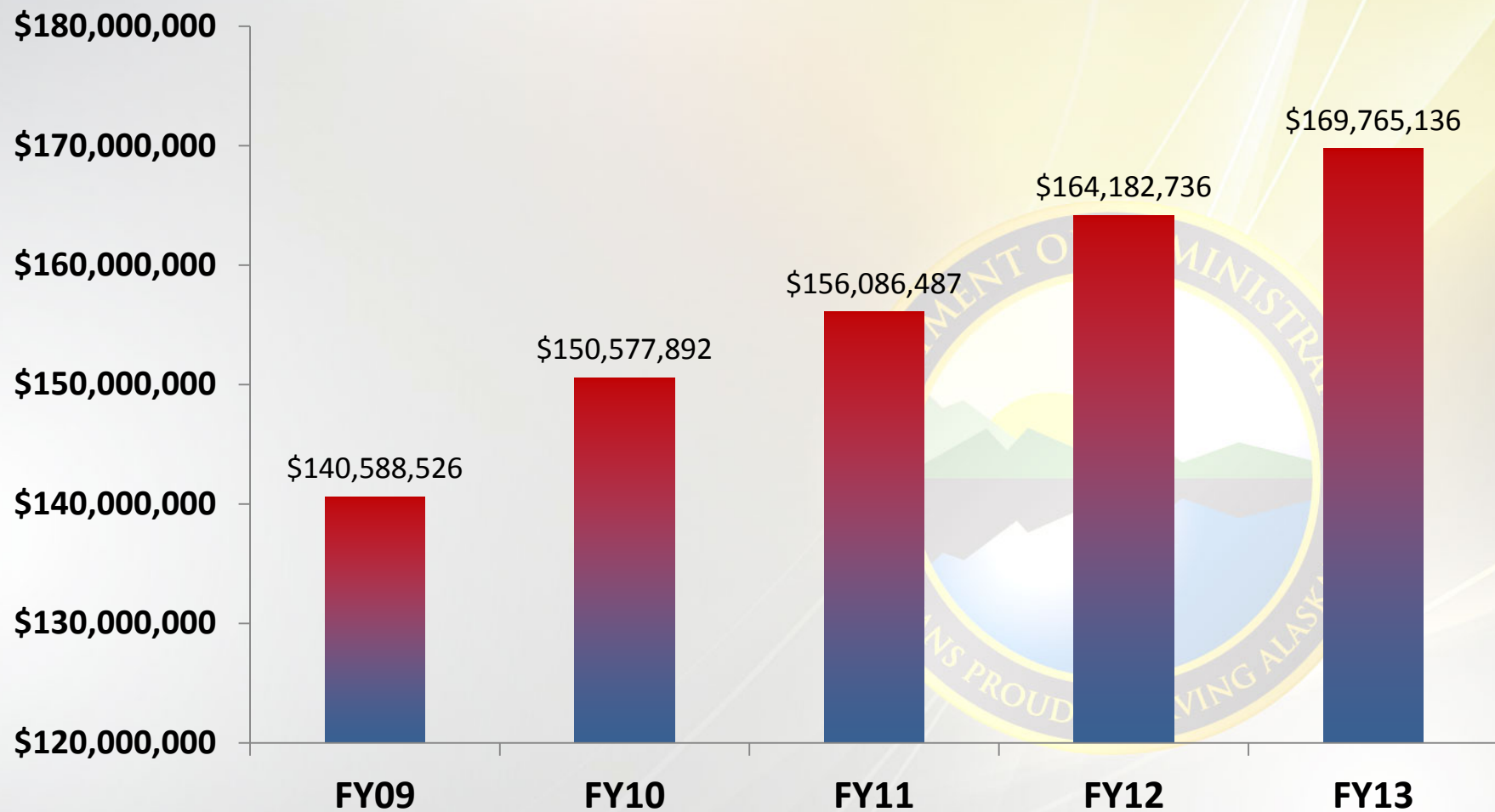
IBU	Regular Pay	Premium Pay	Other Pay	Total
PSWIC	\$74,455.05	\$34,928.34	\$13,039.60	\$138,608.89
Able Seaman	\$80,700.31	\$34,286.68	\$2,756.76	\$117,743.75
A/B Bosn	\$68,342.79	\$28,767.04	\$19,653.96	\$116,763.79

PSEA	Regular Pay	Premium Pay	Other Pay	Total
Trooper	\$191,971.97	\$7,105.08	\$3,756.00	\$202,833.05
Sergeant	\$153,067.98	\$46,733.56	\$756.00	\$200,557.54
Sergeant	\$137,283.50	\$54,776.52	\$3,756.00	\$195,816.02

PSWIC - Passage Service Worker In Charge

GROWING LEAVE LIABILITY

Total Leave Liability



LEAVE LIABILITY EXAMPLE - TOP TEN

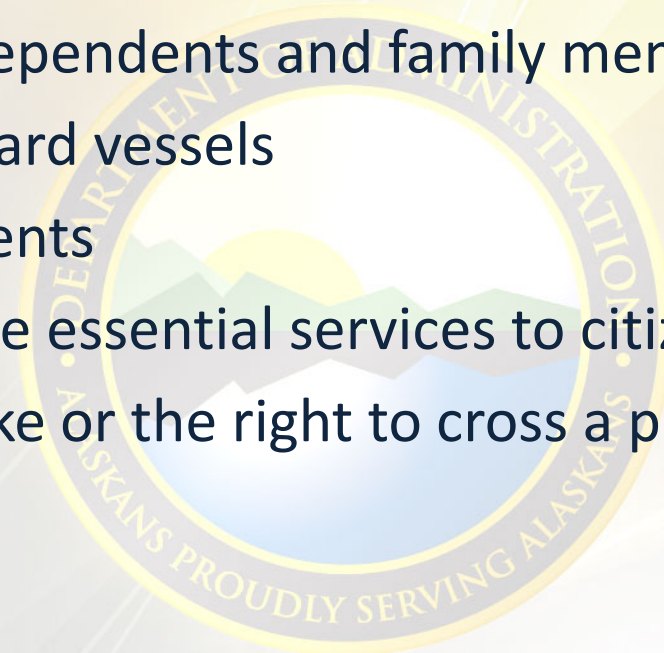
Personal Leave Balance	Annualized Hourly Rate	Value of Leave Accrued*	Bargaining Unit
3810.56	\$63.22	\$240,903.60	Supervisory
3170.57	\$75.46	\$239,251.21	Public Safety
3363.58	\$63.98	\$215,201.85	Supervisory
3183.61	\$60.49	\$192,576.57	Supervisory
3938.50	\$45.56	\$179,438.06	Supervisory
3159.65	\$54.44	\$172,011.35	General Government
4469.96	\$31.80	\$142,144.73	Confidential
3141.19	\$40.04	\$125,773.25	Correctional Officers
3130.20	\$26.17	\$81,917.33	General Government
3185.66	\$24.74	\$78,813.23	General Government
TOTAL	34,553.48	\$1,668,031.18	

*Excludes Benefits

BARGAINING PRIORITIES AND CONCERNS

Marine Units

- Fiscally prudent cost of living increases/decreases
- Provide increased operational flexibility
- Address conflict of interest on board vessels between Masters and fellow union members
- Eliminate/limit pass privileges for dependents and family members
- Limit or eliminate cash draws on board vessels
- Obtain voluntary, balanced agreements
- If a strike occurs, continue to provide essential services to citizens
- Clarify limitation on the right to strike or the right to cross a picket line



BARGAINING PRIORITIES AND CONCERNS

PUBLIC SAFETY EMPLOYEES ASSOCIATION (PSEA)

- Fiscally prudent cost of living increases
- Reducing the cost of longevity steps (i.e. pay increments)
- Reducing the legacy costs of leave liability
- Provide increased operational flexibility
- Obtain a voluntary, balanced agreement or prevail in interest arbitration if agreement cannot be reached



NEXT STEPS

- Once the Department of Administration submits the monetary terms of an agreement, the Legislature decides whether to fund the monetary terms.
 - The monetary terms of a collective bargaining agreement are subject to funding by legislative appropriation. (AS 23.40.21)
 - If the Legislature fails to fund the monetary terms of an agreement, the next steps vary by bargaining unit and may be affected by whether a tentative agreement was reached with sufficient time to permit submittal by the 60th day of session.
 - For some, impasse is considered to exist and for others the parties have 10 days to reach agreement. However, each situation must be evaluated and is fact specific.
- The fact that the monetary terms of the parties' agreement might be submitted to the Legislature after the 60th day of the session does not prevent the Legislature from either considering or funding them.
- The appropriation is subject to the ratification of the collective bargaining agreement by the union's membership. If a union fails to ratify the agreement, then the funding is reduced proportionately.

UNIVERSAL SPACE STANDARDS



NEW UNIVERSAL SPACE STANDARDS

Why space standards?

- **Save the state over \$125 million** the next 20 years in reduced lease costs.
- Through Western States Contracting Alliance (WSCA) contract the state saves significantly on systems furniture
- New space will be better for teamwork and collaboration among “neighborhoods”
- Better airflow with fewer walls
- Natural light for everyone with private offices toward core of building
- Shared printers, scanners and copiers reduce the cost of individual units
- Employees can move from one office to another and have the same working experience in any department or agency
- Clean desk policy addresses need for document privacy in agencies



Before New Standards

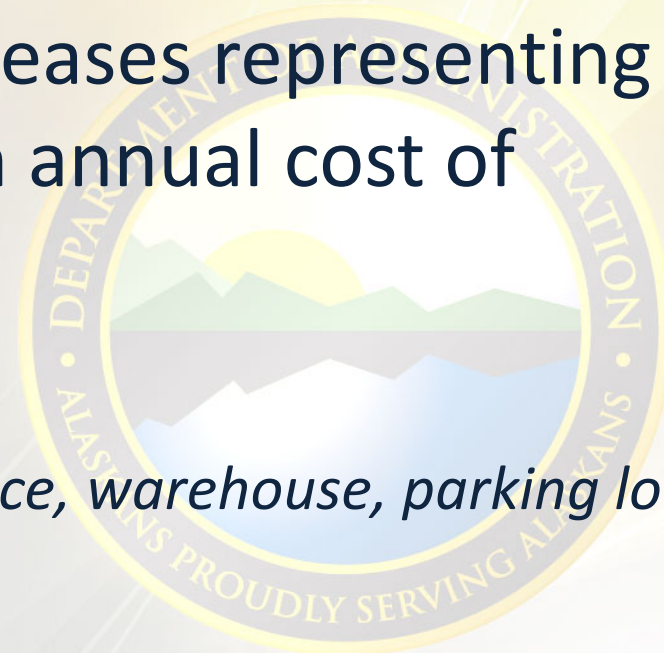
After New Standards



NUMBERS ON EXECUTIVE BRANCH SPACE

- The Department of Administration (DOA) manages 17 buildings (Public Building Fund (PBF) and Non-PBF) with 1,623,383 total sq. ft. at an annual cost of \$20,840,800.00.
- DOA also administers 255 leases representing 3,974,555 total sq. ft. at an annual cost of \$49,916,305.20.

** Multiple types of space including office, warehouse, parking lot, etc.*



DOA / DGS - REAL ESTATE PORTFOLIO

Updated 8/20/2013

BUILDING	LOCATION	AGENCY	S.F.
Linny Pacillo Parking Garage & Office	Anchorage	Multiple	369,000
Robert B. Atwood Building	Anchorage	Multiple	338,000
State Office Building & Parking Structure	Juneau	Multiple	287,850
Geological Materials Center Building	Anchorage	DNR	100,908
Fairbanks Regional Office Building	Fairbanks	Multiple	92,942
Palmer State Office Building	Palmer	Multiple	81,525
Dimond Courthouse Building	Juneau	LAW, Courts, DPS	77,000
Alaska Office Building	Juneau	H&SS	57,660
Douglas Island Building	Juneau	F&G, DOC	41,980
Court Plaza Building & Parking Structure	Juneau	Multiple	40,128
Alaska State Museum & Annex	Juneau	DEED	29,420
3rd Floor Capitol Building	Juneau	GOV	22,720
Community Building	Juneau	DCCED, H&SS	22,400
Public Safety Building	Juneau	DPS, H&SS, DOA	20,000
Nome State Office Bldg	Nome	Multiple	16,600
Governor's House	Juneau	GOV	14,400
Archives & Records Building	Juneau	DEED	10,850
TOTAL			1,623,383



WHAT WE USE TO HAVE...

- Most of the larger buildings the state owns or leases were built with an “Open Office Concept”, as you can see in these circa 1970’s photos:



RECENT HISTORY OF LEASE COSTS

The state has experienced a steady increase in private lease costs as a result of the following factors:

- Local utility increases
- Commercial real estate supply and demand
- Property insurance increases
- Local property tax and downtown business improvement assessment increases
- Increases in services contracts, i.e., janitorial, elevator

	Total Square Footage	Total Annual Lease Cost
FY 2001	1,039,180	\$21,626,898
FY 2013	1,443,173	\$36,756,321
Growth	403,993	\$15,129,423

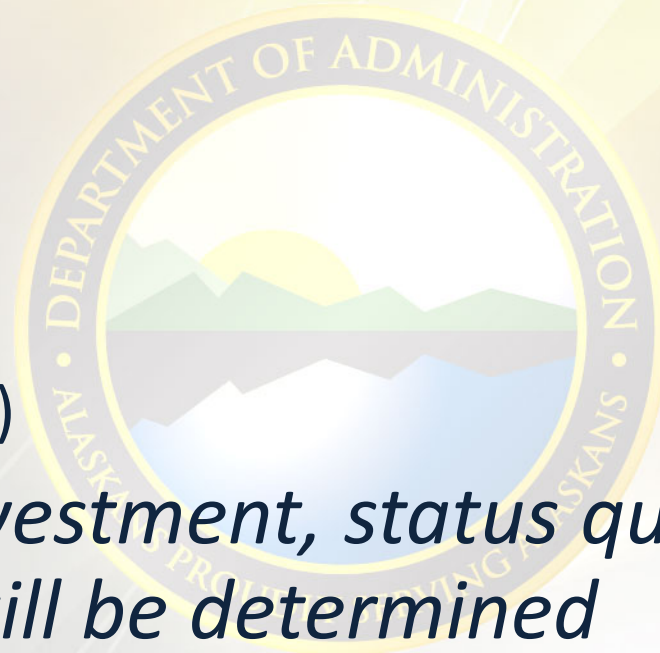
City	Private Lease			State Lease		
	Lease #	Dept.	Cost per sf	PBF Building	Dept	Cost per sf
Juneau	2517	H&SS	\$2.86	SOB	Multiple	\$2.06
Anchorage	2637	DPS	\$3.75	Atwood LPPG	Multiple Multiple	\$1.56 0.33
Nome	2299	HSS	\$3.00	NSOB	Multiple	*\$2.50
Fairbanks	2658	LAW	\$2.63	FROB	Multiple	\$2.39

*rate includes leasehold amortization over the firm term

**projected FY 15 rate.*

EVALUATION OF AN EXISTING SPACE

- Potential impact of USS is reviewed through a rigorous analysis and managed on a case-by-case basis.
- DOA works with affected agencies on a fiscal analysis that looks for a return on investment of adopting the USS. Analysis includes:
 - Mission of agency
 - Public interface
 - Employee needs
 - Parking
 - Current lease terms (rate, etc.)
- *If there is no return on investment, status quo or partial implementation will be determined*



EVERYTHING ADDS UP...

Anchorage Atwood appliance survey found:

Allowed in workspace:

Fan	345
Personal Lamp	223
Coffee Maker	155
Radio	107
Space Heaters (by approval)	81
Air Purifier	61
Humidifier	22
Crock Pot (in break room only)	7
Holiday Lights	7

Restricted from workspace:

Medium Dorm Refrigerator	78
Microwaves	67
Small Cube Refrigerator	55
Full Size Refrigerator	13
UV Light	10
Toasters	3
George Foreman Grill	2



This survey did not account for power strips, UPS, and extension cords observed under desks. Many appeared to be overloaded, adding to electrical costs and liability.

EXAMPLE – ATWOOD 4TH FLOOR

- Replaced 30+ year old outdated systems furniture, worn carpet and paint.
- The new space provided four conference rooms, two storage rooms, two employee telephone booths, and a spacious café.
- Employees enjoy new access to natural light and the fully equipped café.



Project Start date	May 2013	Completed	September 2013
Workstations Before	97 2 - private offices 95 - stations 1 - mainframe printer room 1 - small break room 1 - copy / print room 1 - large training room 1 - small training room	After	97 97 – Stations 1 – Café 2 – phone rooms 1 – mainframe printer room 1 – small conference room 1 – large conference room 2 – storage rooms 3 – small meeting rooms
Special area allowances	Mainframe printer room		
Private offices: Before	2	After	0
Appliance count: Before	75	After	8 in cafe
Project funding source	Primarily federal funds		

BEFORE/AFTER - ATWOOD 4TH FLOOR



Before New Standards

After New Standards



EXAMPLE – ATWOOD 18TH FLOOR

- Consolidated from a private lease and three floors to single floor in Atwood
- The new space provided two conference rooms, one file room, centralized mail room, and employee telephone booths
- Employees enjoy new access to natural light



Project Start date	May 2013	Completed	September 2013
Workstations Before 47 19 private offices 23 – stations 2 – large conference rooms 1 – secured file room 1 – secured entry 1 – large, break, copy, file room		After 52 8 – private offices 43 – stations 1 – Café 2 – phone rooms 1 – small conference room 1 – large conference room 1 – secured entry 1 – secured file room 1 – mail room 1 – storage rooms	
Special area allowances	Secure entry; forensic file room; general office file room		
Private offices: Before	15	After	5
Appliance count: Before	37	After	0
Project funding source	Agency funds		

BEFORE/AFTER - ATWOOD 18TH FLOOR



Before New Standards

After New Standards



EXAMPLE – JUNEAU SOB 7TH FLOOR

- 30+ year old outdated systems furniture, carpet and paint
- BEFORE there were 12 windows only available to 4 staff, AFTER all 24 windows available to all 31 staff members
- Improved front desk customer service area is more inviting



Project Start date	June 2013	End date	August 2013
Workstations Before	28 5 Private Offices 23 Cubicles 1 Lg Conf Room 1 small break room	After	31 1 Private Offices 30 Cubicles 1 Lg Conf Room 1 Sm Conf Room 1 small break room
Special area allowances	Private phone booth, neighborhood meeting areas		
Private offices: Before	5	After	1
Appliance count: Before	4	After	0
Project funding source	Agency funds		

BEFORE/AFTER – JUNEAU SOB 7TH FLOOR



Before New Standards

After New Standards



FUNDING

- Departmental operating funds
- Cost amortization within the monthly lease payment
- Savings realized in the reduction of leased space
- State line of credit at 3% over a 10 year term
- Major building renovation capital funding
- Federal funds (if applicable)

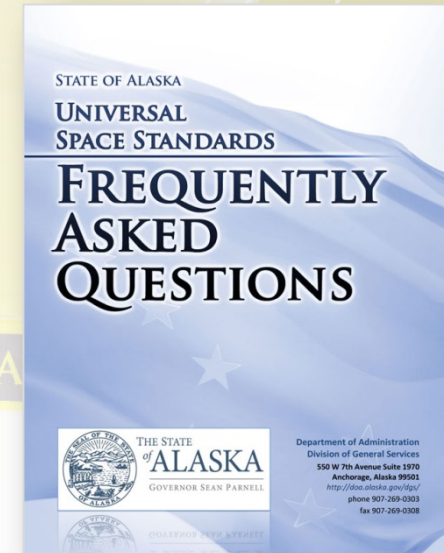


ADDITIONAL INFORMATION ONLINE

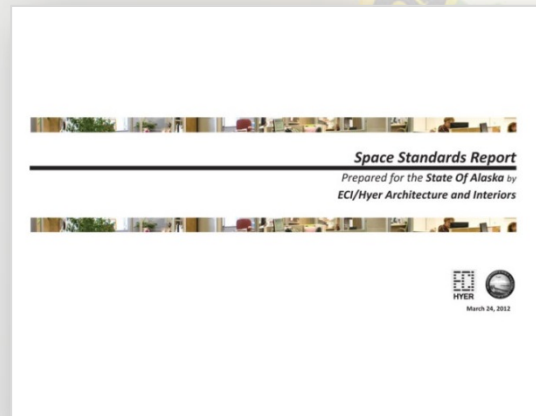
“Space Standards” page on www.doa.alaska.gov/dgs

**Space Standards
Quick Guide
(PDF)**

**Space
Standards
Manual (PDF)**



**Space Standards
FAQ (PDF)**



**Space
Standards
Analysis Report
(PDF)**

Thank you!

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Questions?

