

# **ALASKA DEPARTMENT OF ADMINISTRATION UNDERSTANDING LABOR CONTRACTS**

**November 7, 2013**

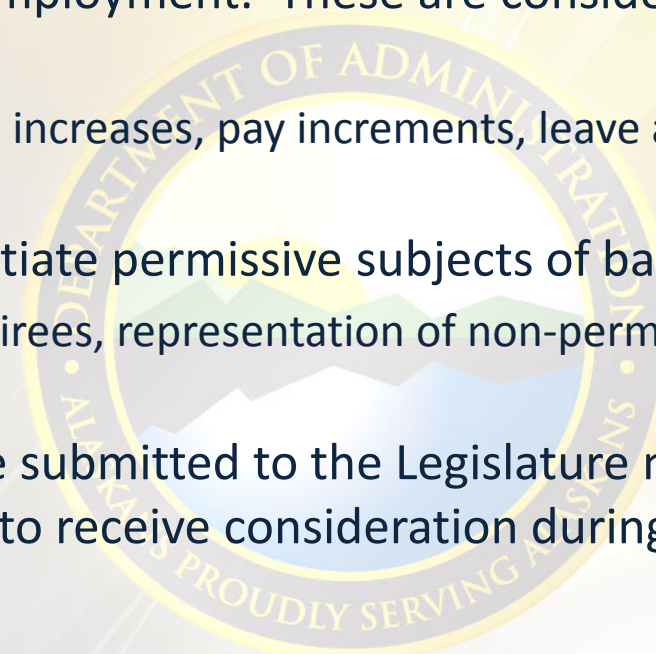
**Presentation to  
Senate Joint  
Committee**

**DOA Deputy Comm. Curtis Thayer  
DOPLR Deputy Director Kate Sheehan**



# 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 60<sup>th</sup> day of the legislative session to receive consideration during that calendar year (AS 23.40.215).



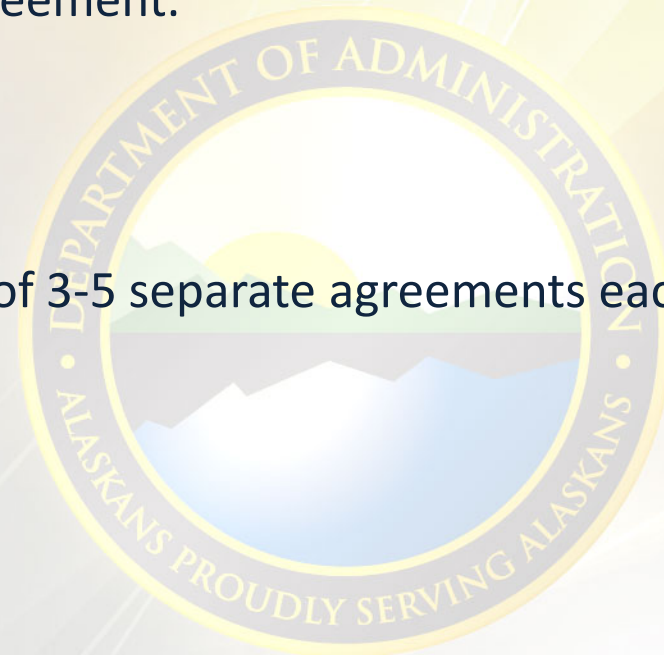


# BARGAINING 101

- 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**

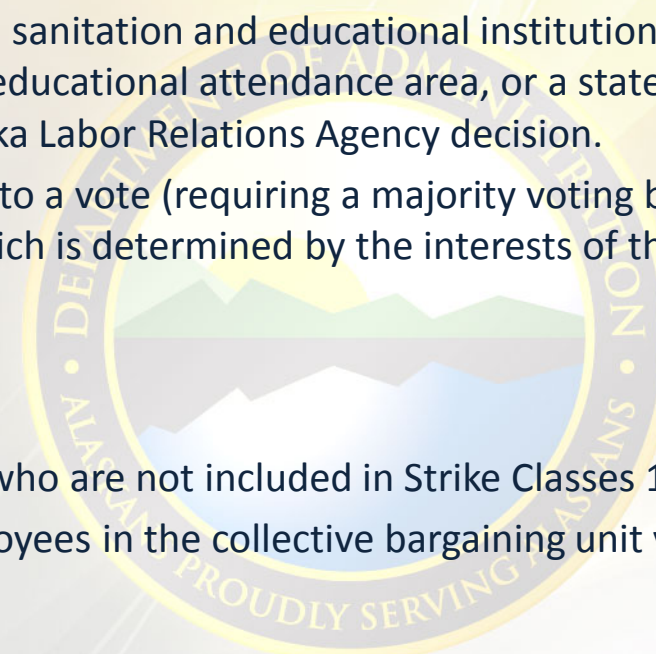
- This class is composed of police and fire protection employees, jail, prison and other correctional institution employees, and hospital employees.
- These employees may not strike.

## **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)

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

*SOURCE: Bargaining Unit Profiles, collected June 30, 2013*



# AVERAGE YEARLY BASE SALARY FOR FY 13

## Yearly Average Pay\*

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

Average employee benefits percentage is 49%

\* Includes geographic differential

AA – Troopers; AP – Airport, Police and Fire Officers

SOURCE: Bargaining Unit Profiles, collected June 30, 2013

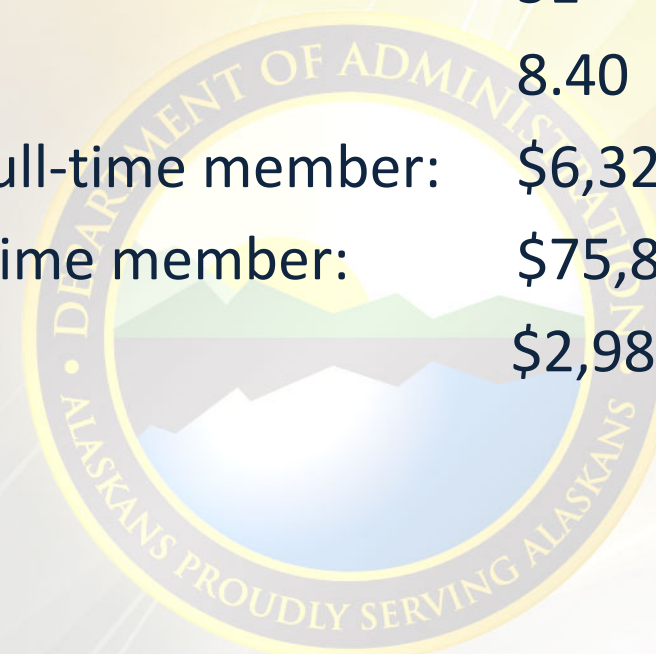
# CONTRACT NEGOTIATIONS NOW UNDERWAY

## Alaska Vocational Technical Teachers Assoc.

AVTECTA Bargaining Unit



Total Bargaining Unit Members	41
Average age of all members:	51
Average years of service:	8.40
Average monthly pay* for permanent full-time member:	\$6,323.02
Average yearly pay for permanent full-time member:	\$75,876.24
Total FY13 gross pay* for all members:	\$2,982,965.57



*\* Includes premium pays, excludes benefits*

# CONTRACT NEGOTIATIONS NOW UNDERWAY

## Inlandboatmen's Union of the Pacific

IBU Bargaining Unit



Total Bargaining Unit Members	669
Average age of all members:	47
Average years of service:	6.88
Average monthly pay* for permanent full-time member:	\$4,277.91
Average yearly pay for permanent full-time member:	\$51,334.92
Total FY13 gross pay* for all members:	\$33,837,149.17

*IBU – 10% reside out of state*

*\* Includes premium pays, excludes benefits*



# CONTRACT NEGOTIATIONS NOW UNDERWAY

## Marine Engineers' Beneficial Association

MEBA Bargaining Unit



Total Bargaining Unit Members	107
Average age of all members:	49
Average years of service:	6.31
Average monthly pay* for permanent full-time member:	\$6,102.39
Average yearly pay for permanent full-time member:	\$73,228.68
Total FY13 gross pay* for all members:	\$10,041,962.60

*MEBA – 38% reside out of state*

*\* Includes premium pays, excludes benefits*

# CONTRACT NEGOTIATIONS Now UNDERWAY

## Masters, Mates & Pilots

MMP Bargaining Unit



Total Bargaining Unit Members	98
Average age of all members:	44
Average years of service:	11.39
Average monthly pay* for permanent full-time member:	\$7,089.75
Average yearly pay for permanent full-time member:	\$85,077.00
Total FY13 gross pay* for all members:	\$11,173,285.69

*MMP – 19% reside out of state*

*\* Includes premium pays, excludes benefits*



# CONTRACT NEGOTIATIONS NOW UNDERWAY

## Public Safety Employees Association

PSEA Bargaining Unit

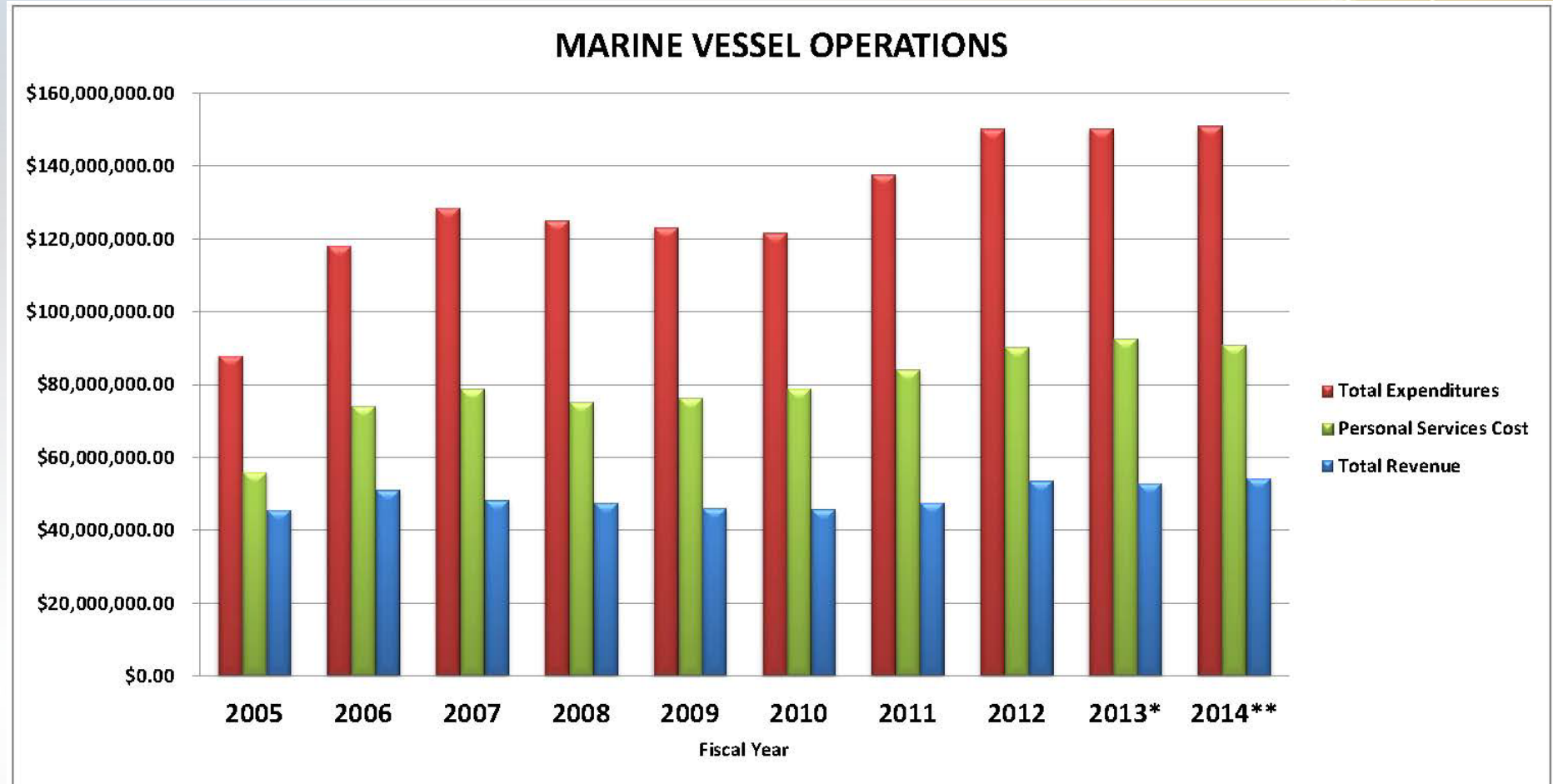


Total Bargaining Unit Members	<b>201 (AA), 78 (AP)</b>
Average age of all members:	<b>42 (AA), 37 (AP)</b>
Average years of service:	<b>9.62 (AA), 7.71 (AP)</b>
Avg. monthly pay* for permanent full-time member:	<b>\$7,052.70 (AA)</b> \$5,847.46 (AP)
Avg. yearly pay for permanent full-time member:	<b>\$84,632.40 (AA)</b> \$70,169.52 (AP)
Total FY13 gross pay* for all members:	<b>\$42,558,501.49 (AA)</b> \$6,072,823.60 (AP)

*\* Includes premium pays, excludes benefits*

**AA – Troopers;**  
AP – Airport, Police and Fire Officers

# EXPENSES VS. REVENUE EXAMPLE



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



# **MONETARY TERMS**

Examples of monetary terms found in State collective bargaining agreements

## **Cost of living differential (COLD)**

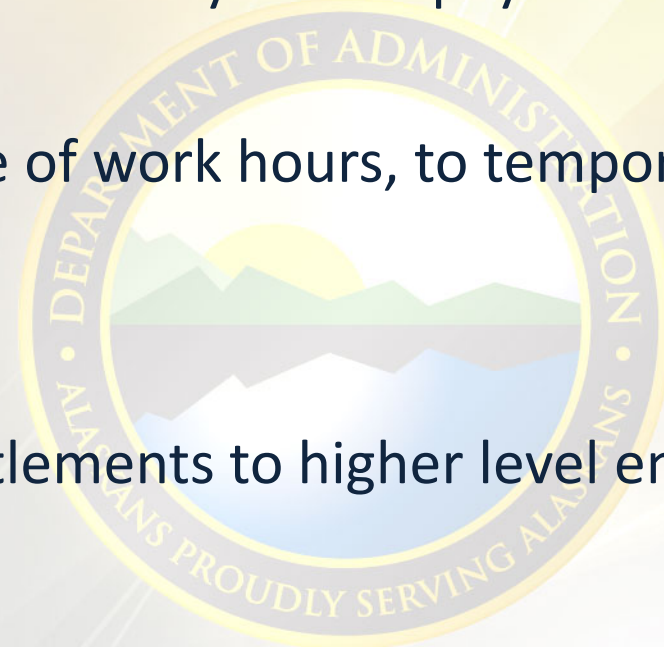
- Collective bargaining agreements, in accordance with AS 23.40.210, require a cost of living differential (COLD) for AMHS vessel employees residing in Alaska. Employees either receive a lump sum payment each pay period or it is built into their hourly rate of pay.

## **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 \$504,000
  - Cumulative total over 3 years would be \$1,671,500

## 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

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

\*\* does not reflect vacancy or turnover



# MONETARY TERMS

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

Year	CPI Increase	MMP/MEBA	IBU	GGU
2004	2.6%	7.0%	7.0%	0.0%
2005	3.1%	6.0%	6.0%	1.5%
2006	3.2%	6.0%	6.0%	2.0%
2007	2.2%	3.0%	0.0%	4.0%
2008	4.6%	\$2,381 Lump Sum	\$2,137 Lump Sum	3.0%
2009	1.2%	5.0%	5.0%	3.0%
2010	1.8%	4.0%	4.0%	1.0%
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%
<b>TOTAL</b>	<b>24%</b>	<b>31% + \$2,381</b>	<b>33% + \$2,137</b>	<b>19.5%</b>

# LEAVE ACCRUAL COMPARED

## Leave accrual (hours per calendar year)

Years of Service	IBU			MEBA		MMP <sup>(3)</sup>		ACOA
	Annual	Sick	A-days	Personal	A-days <sup>(2)</sup>	Annual	Sick	Personal
1-2	84	180	1460	188	2920	84	180	192.14
2-3	168	180	1824.8	250	2920	168	180	239.98
3-4	252	180	1824.8	318	2920	252	180	239.98
4-5	336 <sup>(1)</sup>	180	1824.8	390	2920	336	180	239.98
5-7	336	180	2190	468	2920	420	180	288.08
7-10	336	180	2555 <sup>(5)</sup>	551	2920	504	180	288.08
10+	336 <sup>(4)</sup>	180	2555 <sup>(5)</sup>	638	2920	504 <sup>(4)</sup>	180	336.18

<sup>(1)</sup> If hired before 2008 the accrual increases to 420 hours per year after 5 years of service.

<sup>(2)</sup> Engineers working on the *M/V Aurora* and the *M/V Tustumena* must have 5 years of service with AMHS to be eligible for A-days. Engineers working on the *M/V Kennicott* do not have to meet a threshold before receiving A-days.

<sup>(3)</sup> MMP members do not receive A-days. All members who have achieved seniority (12 months of service) receive \$57.86 bi-weekly in lieu of A-days.

<sup>(4)</sup> If hired before 1985 the accrual increases to 588 hours per year after 10 years of service.

<sup>(5)</sup> If hired before 1985 the accrual increases to one day of leave for one day of work after 9 years of service, this equates to 2920 hours.



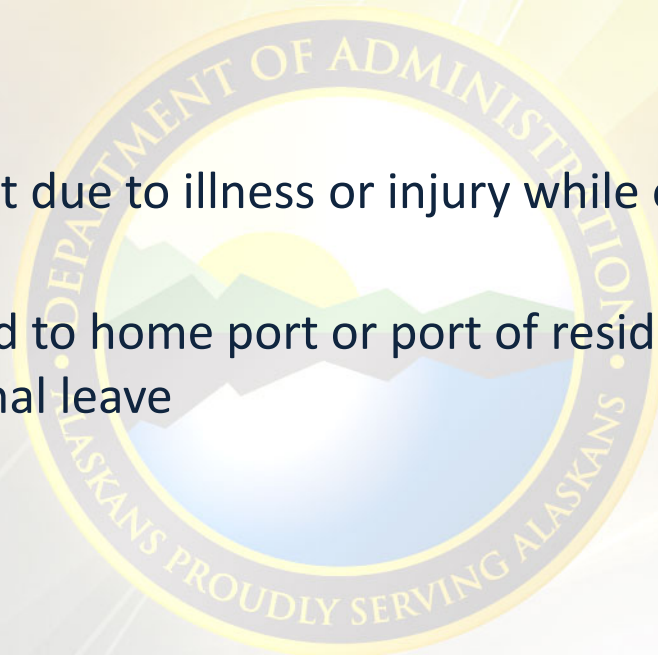
# EXPLAINING LEAVE ACCRUAL RATES

## A-Days

- Earned on vessels which have a one crew system (with one exception)
- Employees do not earn personal leave and do not have Regular Days Off
- Instead earn up to one day of leave for each day of work
- Use these A-days when not working
- Keeps them in pay status up to 365 days per year

## Unearned Wages

- Paid to employees who are considered unfit due to illness or injury while on the vessel
- Keeps employee in pay status until returned to home port or port of residence without the employee having to use personal leave



# 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*

# HEALTH INSURANCE FOR PUBLIC EMPLOYEES

## AlaskaCare

- **AVTECTA** – Alaska Vocational Technical Centers Teachers' Association (*41 members*)
- **IBU** – Inlandboatmen's Union of the Pacific (*669 members*)
- **MEBA** – Marine Engineers' Beneficial Association (*107 members*)

## Health Trusts

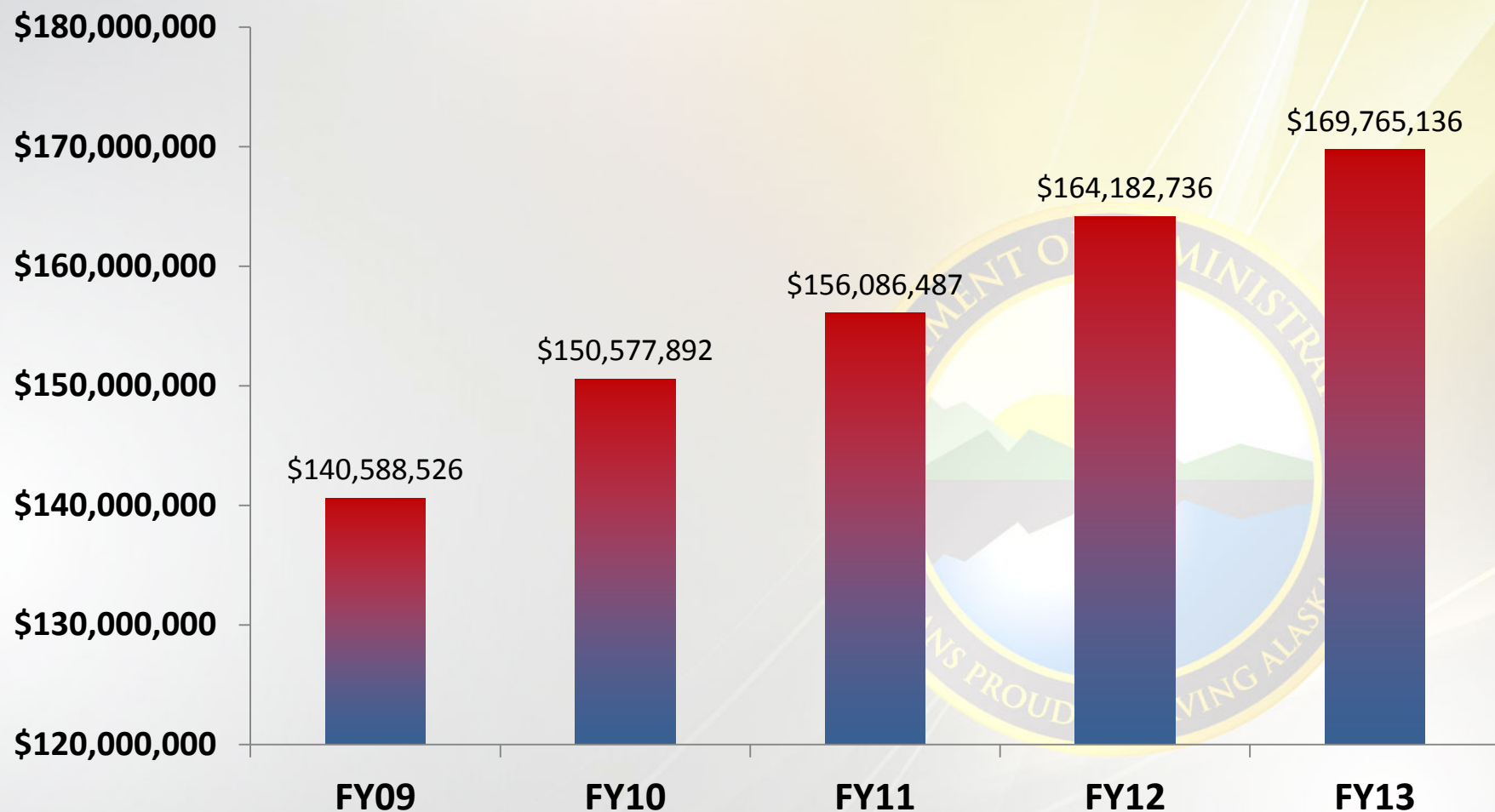
- **MMP** - Masters, Mates and Pilots (*98 members*)
- **PSEA** - Public Safety Employees Association (*279 members*)





# GROWING LEAVE LIABILITY

## Total Leave Liability



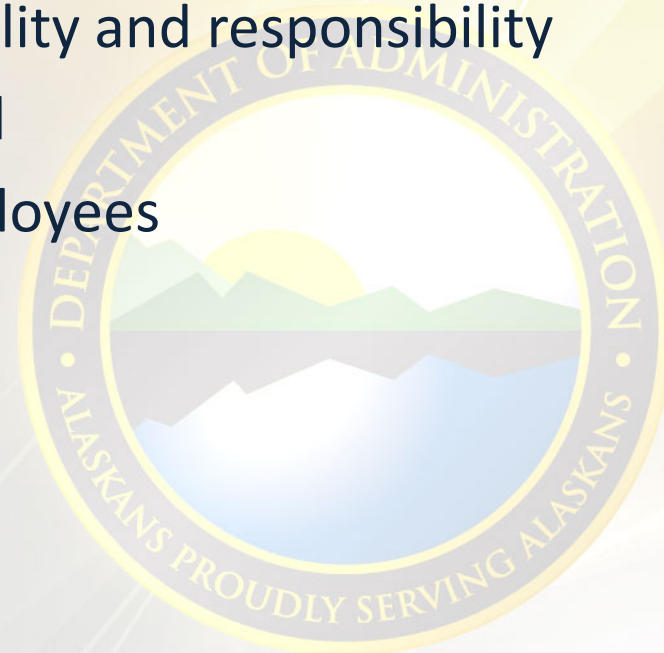
# LEAVE LIABILITY EXAMPLE - TOP TEN

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
<b>TOTAL</b>	<b>34,553.48</b>	<b>\$1,668,031.18</b>	

*\*Excludes Benefits*

## TRENDS IN BARGAINING WITH MARINE UNIONS (WASHINGTON STATE)

- Fiscally feasible agreements within fiscally restricted environment
- Limit the amount of overtime as percentage of straight time.  
Washington State ferries has a goal of 5% or less
- Removing Masters (Captain) from the union that represents other crew on the ferries to increase management presence on the ferry with a goal of increasing accountability and responsibility
- Reduced amount of travel time paid
- Align benefits with other State employees

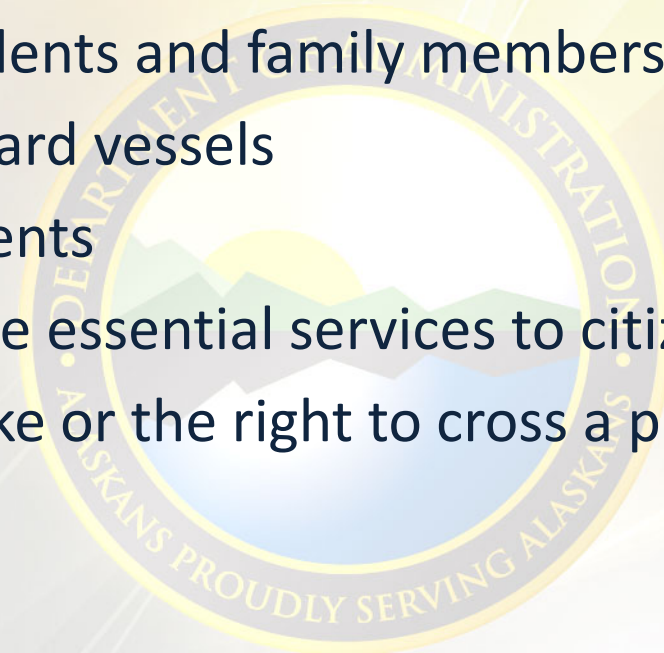




# BARGAINING PRIORITIES AND CONCERNS

## 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 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



## **ALASKA VOCATIONAL TECHNICAL CENTER TEACHERS' ASSOCIATION (AVTECTA)**

- Fiscally prudent cost of living increases
- Revise yearly step increases to be consistent with reducing the cost of longevity steps found in other agreements
- Obtain a voluntary, balanced agreement
- Review of leave benefits
- Re-define layoff language





## 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.

## NEXT STEPS

Each unit has a striking class...

- **PSEA** - Class One employees cannot strike so if impasse is reached, the parties must mediate and, if not successful at reaching an agreement, engage in binding interest arbitration
- **IBU, MEBA, MM&P and AVTECTA** - Class Two employees may strike for a limited amount of time based on health, safety or welfare of the public. If the strike is enjoined, the parties must engage in binding interest arbitration



The seal of the Department of Administration, State of Alaska, is a large, faint, circular emblem in the background. It features a central shield with a mountain range and a sun. The text "DEPARTMENT OF ADMINISTRATION" is arched across the top, and "ALASKANS PROUDLY SERVING ALASKANS" is arched across the bottom.

**Thank you!**

Visit [www.DOA.alaska.gov](http://www.DOA.alaska.gov)

for more information about our department.

**Questions?**