



THE STATE  
*of* **ALASKA**  
GOVERNOR SEAN PARNELL

**Department of Administration**

BECKY HULTBERG, COMMISSIONER

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March 13, 2013

The Honorable Alan Austerman, Co-Chair  
House Finance Standing Committee  
Alaska State Capitol, Room 505  
Juneau, AK 99801

The Honorable Bill Stoltze, Co-Chair  
House Finance Standing Committee  
Alaska State Capitol, Room 515  
Juneau, AK 99801

Dear Representatives Austerman and Stoltze:

Thank you for the opportunity to meet with the House Finance Standing Committee on February 27, 2013 to present an overview of the State's labor contracts. The following are questions raised during the meeting and the response to those questions:

- Q1:** The Department of Administration testified earlier on the rising cost of health care. The graph on page 15 (attached) from the Understanding Labor Contracts presentation shows our obligation with respect to health care plans. Do these numbers roughly reflect a similar trend of health care costs from 2001 to 2012? (Rep. Kawasaki)
- A1:** Please see the PERS/TRS Health Cost Trends attachment which indicates that our retiree premiums have increased at a rate of 9% since 1978. In addition, please see the Alaska's Health-Care Bill: \$7.5 Billion and Climbing attachment, page 7, Figure 16 for Alaska and U.S. comparisons.
- Q2:** What is the cost difference between a 37.5 hour workweek and 40 hour workweek? (Rep. Munoz)
- A2:** If employees were to be compensated for an additional 2.5 hours per week it would represent a 6.25% increase.

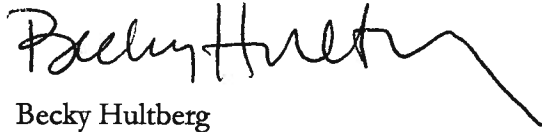
The Honorable Alan Austerman and Bill Stoltze

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I hope that all questions have been answered to your satisfaction. Please feel free to contact me if there are any additional items needing clarification.

Sincerely,

A handwritten signature in black ink, appearing to read "Becky Hultberg", with a long, sweeping horizontal line extending to the right.

Becky Hultberg  
Commissioner

cc: House Finance Standing Committee members

Attachments: 3