

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

March 2, 2004

3:33 p.m.

TAPE (S) 04-13&14

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator Bert Stedman
Senator Gretchen Guess
Senator Lyman Hoffman

MEMBERS ABSENT

Senator John Cowdery, Vice Chair

COMMITTEE CALENDAR

SENATE BILL NO. 255

"An Act relating to traffic preemption devices."

HEARD AND HELD

SENATE BILL NO. 352

"An Act amending the Public Employment Relations Act to exclude from collective bargaining individuals who perform confidential or managerial duties for a public employer and relating to those exclusions; and providing for an effective date."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 255

SHORT TITLE: ILLEGAL USE TRAFFIC PREEMPTION DEVICE

SPONSOR(S): SENATOR(S) THERRIAULT

01/12/04	(S)	PREFILE RELEASED 1/9/04
01/12/04	(S)	READ THE FIRST TIME - REFERRALS
01/12/04	(S)	STA, JUD, FIN
02/12/04	(S)	STA AT 3:30 PM BELTZ 211
02/12/04	(S)	Heard & Held
02/12/04	(S)	MINUTE(STA)
03/02/04	(S)	STA AT 3:30 PM BELTZ 211

BILL: SB 352

SHORT TITLE: MANAGERS NOT EMPLOYEES UNDER P.E.R.A.

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/23/04 (S) READ THE FIRST TIME - REFERRALS
02/23/04 (S) STA
02/24/04 (S) STA AT 3:30 PM BELTZ 211
02/24/04 (S) Heard & Held
02/24/04 (S) MINUTE(STA)
03/02/04 (S) STA AT 3:30 PM BELTZ 211

WITNESS REGISTER

Kevin Jardell
Deputy Commissioner
Department of Administration
PO Box 110200
Juneau, AK 99811-0200

POSITION STATEMENT: Spoke to SB 352 for the administration

Art Chance
Director, Division of Labor Relations
Department of Administration
PO Box 110200
Juneau, AK 99811-0200

POSITION STATEMENT: Answered questions on SB 352

Hal Geiger
Juneau, AK 99801

POSITION STATEMENT: Opposed to SB 352

Bob Murphy
Kodiak, AK 99615

POSITION STATEMENT: Opposed to SB 352

M. L. Loudermilk
Anchorage Council of Education
Anchorage, AK 99501

POSITION STATEMENT: Opposed to SB 352

Kaye Saxon
Wasilla, AK 99687

POSITION STATEMENT: Opposed to SB 352

Jim Fiorenzi
Fairbanks, AK 99701

POSITION STATEMENT: Opposed to SB 352

Bruce Ludwig
APEA/AFT

211 4th Street Suite 306
Juneau, AK 99801
POSITION STATEMENT: Opposed to SB 352

Nick Sagalkin
Kodiak, AK 99615
POSITION STATEMENT: Opposed to SB 352

Jan DeYoung
Department of Law
Anchorage, AK 99501
POSITION STATEMENT: Available for questions on SB 352

Ole Larson
Palmer, AK 99645
POSITION STATEMENT: Opposed to SB 352

Cris Tigner
APEA
Fairbanks, AK 99701
POSITION STATEMENT: Opposed to SB 352

Kim Peterson
Juneau, AK 99801
POSITION STATEMENT: Opposed to SB 352

Steve Schrof
Kodiak, AK 99615
POSITION STATEMENT: Opposed to SB 352

Ron Cowan
Anchorage, AK 99501
POSITION STATEMENT: Opposed to SB 352

Mike Harbaugh
Palmer, AK 99645
POSITION STATEMENT: Opposed to SB 352

Tim Viavant
Fairbanks, AK 99701
POSITION STATEMENT: Opposed to SB 352

Sam Trivette
Juneau, AK 99801
POSITION STATEMENT: Opposed to SB 352

Switgard Duesterhoh

Kodiak, AK 99615
POSITION STATEMENT: Opposed to SB 352

Duane Moran
Anchorage Council of Education
Anchorage, AK 99501
POSITION STATEMENT: Opposed to SB 352

Fred Yates
Juneau, AK 99801
POSITION STATEMENT: Opposed to SB 352

Kevin Clark
Kodiak, AK 99615
POSITION STATEMENT: Opposed to SB 352

Jim Sampson
Alaska AFL/CIO
Anchorage, AK 99501
POSITION STATEMENT: Opposed to SB 352

Victor Winters
Juneau, AK 99801
POSITION STATEMENT: Opposed to SB 352

Kevin Brennan
Kodiak, AK 99615
POSITION STATEMENT: Opposed to SB 352

Jerry Guay
Anchorage, AK 99501
POSITION STATEMENT: Opposed to SB 352

Mari Meiners
APEA
Juneau, AK 99801
POSITION STATEMENT: Opposed to SB 352

Don Etheridge
AFL/CIO
710 W. 9th
Juneau, AK 99801
POSITION STATEMENT: Opposed to SB 352

Albert Judson
Juneau, AK 99801
POSITION STATEMENT: Opposed to SB 352

Frank Zmuda
Juneau, AK 99801
POSITION STATEMENT: Opposed to SB 352

ACTION NARRATIVE

TAPE 04-13, SIDE A

CHAIR GARY STEVENS called the Senate State Affairs Standing Committee meeting to order at 3:33 p.m. Present were Senators Stedman, Guess and Chair Gary Stevens. Senator Hoffman arrived five minutes later.

SB 255-ILLEGAL USE TRAFFIC PREEMPTION DEVICE

CHAIR GARY STEVENS announced that SB 255 was the first item on the agenda and noted that there were some problems associated with the bill so he would hold it until later.

SB 352-MANAGERS NOT EMPLOYEES UNDER P.E.R.A.

CHAIR GARY STEVENS announced SB 352 to be up for consideration. He asked Mr. Jardell to continue his presentation that he started at the last hearing.

KEVIN JARDELL, assistant commissioner, Department of Administration, noted that at the previous hearing he outlined why that the administration chose this path and why they believe it is important to follow through at this time.

He noted that when the administration first came into office, they had a lot on their plate in terms of agenda items and policies that Alaskans wanted implemented. We've been doing that, he said, and "after we've gone through the low-hanging fruit" and moved some of the more pressing items along, they found that there is a lack of middle management positions that the administration can rely on "to get down to the nuts and bolts of the bureaucracy and really look at how we can do things better, how we can look at things more efficiently and how we can change the way state government is run."

That, he said is why they have chosen to make these changes. They are looking for ways to better manage the people's money and provide services when you must do more with less money. "When we're talking about new revenues and we're going to the

people and approaching them with these new ideas, I think we constantly hear them tell us to manage what you have."

This change affects the managerial and the confidential classes of employees. Taking the federal definition of confidential class employees, he described them as having a direct connection with labor-relations matters because they are the employees that the state hires to represent it in labor union dealings. For these same employees to be members of a union while they are dealing with the union on behalf of the state is illogical and a direct conflict. This conflict can't be resolved, he asserted, without excluding them from bargaining.

Although some have argued that confidential employees could be segregated so that they bargain in a separate unit, he said this doesn't work because it doesn't really segregate them. He noted that this year nine of the units have joined together in a coalition. That means that not a single employee in the division of labor relations can work on negotiations over wages and benefits. "They can't work on language, they can't work on proposals, they can't do analysis, they can't sit at the table." Because of this conflict the director has to do the work and although he or she is certainly capable of doing that, they weren't hired to do it and it takes them away from the job they were hired to do. He pointed out that this difficulty has surfaced in past administrations and it's time to do something about it.

Managerial employees compose the other class under review. While they are in the supervisory unit, they are managerial employees rather than supervisory employees. Using the federal definition of managerial employees, which has between 50 and 60 years of precedent, there is a well-defined body of law on how to apply the standards. The line of policy that they want to adopt is that, "If you are involved in the formulation, then you should be management. If you are carrying out policy, then you should be labor." Certainly, he said, the administration supports the ability and right for labor to collectively bargain. However, the distinction between labor and management currently falls at the commissioner level and that is not appropriate.

The line of distinction should be drawn at the policy level, which is exactly what SB 352 does. Removing both the confidential and the managerial classes of employees from collective bargaining and including them in management draws a logical line and allow those employees to be utilized to

implement the policies the administration was elected to implement.

He insisted the debate is an honest one and he rejected the idea that this is cronyism as some have charged. In fact, "We approached the union that would be most affected by this. We gave them a heads-up - we offered to negotiate with them - we discussed this with them and in fact we made changes because of those discussions. But this is an honest debate as to where the line between management and labor should be drawn and we think that's where the appropriate emphasis should be in the debate."

He noted that a number of state employees were present and waiting to speak. Certainly, he said, the administration supports their right to testify and speak up on where they believe the line should be drawn and how this bill might affect them. "But that's the debate that we should be having and that's the debate we hope to have."

Contending that the current system provides more ability for cronyism, he pointed out that now the only way to deal with this situation is to hire additional partially exempt or exempt people. Although that doesn't entirely fix the problem because they still have the right to bargain, most of them don't bargain. These are political appointees though and with that you have termination without cause and no merit in hire or promotion to speak of. "What we're doing here is creating this management in the classified service. We're not removing them to be political appointees. They will have constitutional protections," he assured.

ASSISTANT COMMISSIONER JARDELL noted that this proposal places management in the classified service. They aren't going to be political appointees; they will have the constitutional protection of a merit system. In fact, he said, the employees of the Alaska Labor Relations Agency (ALRA) are classified but excluded because it didn't make sense for employees that are judging conflicts between state management and unions to have the same type of conflict of interest that this legislation addresses. "To have those members be in a union - I think we would all agree and I think that's why it was set up - would be a conflict. That conflict exists today in our labor relations staff and our upper level human resource people."

The Murkowski Administration, he insisted, has no desire to create more political appointees. Rather, they want to take in the employees who are paid to represent the people of the state

of Alaska and remove their conflict of interest, which results from belonging to the union that is representing the interests of its members. "What we want to do is bring in the management team that we are currently paying higher ranges to because of the authority - because of their formulation of policy - we want to bring them into the management team so that we can rely on their expertise so that they can be a bigger part of moving this state forward and implementing the policies that the people put us here to do."

Although he sympathized with the people who have jobs that are being reclassified, he emphasized that this is appropriate public policy. "But in the future, from now on, if a person wants to stay represented they can. They don't have to choose to move up into management."

He noted that at the previous hearing, 28 state employees signed up to testify. Of those 28, just two were identified as managerial employees. He clarified that is from their perspective, which isn't necessarily the same as ALRA's perspective. The identified positions include the person in charge of the McLaughlin Youth Center and the superintendent of Mat-Su Pretrial. They are management, but they really aren't, they're labor and that conflict exists. For example:

When we walk in and we ask to look at the finances of... corrections. We have a superintendent of an institution. Underneath that superintendent you have an administrative manager who kind of does the daily administration activities - keeps up with the budget, keeps up with the finance and accounting. Then you have the admin-service director in the commissioner's office down here in Juneau. The director of administrative services for corrections - if they want to get information on the finances of the institution they don't have a management person to go to. They contact the administrative manager and the superintendent of the institution. The administrative manager can't give them the information - because they work for the superintendent - without going through the superintendent. So, you have an administrative services director that can't get critical information on the finances of an institution without a representative person making the decision on whether to give it to him or what to give to him.

Are they giving misinformation? I have no reason to believe they are and I'm not making that accusation. What I'm saying is there ought to be a member of management in that institution that you can contact and you can say, 'How do we implement a policy to cut back on overtime? How do we implement a policy to run our institutions for less.'

SENATOR LYMAN HOFMAN interjected to ask a question related to corrections and middle management saying he was informed that middle management positions are being eliminated in the Yukon Kuskokwim Correctional Center in particular. Furthermore, he noted that over the last seven years when government underwent streamlining and over \$250 thousand was cut from the operating budget, the targeted area was middle management. These positions, he said, are the low hanging fruit referred to earlier. He observed that the administration isn't recommending eliminating middle management in any other place.

ASSISTANT COMMISSIONER JARDELL cautioned "that you want to be careful when you use middle management in the managerial definition." That, he said, is particularly true with corrections. He elaborated:

In our review it would be the superintendent - the warden if you will - of the institution that we would say is management and I think that is commonsensical - that the person in charge of the institution should represent management's interest in running it in policy and formulation of those policies and implementation of those policies. When you talk about what we've been doing to cut costs and cut middle management I think what you're referring to - and I'm not an expert on corrections reorganizations - but what I believe you're referring to is some upper supervisory personnel and whatnot where they're trying to remove the heavy supervisor org-chart and move it down to less supervisors and more front-line personnel. But, I'm not well versed in what they're doing in the Y K area and I apologize for that, but it's just an example of the org-charts and the individuals that run the institution. That's the managerial employee, not - and I don't know of any superintendents that we've presumed to eliminate.

SENATOR HOFFMAN noted that the assistant commissioner used correctional institutions as an example at the last hearing and

he took issue with the administration's assumptions. Furthermore, "by your example, what you're trying to accomplish isn't going to get accomplished." Once the superintendent of the facility in Bethel leaves, who's going to make those decisions? Someone from Anchorage, Fairbanks, or Juneau would have to fly in, which would take him or her away from the work they were hired to do.

ASSISTANT COMMISSIONER JARDELL acknowledged that is an excellent point on corrections specifically, but that is a somewhat unique circumstance. He clarified that at the previous meeting he was referring to the divisions that have a second person such as a deputy director. If they were brought into management, they could continue to represent management if the director was gone. But in the instance of corrections, the director of institutions, who is a political appointee, is over the superintendents so there wouldn't be a second person at each institution. It's not a difficult concept though, to have the warden that is running the institution be a part of management.

CHAIR GARY STEVENS acknowledged that all the members had questions, but he wanted the assistant commissioner to complete his presentation.

ASSISTANT COMMISSIONER JARDELL said he had just two more points. First, he said he misspoke at the previous hearing, but it plays directly into what they are trying to change. He clarified that there is one more political appointee in the Division of Retirement and Benefits than he said there was. A special-project exempt person was hired to look at reorganizing the division because no one in the division could do that job. "The person that ought to be helping us do the reorganization, bring them into management and let them help us do these policies," he said.

The last point he emphasized is that this is mainstream rather than extreme. He noted that supporting documentation in the packets show that most states agree with this approach. These are mainstream concepts of organizational structure because they make sense.

SENATOR GRETCHEN GUESS referred to the example given relating to the corrections finance employee and asked for clarification of his assertion that you can't get information from an employee because they have chosen to be represented. She suggested that is not logical because it's one professional asking another professional for information.

ASSISTANT COMMISSIONER JARDELL conceded that he could have found a better word than can't. Nonetheless, his point is that the organizational chart suggests that there is a missing link for the director in Juneau to have access to the financial information at an institution because there is no management person at the institution to relay the requested information on a policy oriented level to the commissioner's office in Juneau.

SENATOR GUESS commented it's either a capital issue or an information technology (IT) issue because any director of administrative services should be able to pull up data through an appropriate IT system. She suggested that there isn't a need to change the law simply because information isn't flowing from one place to another.

CHAIR GARY STEVENS asked whether he knew how many people would be affected in the two classes.

ASSISTANT COMMISSIONER JARDELL said they have tried to come up with an accurate estimate and believe there might be 450 people affected in the managerial definition. He opined that number would shrink after analyses are done on position descriptions compared with what the employee is actually doing. If they're not doing policy work, they shouldn't be management.

There are approximately 60 people in the confidential unit, which includes those people with the direct nexus with representing the state in labor-relations matters, he said.

CHAIR GARY STEVENS noted that he has received hundreds of emails from concerned people, 35 people signed up to testify last hearing and 40 people were signed up today. If just two of the 35 who signed up last time are really management, then there is a lot of misunderstanding and that is a large part of the problem. To that end, he asked Mr. Jardell whether he sent a letter of explanation to state workers.

ASSISTANT COMMISSIONER JARDELL said Commissioner Mike Miller sent a letter to all state employees last Friday and they hope that was a better explanation. He added:

And deliberately so we did not include supervisory personnel - supervisory personnel dealing with personnel issues - hiring, firing, transferring, promoting, looking at subordinates work. Carrying out policy is not included. Only those few very upper

level people who are actually formulating policy, and that's the crux, and most of the people who have concerns and fears - and I certainly have some sympathy for them - will not be affected. As we said earlier, out of the 28 people that we looked at, only two would be absolutely managers...

MR. CHANCE interjected that three other positions deserved a second look because the "org charts don't tell you everything and the PDs don't tell you everything...but three only warranted a look."

ASSISTANT COMMISSIONER JARDELL added that he understands that change is disconcerting, but opined that most of the concerns wouldn't prove to be legitimate because state workers are protected by the constitution and the statutes.

SENATOR GUESS asked what process he used to make the rough-cut estimate on how many positions would be affected and noted that they are all fairly high ranges.

ART CHANCE, director, Division of Labor Relations, replied, "Range and anecdote; range doesn't always tell you everything."

CHAIR GARY STEVENS asked if any of the employees that are moved out of collective bargaining would have the opportunity to move back into a protected, union job. His concern stemmed from the fact that these individuals made a choice based on certain conditions and those conditions may change.

MR. CHANCE said that would have to be negotiated with the unions but it isn't uncommon for union contracts to have some provision by which supervisors or managers can retain seniority in the bargaining unit for some period of time. He continued,

It's been a vexatious problem under our system even as it currently exists when people leave the general government or the labor trades and craft unit to become supervisors how they get back. They have some merit system rights but there's been quite a bit of litigation about it. But, we could negotiate a means by which people could opt back in. Employees can always voluntarily demote and there are provisions in both rules and contracts for that. It's very common to preserve seniority when someone leaves a bargaining unit job to accept a supervisory manager job.

ASSISTANT COMMISSIONER JARDELL made the point that,

Currently under the Personnel Act, we probably have the authority to move these people into partially exempt. We have to go to [the] Personnel Board to make the case, but there is a definition that allows for partially exempt status that is very similar to the definition for management employee so we could probably do this ... but we just don't think that's the right thing to do for public policy. We don't think it's the right thing for long-term state's interests; and so although I do understand the transition time with the points you're making, we think the public policy behind it far outweighs the benefits to the state and the people.

SENATOR HOFFMAN noted that the fiscal note shows no significant fiscal impact, but 450 managerial and 60 confidential employees might be affected. Continuing in that vein, he said:

Then we go to an area where we're talking about the individuals who would have a significantly higher rate of pay under the union contract. Geographical differential pay - it seems as though they would be higher and I'm just using your numbers now. Say we have COLA in Chugiak of 15 percent, Fairbanks of 3.5 percent, Bethel 38 percent. Higher pay that you would have to pay these individuals because they're - the non-unions are set in statute. Nome is 33.75, Valdez 18 percent so these are substantial percentages. So if I even take one of the lowest percentages and say - and all of these people that are in managerial positions are at the high spectrum - say \$80,000 - and don't even use 38 percent, which is Bethel's - don't even use 33 percent, which in Nome's - not even Valdez's at 8 percent, not even Fairbanks at 15 percent. Let's say 5 percent. So you take 5 percent of \$80,000, that's \$4,000 per individual times 400 people. That's \$1.6 million and that's at the low end of 5 percent for geographic pay differential. And if we went to 10 percent, you're talking in excess of \$3 million. Even though you say that's the high end, even if that was reduced, we're talking, from my standpoint being on the Finance Committee for over ten years - I would say that has significant financial impact to the state. So I'm wondering if this fiscal note that we

have that affects all departments, as you're saying, is actually true.... Can you respond to that?

ASSISTANT COMMISSIONER JARDELL said he did evaluate the numbers and researched how personnel costs are treated in these situations. The answer he received is,

We treat these just as we do all personnel costs. If we transfer a position from Juneau to Nome, we don't go in for an increment; we don't go in for an appropriation. These are like steps. If we have step increases coming up we don't go into the Legislature and say, 'We need an increase for those step increases.' They are personnel costs, and they're based on the individuals and the ranges and so the differences between the geo-diffs and some of the union contracts do have geo-diffs - they may be different so it may not be as bad as what you're talking about, but the way we treat personnel costs and the appropriations in the Finance Committee is that you treat them by the range and by the individual - and by the individual employee. We do not go in for specific appropriations because of moving a group of people from Anchorage to Mat-Su or bringing in - we're going to shut down an office in ... Fairbanks and we're going to move those down and we're going to consolidate them in Anchorage. We don't come in and provide a decrement because there's a 14 percent less or 13 percent less geo-diff. We just don't do it that way. The personnel costs, under the theory, begin to be a wash with people rotating in and out and steps changing back and forth and so we think the correct way to approach this is the same way we approach personnel costs - that the personnel costs will be the same range, approximately the same step and we wouldn't go in for an appropriation for a geo-diff or anything like that.

SENATOR HOFFMAN said he would agree with that analysis if just one or two people were involved because the dollar amount wouldn't be that significant. However, "When we're talking about 500 people at the upper end and we're talking about if we use the high average of the high end of say 20 percent, you're talking \$6 million and that's significant." He continued to say that, "You're the one that said we need to have a debate that's honest and forthright and to me, this fiscal note does not reflect - come near to reflecting what it may potentially cost

the state and that, I guess, is where I have a problem in that this does not accurately reflect what the potential outcome of this legislation would impact the state fiscally if it were implemented."

ASSISTANT COMMISSIONER JARDELL said he respected that opinion, but believes that they are in line with the way they handle personnel costs. Furthermore,

I think it is somewhat insignificant when we look at it division by division by division level and whether we're going to come in for an increment at each division level for these personnel costs - that's not how we budget, that's not how we go forward to the Finance Committee, that's not how we propose budgets - and so we are in line with the way we handle these matters. We would not be asking for an appropriation to handle this. The personnel costs would be absorbed in the way we fund personnel - by range and the number of employees.

SENATOR GUESS said she too had questions on the fiscal note. She noted that the appeals process is different because one goes to arbitration and the other is legal so it is interesting that the Department of Law submitted no fiscal note. She asked the assistant commissioner if he was saying that dispute resolution would cost the same in both systems.

ASSISTANT COMMISSIONER JARDELL replied,

We do not think there that there will be an increase in costs that amount to a need of an appropriation. We don't think that there is something that we would even ask for. The Personnel Board is a three person board - that's where we'd go to. They meet routinely, we have a meeting coming up, we call them in for different things - if an individual had an issue to take to the Personnel Board they would go to a meeting, they would present that case and it would be dealt with. We don't anticipate that it would increase costs. And some of that is based on our discussions with labor relations and this level of employee.

TAPE 04-13, SIDE B

4:30 pm

Most of these individuals have been in this system for a long time. They don't have a lot of grievances; they don't have a lot of issues that we would foresee coming forward. Our experience doesn't lead us to believe there would be an increased cost in Personnel Board system.

SENATOR GUESS asked if he expects a decrease in funding.

ASSISTANT COMMISSIONER JARDELL said, "Not at this time, no I would not."

SENATOR GUESS asked about the comment regarding voluntary demotion and asked what would happen to the pay for those individuals that stay in the bargaining unit in the short run and the long run.

ASSISTANT COMMISSIONER JARDELL said that is a product of classification and doing studies and research. "What we have to do is pay equal pay for like work and so until we go through and do those studies and do the analysis, I can't give you an answer on that. But the people with the same type of level authority the same type of level of work - you would have an expectation to pay them similarly or the same."

SENATOR GUESS reasoned that anytime an employee moves from being represented to being non-represented, the employee takes more risk and that risk must be compensated through increased wages. "That's labor econ 101," she suggested.

She understood the answer that there wouldn't be a cost in the short run, but she questioned whether the new manager employees wouldn't have to be paid more, which would result in a cost in the long run.

ASSISTANT COMMISSIONER JARDELL said he didn't know that to be true and suggested that the employees are already paid for management level work. "What we're trying to delineate is if you are earning more wages because you are part of management, then you should be a full part of management. You shouldn't have that conflict where we're going to pay you to help formulate the policy, but we can't utilize you in all of our policy discussions. We can't utilize you in all of our meetings.... If we find that similar situated people need to be paid more, and adjust that, we will. I don't think we'll have a problem in finding people who are willing to take this work in the

classified but excluded range...I don't think there's a basis for thinking that there is going to be an increased cost here."

CHAIR GARY STEVENS asked whether there were any further questions before he opened public testimony.

SENATOR HOFFMAN said he had several questions.

SENATOR GUESS added she had several as well, but she was concerned about the time.

CHAIR GARY STEVENS assured members, "We will take all the time we need to get the answers that you wish answers to." He continued to say that he would like to move on to public testimony right then however, because the hour was getting late.

He asked the assistant commissioner to stay in the room to be available to respond to questions or statements and clarify any misunderstandings. To those waiting to testify, he asked everyone to limit their comments to no more than two minutes each.

HAL GEIGER spoke as a private citizen who works for the state. He said he has been eligible for retirement for some time so the bill wouldn't affect him. However, he was concerned about the institution of the Alaska Department of Fish and Game. He elaborated:

I think if you go back and look at some of the history that led up to statehood, fisheries issues were a very big part of statehood considerations. And if you go back and look at some of the editorials in the Fairbanks papers and just a whole lot of things that were written in the 50s, you'll see that political interference in fisheries management and a very politicized fisheries management was a major, major issue leading up to statehood.

At the time of statehood, the total commercial catch was about 25 million fish and I think a lot of people in the state of Alaska felt like the fisheries had been very depleted by over harvest and just ineffective management. By 1995 we had captured over 217 million fish. That is a level of harvest that was absolutely unimaginable in the early 60s and 70s. Last year the commercial harvest was about 174 million fish.

At the time of statehood, I think a lot of people wanted a politically independent fishery management system and to a large extent, we got that. We have the Board of Fisheries, the Board of Game, which is an explicitly political body and that is where political decisions need to be made. And I think if you go look at how some of the other states in this unit are run, that's really separates Alaska from a lot of the other states. That we explicitly take care of the political job there and then we have a corps of professional managers that are to carry out that policy.

CHAIR GARY STEVENS told Mr. Geiger that he understood that this is a difficult issue, but to please sum up quickly because he had passed the time threshold.

MR. GEIGER concluded saying that management of the fisheries would be impossible without some level of independence from the political process.

CHAIR GARY STEVENS apologized for having to rush people through their testimony, but he wanted to give everyone a chance to speak.

BOB MURPHY testified from the Kodiak LIO to oppose SB 352. He said he was representing himself, but he has worked for the ADF&G since 1986. He said, "I manage a large scale commercial salmon fishery based on regulations approved by Alaska Board of Fisheries and sound biological principles that always put the resources first and foremost. My concern of this bill is that superior staff with a political agenda will influence the decisions that are made involving managing resources."

ASSISTANT COMMISSIONER JARDELL responded saying that there is a philosophical difference and Mr. Murphy's job probably wouldn't be affected, but:

On the greater scheme of things, the fear of this monster of political influence - the governor was elected by the people to implement policies... and the idea that somehow union protection is going to somehow keep this boogieman of political influence - the political influence isn't bad - these are policies that the people have asked us to do - and implement - not illegal things, not inappropriate things, but different changes in direction. It's just a different

philosophy as to whether or not you look at people and say with union protection we can perhaps distance ourselves and not implement the policies of the elected governor. Well that is something we want to change if that's happening. We do want to implement the policies of elected officials and if somehow belonging to an organization that's looking after its members goals precludes us from doing that then that's a good change.

M. L. LOUDERMILK, president of the Anchorage Council of Education, said he was confused because he was hearing something different than he was reading in the bill. In fact he said, "I believe the bill is kind of a recipe for confusion and inefficiency."

Although he is hearing that only a few high-level employees will be affected, he interprets the bill to say that any public employer may exclude hundreds of positions. He was concerned that the definition of manager is vague enough that it could allow political agendas to control program managers in workplaces where Alaska and Personnel Board bills don't apply.

KAYE SAXON from Mat-Su testified that she is a state employee who is unlikely to be impacted, but she is concerned about the state adding costs to the budget and about political politics infiltrating important programs and services. She contended that other employees would be affected because of the instability that will result with political appointments at the mid-management level.

JIM FIORENZI testified from the Fairbanks LIO to say that he has worked for DOT/PF since 1982 so he has had the opportunity to work under various administrations and has worked for a partially exempt political appointee for most of his career.

He didn't believe the proposed legislation would impact him one way or the other, but he did want to comment on what he perceives to be a serious problem with the existing state personnel bargaining unit and system of classification and how the proposed legislation might aggravate the situation.

He described the glass ceiling concept and told members that the same problem is associated with the state personnel system. He explained that he is a member of what is referred to as a supervisory bargaining unit, which probably means that the members are in the managerial category. He made the point that

the difference in salary between the supervisory bargaining unit and others with like ranges is just 3.75 percent which isn't enough when the myriad of additional responsibilities are considered. He said, "I'm convinced that should this legislation pass, that all that will be accomplished is the strengthening of the glass ceiling in which case, the state's ability to attract or promote the best, brightest most experienced and knowledgeable will effectively cease to exist."

BRUCE LUDWIG testified from Juneau and said he is the business manager of the Alaska Public Employees Association and they represent both the supervisors and the confidential employees. He commented, "I guess you could call us low hanging fruit."

The concept of creating a managerial class of employees isn't new he said.

It's been around since the Public Employee Relations Act was passed and the agency did, in fact, establish something called the non-covering group. It was three or four of the higher people in personnel management. In the late 70s, the labor-relations staff removed themselves from the bargaining unit and became part of that group.

Mr. Ludwig said he worked there during the transition to the Sheffield Administration and that was a similar situation to this proposal. He explained that he saw employees who had constitutional rights to their job run out of the division. "I saw them move down the hall with frozen pay. I saw them demoted down to range 13 without recourse." He remarked that the constitution is a nice instrument, but if you want to fight you must hire an attorney because the constitution doesn't fight for you.

He suggested that it is less than objective to say that just 500 people would be affected because the way the language reads, it will be far more. The confidential employee definition is the same that is currently in regulation. "The agency's found 225 people to be covered under that, not 60 so I think that's disingenuous also."

SENATOR GUESS asked when the PERA bill was first passed.

MR. LUDWIG replied, "It was passed in 1972, petitions were filed in 73 to represent employees."

SENATOR HOFFMAN asked Mr. Ludwig whether he thought the fiscal note that indicates that there would be no significant impact on state agencies was accurate.

MR. LUDWIG said, "Not at all. I ran just the range 22s and above in the supervisory unit and to go on the statutory geographic differential schedule is over \$500,000. When you look at the number of hearings that are going to be required to hear all these hundreds of cases before the agency, the agency is going to have to have money, the state's going to have attorneys there - it's going to cost a lot of money."

SENATOR HOFFMAN then asked whether he thought the studies for equal pay for like work would be costly.

MR. LUDWIG replied, "Studies aren't cheap and I think the Division Of Labor Relations spent quite a bit of money that you gave them last year for negotiations on studies."

CHAIR GARY STEVENS asked about the employees that moved into positions understanding that they were represented and now find they may not have that protection. He asked for a comment on how they might opt back in as was suggested.

MR. LUDWIG said, "If you're at the bottom end of the totem pole on the supervisors, you're not allowed, right now, to bump down to general government. There is a fence built around the bargaining units. The only way that I know that they could do that is if there was a vacancy that they could say, 'I'll take that lower job.'"

ASSISTANT COMMISSIONER JARDELL responded:

On the 225 to 60 with the prior ALRA board looking at 225 - we did look at that and there is a difference in the definition that we have chosen in the precedent that we referenced with the National Labor Relations Agency and the body of law that has developed out of this definition. And there is a difference in the amount of labor relations that you have to do and under this definition, we stand by our analysis that shows that there will probably be about 60 people that will be affected by this bill in confidential. And with the classification studies that were raised, and the study that was mentioned with the bargaining, we did a salary survey for purposes of determining how we stood up against other states. For purposes here, we

do a classification study, which is internal. We would not hire additional people. We do classification studies as they arise. We do them as a part of doing business and we do them all the time.

SENATOR GUESS referenced earlier testimony and asked why this wouldn't include every public school principal in the state.

ASSISTANT COMMISSIONER JARDELL explained, "It would include people who are doing policy level work...That's the definition that every state that has statutes relating to labor relations has, except for two, that's the one that works in these states, it's the one that we think works here. If you're developing and formulating policy, you should be management."

SENATOR GUESS asked whether the Murkowski administration believes that principals fall under SB 352.

ASSISTANT COMMISSIONER JARDELL said he would have to better understand how principals interact with the superintendents, who cannot bargain, and how they interact with teachers. "If they are formulating policy, and they are bargaining under PERA, then they very well may be included in this legislation."

NICK SAGALKIN testified from the Kodiak LIO and said he is adamantly opposed to the bill and his objections echo many of the comments made previously. "It's very unclear how implementation of this bill will allow us to do our jobs better without the protection of the union."

CHAIR GARY STEVENS asked whether he is a state employee.

MR. SAGALKIN replied he is employed by the state and he believes the bill would indirectly affect him.

JAN DEYOUNG, Department of Law, spoke from Anchorage to say that she was listening and available to respond to specific questions and assist Assistant Commissioner Jardell.

OLE LARSON testified from Mat-Su to say he is the superintendent of the Mat-Su Pretrial facility and he would be affected.

Within the Department of Corrections that last year eliminated all its assistant directors and deputy directors so I am in direct line with my director of institution, which is a PX position. There are three layers of PX position above me, but only in my

institution the next supervisory level is a sergeant and that's the only supervisor level that's there. We used to have an assistant superintendent that was eliminated in '92 - talking about paring down state government - this facility that I'm in has lost 20 percent of its staff over the last 12 years. Virtually what would happen is there's nobody ...to take my place if I became a non-bargaining unit member. The Department of Corrections also eliminated last year 9 or 10 assistant superintendents out of the institution so there is no mid-management below me in a majority of the institutions. They did create some correctional officer IV positions, but that's about all there is.

So the career track for a 20-year correctional officer would be a recruit, a correctional officer II, a sergeant and possibly, if the facility has it, a COIV and possibly an assistant superintendent.

The point I guess I'm getting at is we're a small state, we're a very small department comparably to a lot of departments outside and there is no career ladder per se for corrections. If I became a partially exempt or an at large employee that would just take that much more of the career track out.

I am a career professional, I have never, ever blocked a request or hidden any money or done anything like what was suggested and all my finances from my admin officers is online and available for the state through Access-Alaska. Matter of fact, they tell us what we have in our budget.

CRIS TIGNER testified from Fairbanks and said she is in the supervisory unit of Local 4900. She urged the committee to table the bill because it would open the door for politicizing decisions. She noted that there aren't many applicants for a managerial position that is currently open in her division and SB 352 doesn't help that situation.

KIM PETERSON testified from Juneau and to say that she is a senior management consultant who has worked in human resources for 27 years. She said, "I consider myself a loyal and dedicated state employee and this legislation would directly impact me.... It infers an inability to be loyal to the employer while being associated with an employee association." She said she is deeply offended because this assertion ignores her long record of

demonstrated loyalty and "to now suggest at this time that we are or can no longer be loyal is completely unfounded."

Although she could see that there might be an issue with labor relations and at times with collective bargaining, she noted that "collective bargaining has gone on for years and labor relations has found a way around that. Folks in labor relations covered by collective bargaining in the confidential bargaining unit do not bargain that agreement. They have other people do it. There is another way around it and it's been done for years and I would suggest it could continue."

She asked members to table the legislation.

ASSISTANT COMMISSIONER JARDELL maintained there is a conflict nonetheless. "We don't let our attorneys when they represent the state represent two different agencies. We draw the line. There is a direct conflict of interest and the fact that the CEA unit is bargaining in a coalition - we can't get around it this year."

SENATOR GUESS told the assistant commissioner that he made the point that there is a conflict with the confidential employees but she didn't believe he had validated the conflict with managers. "I still don't understand why professionals have a conflict in doing their job."

CHAIR GARY STEVENS asked her to please hold that thought. It was after 5:00 pm and he was concerned that some people couldn't stay much later.

SENATOR GUESS agreed.

STEVE SCHROF testified via teleconference from Kodiak to say that he is a state employee and is opposed to SB 352. He didn't think this bill would attract many new state workers.

RON COWAN testified via teleconference from Anchorage as a state employee who would likely be affected, but he was speaking on his own behalf. He said he would send his full written comments in a day or so.

The comment that state employees who, by someone's estimation, don't sufficiently support a policy brought forward by the governor should not be retained is of great concern. "By extension of that philosophy, we then have to accept that any other appointed officials should be followed in like style."

Unfortunately, not all of the people that are appointed come with a lot of experience and background and sometimes they don't appreciate the ramifications of certain policy decisions. He said he is concerned that a manager may be identified as not a team player when that's not the case at all. They might simply be trying to point out that there may be problems associated with a certain action. He said he saw this happen when he worked for the state of Washington in a management position that wasn't protected by a bargaining unit. He learned that long time state employees were unwilling to testify on sensitive issues because they were afraid of losing their jobs.

CHAIR GARY STEVENS thanked Mr. Cowan and asked him to FAX or email his comments.

MIKE HARBAUGH testified via teleconference from Mat-Su and said he has worked for the Department of Corrections for 10 years. He made the point that department policy changes when an administration changes, "but the professional managers under the appointed positions bring some continuity to each and every department." As an employee he appreciates that fact. Putting managers in who blindly obey isn't about what is good for state government, he asserted.

TAPE 04-14, SIDE A
5:15 pm

TIM VIAVANT testified via teleconference from Fairbanks and said he is a 17-year state employee and was testifying on his own behalf. Although he didn't believe that he would be impacted directly, he views the legislation as bad public policy for a number of reasons.

First, the bill has the potential of politicizing decisions managers make on resource use issues and protecting the public trust. It also has the potential of disrupting continuity in management each time there is a change in administration. Furthermore, he thought the bill might negatively affect recruitment and retention of managerial positions. Although it's unclear how many positions will be affected, it appears as though school principals, people in borough and city governments administering contracts, and university department heads would be included. He urged the committee to oppose the bill.

SAM TRIVETTE testified from Juneau as a retired state employee who spent 24 years of his career as a manager. He took issue

with page 1, lines 8-10 and said he never found that to be the case.

I effectively managed one specific program for 18 years in a partially exempt position. I don't think my effectiveness in implementing numerous policy initiatives was in any way hampered by not having the undivided loyalty of the managers working for me... I've thought a lot about the managers I worked with over the last few decades in public employment and there is only one manager whom I think shares the same belief as this bill and, frankly, he was terminated from his position, for cause, after serving less than 10 months.

I could give you numerous examples, Mr. Chairman, about how collective bargaining has helped smooth things over in management and how supervisors and managers have helped save the State of Alaska money, how an awful lot of litigation has been avoided by the work of the unions working with the management over the years.

The current system works, there is no need for a change. The bill would be detrimental to carrying out the state's business.

SWITGARD DUESTERHOH testified via teleconference from Kodiak to say that she is a state employee and was representing herself. She said, "The bill would not affect me now, but it might affect my future career choices."

DUANE MORAN testified via teleconference as the first vice president for the Anchorage Council of Education. The intent of the bill is to ensure that an employee is loyal to an employer, but public employee loyalty should be to the citizens of Alaska, he asserted. "With existing collective bargaining agreements, managers can have a professional difference of opinion with their boss with minimal concern for retribution." He summarized by saying that collective bargaining provides for fair treatment and it ensures that hiring and promotion are based on principles of merit and that any disciplinary action is for just cause. Finally, disputes are settled by arbitration instead of the more costly court system.

FRED YATES testified from Juneau as a state employee who was representing himself. He made two points: "Undivided loyalty, to

me, means political appointees. I don't know how you get there other wise." Second, the bill applies to him and may apply to his front line supervisor. "I don't think 450 [employees] is even close to the number of people this would affect if the language in the bill stays the same."

KEVIN CLARK testified via teleconference from Kodiak as a state employee who was speaking on his own behalf. He said it is unclear whether the bill would directly affect him or not, but he didn't understand how the stated intent of the legislation could be accomplished as written.

Previous testimony indicated that one intent is to ease the transition between administrations yet it binds employees' loyalties to the administration in power at the time not to the resources we manage.

It also has been stated it only pertains to high level employees, but the language of this bill suggests that anyone with emergency order authority could be reclassified under this proposal - not just the ambiguous high level employees. How deep would high level go? Would it include regional supervisors, regional managers, area managers, down to the assistant managers? The language is unclear at where the cutoff would be. It could become a blanket policy once written to all to anyone who deals with execution of policy.

An additional intent of this proposal is to bring Alaska in line with other states. I would suggest that we do not do this. I am against "48ing" of Alaska. We should act as an example; we have a system in place that works for us Alaskans.

The reason given for needing this change is been so the administration can have better control over policy and the people who carry out that policy. That is the point of the bill - control. Disputes and problems involved in any administration's execution of its policies should be handled on a case-by-case basis solely based on merit. We cannot increase protection by removing it. We cannot stabilize a system by trying to tie it to political change. We cannot stop the brain drain by telling managers and supervisors not to think. It's all too Orwellian. I do not support SB 352.

JIM SAMPSON testified via teleconference from Anchorage as president of the Alaska AFL/CIO. He stated:

As you know, it's been the policy of the state for over 30 years that public employees be granted the statutory right to share in the decision making process. The Legislature determined in 1972 that the best way to do that was to grant these employees bargaining rights. It's worked well for 30 years and still works well today.

It's interesting to note that the Commissioner of Administration has put forth this bill along with Governor Murkowski when the sponsor of the Public Employee Relations Act was former Governor Terry Miller of North Pole.

The scope of the bill hasn't really been determined yet. It's our belief that it will have far reaching impacts to all kinds of public employees including state, municipal, school districts including teachers, non-certificated employees, and university employees.

Mr. Chairman, you and your committee should not be led down this path. This is a fight you don't want. This is a union busting bill in its purest form and will be viewed as union busting by not only public employees in your district and throughout the state - from Barrow to Sitka and into Kodiak and Anchorage - it will be viewed as such by every union in our federation.

The arguments put forth by the administration to justify the legislation are not supported by 30 years of history under PERA. I have a little bit of experience in labor management relations over the last 25 years in this state. As it relates to public sector bargaining, I had the responsibility to administer the Public Employees Relation Act from 1986 to 1990 as Commissioner of Labor including the time when 52 school districts were brought into the Act itself. I also had the law applied to me when I served as mayor of the Fairbanks North Star Borough for two terms in the 90s. I've also had familiarity with the Act as one who has represented public employees.

To suggest that public employees who are represented in the title of collective bargaining cannot be loyal employees is wrong. I probably have a little more experience in the public sector managing employees than some that have testified today in the administration. I can tell you that over those years I have worked with hundreds of extremely loyal employees and loyalty has nothing to do with bargaining rights or not. It has everything to do with how you treat people.

Mr. Chairman, the Legislature has too many other important things to do than spend time on this bill. In closing I want to tell you what Governor Murkowski said when he ran for office in 2002.

QUESTION: Do you believe all workers should have the right to organize for the purpose of collective bargaining?

ANSWER: Yes I support the current law.

QUESTION: Why?

ANSWER: Because the lives, working conditions and health care of all Alaskans are often bettered by the efforts of organized labor.

VICTOR WINTERS testified from Juneau as a state employee. He pointed out that "in the findings there is no mention of managers formulating an effectuating policy, but there is mention of undivided loyalty to implement policy."

To his knowledge, no one has questioned the administration's right to define departmental goals and objectives. "Failure to faithfully implement state policy is obviously grounds for disciplinary action." He objected strongly to the implication that state policy would be implemented effectively were it not for the divided loyalties of unionized state managers. "Union membership has no impact on implementing state policy."

Another implication is that once employees with divided loyalties are removed from collective bargaining, they will effectively implement state policy or be replaced by someone that is loyal. "This is likely to have a rather chilling affect on relations between elected officials, appointees and state managers and will have a paralyzing affect on some management decisions."

KEVIN BRENNAN testified via teleconference from Kodiak and identified himself as a state fisheries biologist who was speaking for himself. He thought he would be directly affected by the legislation. The assistant commissioner said the Governor was elected to make policy changes and SB 352 says that managers must give their undivided loyalty to employers to be able to make those policy changes. However,

Alaska fisheries have developed over many years from the days of federal management through early statehood through the current Board of Fisheries process. It's been a long and complicated struggle to protect the rights and livelihoods of the various commercial, sport and subsistence users of those resources while maintaining the health of these resources. A key component in this struggle has been to remove fisheries managers from the pressures and whims of public opinion and political change.

As a fisheries manager, I know that my decisions are to be made in the best interests of the state fishery resources and the authorized users of those resources. You can rely on my unbiased expertise. I work within the allocation plans created by the Board of the Alaska Fisheries developed after years of collaboration by user groups with technical support of local biologists. In most cases, resources are fully allocated and my actions always seek to maintain that delicate balance while ensuring the health and future production of the fisheries.

SB 352 would force this to change. My undivided loyalty would be to my employer not to ensuring the health and future production of the fisheries resources or to the people of the state of Alaska. I could be summarily dismissed and replaced with political yes men that would do the bidding of the employer. The personal opinions of my supervisors could replace careful consideration of what is best for the resource.

ASSISTANT COMMISSIONER JARDELL said he wanted to respond to comments made about fish and game policy, "which is a very passionate and very important issue to the state." He continued:

They keep referencing the Board of Fish and Game created the policy and we implement it and we need the

protection because we're implementing that policy. This legislation does not affect people that implement - carry out policy. This legislation affects the people that formulate policy. Formulate it, not implement it and that's the distinction. If you're implementing policy this legislation will not affect you. If you're formulating the policy, it does affect you. And we think that is appropriate and we're talking about loyalties. We're talking about the divided loyalty between having to be a member of a group that has interests for the group as opposed to the loyalty to the state in formulating policy that may have adverse interests to that group. When you're formulating policy, that has impacts to the group that you belong to that is a conflict and we should expect loyalties to the State of Alaska that are undivided between the union and the state when we're talking about the formulation of policy. And that's the way we're using the term, in the context of the loyalties between the union and the state - the people.

SENATOR GUESS stated for the record that:

One of the issues - and as you know I work in policy, I have degrees in policy and I even am a self proclaimed policy wonk - you don't define policy in here and so I think - besides that as you know I have problems with the bill in general and don't support it - that's a serious problem. I think just from a bill standpoint of whose going to define what is policy and when we get into these scientific matters - hatcheries or some of the fish things that you brought up - is that policy or is that science. And I think that this bill is unclear at this point about defining that so I see that those comments have some validity although I understand your testimony.

ASSISTANT COMMISSIONER JARDELL responded by saying that "the precedent has been developed through the application of this language and we are adopting the precedent that has been decided. That is where we give the clarity in the application of the definitions of policy and how it applies. That restrictive reading of the formulation of policy - and that's where we get it and that's how we define it - and adopting that is how we get that precise nature of what we're looking for."

SENATOR GUESS questioned: "Just to clarify, that's the U.S.C.S [National Labor Relations Act] that you're referring to?"

ASSISTANT COMMISSIONER JARDELL said that is correct.

JERRY GUAY testified via teleconference from Anchorage as a state worker who was representing himself. He said he is frustrated with the bill and resents the implication that as a state worker he can't be trusted to do his job. He has spoken with his supervisors and directors to find out whether they believe he and his fellow workers are performing properly or if there are control problems when a manager must delegate his or her authority to a union worker. No one felt that problem existed, he said. "I believe that our role is to support leadership and we perform regardless of the administration or what type of leadership exists." The system isn't broken and he questioned why the governor wanted to fix it.

MARI MEINERS testified from Juneau as a state employee who is a member of the state supervisory bargaining unit. She clearly stated that she was representing herself. Although she wasn't sure that the bill would affect her job because it was so vaguely worded, she wasn't sure that her opinion would change regardless. She made the point that,

Commissioner Miller, in an email last Friday, said that individual employee rights will be protected and classified employees affected by the legislation will remain classified employees with all the protections of the state personnel act. Unfortunately, without the assistance, short of hiring an attorney, I don't think that I or many people that I know have the knowledge of the personnel act, the time, or the expertise necessary to defend myself against what I consider to be an unwarranted state disciplinary action....

MS. MEINERS stated that she is surprised and insulted to learn that the administration doesn't believe that she can't be a member of a bargaining unit and also a loyal to her employer. "I don't think the two are mutually exclusive. I would say that most people derive personal benefit from doing what's wrong and not doing what's right. In Commissioner Miller's email..."

CHAIR GARY STEVENS asked her to say that again.

MS. MEINERS clarified, "That it's not doing the right thing that gets you in trouble it's doing the wrong thing." She continued

to comment on the commissioner's email that said, "Our intent is not to remove protection for employees, but to create a career-service management position in the classified service." She said:

There are plenty of current career-service managers in the state who also participate in collective bargaining. There are also many, many devoted loyal state employees who also are members of unions. It is possible to have both.

DON ETHERIDGE, Juneau Public Employees Local 71 representative, spoke in opposition to SB 352. He said, "We think it is going to have far more reaching affect than what is being talked about."

With regard to the loyalty issue, he expressed disappointment that this is even a question. He described these employees as tough but fair and that has nothing to do with being union or non-union. "They know what their job is and that's what they do."

ALBERT JUDSON testified from Juneau in opposition to SB 352. He advised that he was testifying as an outsider and simply because the state is in economic trouble. He outlined the history of the union movement and brought up the Taft Hartley Act of 1947 and the National Labor Relations Board.

He made the point that the labor relations board members are appointed by Congress and this results in a board that is hostile to labor and friendly to business. He concluded saying, "Whenever labor unions have suffered, the United States itself has suffered. If SB 352 passes it will no longer be called the Last Frontier, it will be called the Lost Frontier."

FRANK ZMUDA said he is a state employee, but he was representing himself. He made two points:

1. The language is vague and if a certain group is targeted then the bill should make that clear.
2. The Constitution states that all citizens are to be represented in government. In addition, unions provide protection for their members against unforeseen or unscrupulous activities.

CHAIR GARY STEVENS thanked everyone that testified and noted that a number of questions were brought up and further study was

needed. He announced that he was holding SB 352 for the time being and asked the committee if they had any comments.

SENATOR GUESS asked the Chair if he would give the public more than a days notice when he scheduled the bill for the next hearing.

CHAIR GARY STEVENS agreed that the request was fair and he would try to bring the bill up the following Tuesday to address questions that committee members might have.

There being no further business to come before the committee, Chair Gary Stevens adjourned the meeting at 6:00 pm.