

HOUSE FINANCE COMMITTEE
February 27, 2013
1:34 p.m.

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CALL TO ORDER

Co-Chair Austerman called the House Finance Committee meeting to order at 1:34 p.m.

MEMBERS PRESENT

Representative Alan Austerman, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Mark Neuman, Vice-Chair
Representative Mia Costello
Representative Bryce Edgmon
Representative Les Gara
Representative Lindsey Holmes
Representative Scott Kawasaki, Alternate
Representative Cathy Munoz
Representative Steve Thompson
Representative Tammie Wilson

MEMBERS ABSENT

Representative David Guttenberg

ALSO PRESENT

Curtis Thayer, Deputy Commissioner, Department of Administration; Nicki Neal, Director, Division of Personnel, Department of Administration.

SUMMARY

^PRESENTATION: DEPARTMENT OF ADMINISTRATION ON CONTRACT NEGOTIATIONS

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Co-Chair Austerman asked members to hold questions until the end of the presentation.

CURTIS THAYER, DEPUTY COMMISSIONER, DEPARTMENT OF ADMINISTRATION, introduced department staff. He provided a disclaimer that any discussion on previously bargained state contracts was not an indictment of past practices. He relayed that all contracts had been bargained with and agreed to by the state and parties. He added that historic bargaining priorities may have been different than current priorities. He provided a PowerPoint presentation titled "Alaska Department of Administration: Understanding Labor Contracts" dated February 27, 2013 (copy on file).

Mr. Thayer moved to slide 2 titled "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).

Mr. Thayer elaborated that current contract negotiations had commenced in October 2012 for the General Governmental Unit (GGU) and in January 2013 for the Supervisory Unit (SU). He added that the state was currently negotiating

with both units. The department and unions were working together to submit their monetary agreements to the legislature by the March 15, 2013 deadline. He noted that the legislature was not required to look at the monetary terms if they were not provided by the deadline.

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Mr. Thayer continued to discuss Bargaining 101 on slide 3:

- 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 (see next slide for detail)

Mr. Thayer expounded that contracts were required to be negotiated at least every three years. He relayed that the department was negotiating with two-thirds of the state employees in the current year including GGU (8,500 employees), SU (2,200 employees) and the Confidential Employees Association (CEA).

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Mr. Thayer turned to slide 4 titled "Bargaining Units (BU)":

Contracts That Expire on June 30, 2013	Number of Employees
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ASEA Alaska State Employees Association (GGU)	8,231
APEA Alaska Public Employees Association (Supervisory Unit (SU))	2,219
CEA Confidential Employees Association	192

Contracts That Expire on June 30, 2014

AVTECTA Alaska Vocational Technical Center Teachers	39
IBU Inlandboatmens' Union of the Pacific	654
MEBA Marine Engineers Beneficial Association	99
MMP Masters, Mates and Pilots	97
PSEA Public Safety Employees Association	487

Contracts That Expire on June 30, 2015

ACOA Alaska Correctional Officers Association	777
LTC Public Employees, Local 71	1,675
TEAME Teachers' Education Association of Mt. Edgecumbe	29
Non-Covered Exempt, Partially Exempt and Excluded	1,359

Mr. Thayer noted that the numbers provided on slide 4 were from June 30, 2012. He explained that the non-covered exempt positions included commissioners, deputy commissioners, directors, and the majority of the Department of Law (DOL).

Mr. Thayer discussed the average annual base salary excluding benefits on slide 5. Salaries varied broadly depending on the association; average annual pay was \$55,000 for GGU members, \$80,000 for SU members, \$75,000 for the Alaska Vocational Technical Center Teachers, and \$50,000 to \$85,000 for the various maritime unions. The average employee benefits accounted for an additional 49 percent on top of wages. For example, including benefits the average SU pay was close to \$120,000 and the average GGU pay was close to \$80,000. The average annual salary for the non-covered employees (DOL attorneys and the executive branch) was \$96,000.

Mr. Thayer directed attention to slides 6 through 8 titled "Contract Negotiations Now Underway." Slide 6 provided detail on GGU which had 8,941 budgeted positions (the 8,231 figure listed on slide 4 represented a snapshot of the

number of employees on payroll on June 30, 2012). Other GGU statistics included an average member age of 44, an average service of 7.87 years, a \$55,000 average annual salary for full-time employees, and a total FY 12 gross pay for all members of \$414 million. He noted that the gross pay figures excluded benefits. Slide 7 included the information for SU. Statistics included a membership total of 2,240, an average member age of 49, an average service of 13.69 years, an average annual salary for full-time employees of \$76,638, and \$173 million in total FY 12 gross pay for all members. Shown on slide 8, the CEA included a membership total of 201, an average member age of 42, an average service of 8.26 years, a \$55,000 average annual salary for full-time employees, and a total FY 12 gross pay for all members of slightly under \$10 million.

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Mr. Thayer looked at slide 9 titled "Monetary Terms." One portion of the monetary terms found in collective bargaining agreements was the cost of living increase. He detailed that a general wage increase was provided to all bargaining unit members typically effective on July 1 of every year of the agreement. Beginning around 2008 the state had changed the system to include merit increases and pay increments. He explained that pay scale merit steps went from "A" to "F"; statute designated that employees received a 3.5 percent raise on an annual basis for approximately the first 6 years of state service. Once an employee reached the "F" step they received a 3.75 percent pay increase every two years. He noted that the merit increases were provided in addition to the cost of living increases.

Mr. Thayer discussed how merit increases and pay increments factored into overall costs (slide 10). He used GGU as an example and explained that granting a 1 percent increase in FY 14 would cost approximately \$6.6 million; however, cumulatively over three years the increase would cost approximately \$46.7 million. Merit increases and pay increments were valued at approximately \$15 million in FY 14, with a cumulative total over three years of approximately \$105 million. He detailed that a 1 percent increase added to the merit increases and pay increments would mean an additional \$150 million in the budget over three years. The slide also included the detailed information for the SU and CEA. The cumulative total over

three years was approximately \$60 million for SU and approximately \$3 million for CEA. He relayed that the figures did not reflect vacancies or employee turnover. He communicated that employees hired to fill vacant positions would not be hired at the same wage as their predecessors (new hires were typically paid a lower wage).

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He turned to slide 11 related to understanding increases over time. The slide provided a snapshot of a state employee's salary. He detailed that if the employee had been hired in 2006 they would have received a 38 percent pay increase by 2012 due to cost of living increases and merit/longevity steps. He explained that an employee with a "G" step in 2006 would have received a 28.25 percent pay increase by 2012 with pay increment increases occurring every other year. The slide also showed the Consumer Price Index increase from 2006 to 2012; the increase averaged 18.3 percent. He relayed that Alaska was one of the only states that granted annual raises for state employees during the past six years. He elaborated that Florida had not provided pay increases for six years and that some states had reduced wages.

Mr. Thayer addressed slide 12 titled "Leave." He detailed that employees with zero to two years of state service received 24 days of leave per year and employees with over ten years received 36 days. He noted that leave included personal and sick time; in 2000 the bargaining units had combined separate sick leave and vacation time systems into one leave system. He detailed that previously there had been a cap on leave accrual; however, the cap had been removed in 2000. Currently employees were required to use one week of leave per year. He noted that employees earning 36 days of leave per year could earn a substantial amount of leave given the requirement to only use 5 days per year. Additionally, employees could cash-in unlimited leave providing they maintained a balance of 37.5 hours. Leave was valued at an employee's current rate of pay with the exception of non-covered employees. He expounded that if an employee had worked for the state for 10 years any accrued leave would be valued at their current rate of pay. However, leave for non-covered and exempt employees was valued at the rate of pay at the time it was accrued.

Mr. Thayer continued to discuss leave on slide 12. He explained that there was a working reserves account in statute that was used for funding the payment of leave cash-ins and accrued leave upon separation from employment. He relayed that in 2012 the state had made leave payments to employees totaling \$36 million.

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He directed attention to a bar graph on slide 13 titled "Growing Leave Liability." The increasing leave liability was currently \$164 million. The leave liability was growing by approximately \$6 million to \$10 million per year; when pay increments and cost of living increases occurred, the leave cost grew. He noted that many employees viewed their leave investment as a bank account. He pointed to a leave liability example for the state's top ten employees on slide 14. He communicated that the ten employees had a combined personal leave balance of 34,500 hours, which was valued at \$1.6 million. The slide included the annualized hourly leave rate that varied by employee. He noted that a CEA employee had the highest leave balance (4,400 hours), but due to their wage structure the employee's leave value was lower than that of an employee with a lower leave balance but with a higher hourly rate. He emphasized that the leave balance was a substantial liability to the state. The state had worked with the three bargaining units on the issue. He shared that the state had discussed putting a cap on leave and the possibility of implementing new accrual ratings. He stressed that the issue had become the "800-pound gorilla in the room" in the past six months. He reiterated that employees were only required to use one week per year. He noted that the ten employees shown on slide 14 were probably earning 36 days or close to 36 days of leave per year.

Mr. Thayer addressed a health insurance graph on slide 15. The red bars showed the state's contributions to the active employees' health plans (the list of health plans were shown on the right of the slide). He pointed out that the state's healthcare contribution was growing significantly. There were approximately 8,000 active employees in the state benefit plan. He relayed that the state did not directly insure all of its employees. He detailed that some bargaining units used a health trust; GGU and APEA had health trusts, and the Public Safety Employees Association used a third-party insurer. The state was required to make

an annual health insurance contribution of \$15,960 per employee (the amount was included in the 49 percent average employee benefit figure on slide 5). The state's annual health insurance contribution to the GGU union was \$16,506 in FY 13. He relayed that Alaska was one of the four states that covered the full premium for the basic family plan (100 percent contribution to the economy plan).

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Co-Chair Stoltze asked the department to elaborate on slide 15. Mr. Thayer replied that in 2001 the state had negotiated with GGU to leave the state healthcare plan and to create a trust fund. The state paid the annual \$15,960 per employee and an additional \$600 per employee per year. He relayed that using the trust fund cost the state an additional \$4.5 million. The state had discussed the idea of bringing 8,000 employees back into its healthcare plan to save money and to increase its market share, which would provide a more cost effective deal.

Co-Chair Stoltze noted that with insurance, the larger the pool of insured individuals, the better the deal was. He surmised that there was a good deal for one group, but that the average state employee may get the better deal. Mr. Thayer responded that the state was paying \$4.5 million more into the GGU health trust than it was for state employees for roughly the same benefit package.

Mr. Thayer turned to slide 16 titled "National Trends":

- Little to no pay increases since 2007
- Extensive furlough of employees
- Extensive layoffs
- Freezing of longevity pay
- Increase in subcontracting -"managed competition"
- Limitations on "legacy" costs such as pensions, sick or vacation "buyback" upon retirement, and other such long-term costs

- Greater operational flexibility, to provide more service at the same or lesser cost to taxpayers and citizens

Mr. Thayer elaborated that the extensive layoffs had begun in 2008 going forward. He turned to slide 17 titled "Department of Administration's Bargaining Priorities and Concerns":

- Fiscally prudent cost of living increases
- Reducing the cost of longevity steps (i.e. pay increments)
- Reducing the legacy costs of leave liability
- Operational productivity improvements
- Obtain voluntary, balanced agreements
- If a strike occurs, continue to provide essential services to citizens

Mr. Thayer expounded that the state could not afford to have large cost of living increases. He noted that a reduction in the cost of longevity steps would have to be negotiated in statute. He reiterated that the current leave liability was \$164 million and that ten of the state's employees had 34,000 hours in accrued leave. He emphasized that the state had 16,000 employees and arresting the growing leave liability was necessary. The state's goal was to negotiate agreements that the unions and the legislature were both comfortable with. He relayed that a strike situation was a last resort to the state.

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NICKI NEAL, DIRECTOR, DIVISION OF PERSONNEL, DEPARTMENT OF ADMINISTRATION, addressed slide 18 titled "Next Steps." She discussed that once monetary terms were agreed to DOA submitted them to the legislature for appropriation. She explained that if the legislature failed to fund the monetary terms of an agreement the next steps varied by bargaining unit and the action taken could be affected by whether or not the terms were submitted in a timely manner (by the 60th day of legislative session; March 15 in the

current year). She communicated that if the legislature failed to fund the agreement, an impasse was considered to exist for some units and others had 10 days to reach an agreement. She stressed that each situation was evaluated and was fact specific; contract language varied between units. She stated that the fact that the monetary terms of the parties' agreement could potentially be submitted to the legislature after the 60th day of session did not prevent the legislature from either considering or funding them. Additionally, the appropriation was subject to the ratification of the collective bargaining agreement by the union's membership. She detailed that appropriated funding was proportionately reduced if the unions did not ratify the agreement.

Ms. Neal directed attention to a bargaining "road map" flow chart on slide 18. She relayed that the ideal process began with negotiation and was followed by a voluntary agreement, the submittal of monetary terms to the legislature, and the funding of monetary terms through legislative appropriation. If the legislature failed to fund the monetary terms, some contracts specified that an impasse existed; whereas others required the state to return to negotiations for a specified period of time. In the case of an impasse, the state often entered into mediation; interest arbitration was entered into if mediation was not successful for Class I employees (i.e. troopers, correctional officers, and other). It was the state's position that it was not required to go to interest arbitration with units with a mixed membership (i.e. units that were not solely Class I) until the membership voted to strike. In the event of an impasse the state could choose to implement its "last best offer"; however, any monetary terms were subject to appropriation. She stressed that situations were evaluated on a case-by-case basis.

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Co-Chair Austerman referred to slide 16 and asked what the term "managed competition" meant. Mr. Thayer answered that the concept was being implemented on a national level; it put public employee unions in competition with the private sector on a given project or function. For example, tree cutting services in Chicago had previously been done in parks by state employees; however, the contract was awarded to the private sector due to its more competitive bid. He

stated that the citizens appeared to be getting the best contracts.

Representative Wilson pointed to slide 15 and asked if the state paid \$15,960 per employee for all unions except one. Ms. Neal answered in the affirmative; the state only paid more for GGU members.

Representative Wilson asked whether step increases were the same under each union. Ms. Neal answered that pay increments were all at 3.75 percent; however, the percentages between A through F varied even within a union. For example, the GGU schedule varied between slightly over 3 percent and 4 percent. The 3.75 percent was an average increase between each step.

Mr. Thayer added that maritime unions had a different contract and pay scale than the one used for non-covered employees and the majority of the bargaining units.

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Representative Gara discussed insurance premiums for families. He wondered whether an employee only paid a specific amount for insurance (regardless of the number of people in a household) and the state picked up the remainder. Ms. Neal answered that there were not different premiums for single people versus families for employees covered under the state's Select Benefits plan.

Representative Gara asked about the logic behind the state paying for health insurance for all of a state employee's family members. Mr. Thayer replied that the policy had been negotiated with unions. He agreed that the issue (the same premium was paid for single employees and for employees with a family of four) needed to be looked at in the light of growing healthcare costs.

Representative Gara believed paying the same premium for individuals and families was absurd. He wondered why the state had not looked into the issue. Mr. Thayer answered that healthcare was a large issue. He elaborated that the state had looked at costs between its economy, standard, and premium plans. The state was also looking at high deductible plans and others that could potentially level the playing field. He stressed that the administration and DOA Commissioner Becky Hultberg had been prudent in their

effort to look at ways to reduce healthcare costs. He emphasized that some of the plans had been in place for 20 to 30 years. He agreed that it was necessary to look for alternative options.

Representative Gara asked the state to do something about the situation. Mr. Thayer affirmed that the administration wanted to do something about the issue.

Representative Gara felt that DOA was saying it had not negotiated contracts that it wished it had. He thought negotiating the contracts as prudently as possible was the department's job.

Mr. Thayer responded that the department was not saying the contracts were good or bad. He stated that unions were a "creature of statute" and that the state operated under PERA [Public Employment Relations Act]; the contracts were successive and he did not know what bargaining priorities had been 20 years earlier and where they should be currently. He highlighted that the state currently had a very lucrative plan for its employees including merit increases, health insurance, and leave balances. He compared the issue to a large ship that the state was going to slowly turn. He hoped that when the legislature looked at the negotiated terms that the focus would expand beyond the cost of living allowance. He stressed focusing on whether the state was "turning the tide" on leave balances and accrual rates and looking at the cost of living, longevity, and health insurance costs. He emphasized that the existing contracts were not bad. The current goal was to present what the department thought a good contract would look like. He reiterated that he believed a good contract in the future would begin addressing long-term leave accrual costs, implementing a cap on leave, reasonable cost of living, reducing longevity steps, and other. He discussed that negotiating sick leave out of the state contracts had been beneficial; Alaska had been one of the first in the country to make the change. Why the state had not negotiated to put a cap on the leave was unknown to him; therefore, it was currently necessary to address the issue.

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Representative Kawasaki asked if the increasing state contributions to active employee health plans (slide 15)

matched healthcare cost increases. Mr. Thayer replied that some of the state's costs were not rising as quickly as those in the broader healthcare arena; whereas, others were higher. He detailed that over the past couple of years the state had only seen a single digit increase in healthcare, while prior to that the state had seen double digit increases in other years. He elaborated that the increases were fluctuating, but the state was working to keep the healthcare costs down. He believed the state was at or slightly below the national average.

Representative Kawasaki rephrased his question and asked whether the figures on slide 15 roughly reflected the costs in healthcare from 2001 to 2012. Ms. Neal believed so. She elaborated that the figures on slide 15 represented the state's contribution to health plans; contributions were based on claims history. She would confirm the answer with the Division of Retirement and Benefits.

Representative Kawasaki wondered whether the first bullet point on slide 16 ("little to no pay increases since 2007") was an ongoing trend. He referred to a recent copy of the Stateline legislative magazine that showed improved budgets (e.g. an 8 percent increase in Indiana's public employee contracts).

Ms. Neal had answered that she had recently attended the National Association of State Personnel Executives meeting. She relayed that Alaska was one of two states out of the 22 in attendance that had continued to provide pay increases. Delaware had provided increases in the past several years; however, the governor had not included the increases in the current budget. She expounded that Louisiana and one other state had planned to provide increases in the current year for the first time in several years. She elaborated that the other states had not provided cost of living increases and very few had provided merit steps. Additionally, many states had furloughed employees or had laid off thousands of workers.

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Representative Kawasaki asked whether the state used the market rate for its employment positions and whether it compared to similar private sector positions on a statewide and national level.

Ms. Neal answered that the state did not have a practice of comparing and setting state salaries for individual job classes based on market. She detailed that DOA had done a market survey in 2009 for the first time in many years. The survey had looked at 174 benchmark job classes; it had determined that 11 classes potentially had not paid enough. The state looked into the 11 classes and found that it was not having recruitment difficulty and was not forced to offer advanced step placement upon hire; it had also looked at several other factors and had decided that the results did not warrant raising salaries. Currently the state had a contractor reviewing classification pay plans to determine future options.

Representative Kawasaki referred to recent Department of Revenue testimony that it had been unsuccessful in recruiting for vacant auditor positions. He noted that other agencies had testified on unsuccessful efforts to hire accountants. Ms. Neal replied that she had misspoken. She explained that the full market survey had been conducted in 2009; however, around 2006/2007 the state had implemented a program called market-based pay. She detailed that the program had been difficult to manage and had created some inequities; therefore, it had been discontinued. During the same time the state had conducted a survey on job classes that had extreme recruitment difficulty; oil and gas auditors had been one of the classes and had subsequently received a pay increase.

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Representative Thompson asked what would happen if the monetary terms of a contract agreement were not submitted to the legislature by the 60th day of session and the legislature chose not to address the contracts. Ms. Neal believed that legislative action on the contracts would be delayed until the following year if the legislature did not act prior to the end of session. She added that a retroactive implementation of the updated contract terms may be required under the scenario.

Co-Chair Stoltze was interested in the increasing \$164 million leave liability. He asked about potential exposures in the budget process. He referred to an ongoing conversation with members of his district who believed the state was awash in money, that it could chose to implement an income tax, that the permanent fund was large, and that

the state should fund members' contracts. He wondered whether the discussion had occurred with bargaining units.

Mr. Thayer replied that he had been involved with GGU and SU negotiations; Ms. Neal had been involved with the CEA negotiations. He relayed that some of the same conversations had occurred at the bargaining table. He continued that John Boucher [Senior Economist, Office of Management and Budget, Office of the Governor] had presented on oil production, the price of oil, and what occurred when the items went up or down. He believed it had been helpful to begin negotiations with a discussion about how a drop in the price of oil impacted state spending. There had also been positive dialogue with the unions related to leave accruals and potential leave cap; the unions understood the increasing liability. Additionally, the state had discussed rising healthcare costs and reasonable cost of living allowances. He noted that the state was still working out what a reasonable cost of living allowance was. He believed the negotiations had been productive and that the legislature would see meaningful contract terms. He relayed that they had taken a break in current negotiations to present to the House Finance Committee. He hoped to have something to the legislature prior to March 15, 2013.

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Co-Chair Stoltze had been told that some of the bargaining units were on a 40-hour workweek as opposed to the more common 37.5-hour state workweek. He asked for detail on how the issue impacted bargaining. Ms. Neal responded that there were 11 different bargaining units plus the non-covered employees. She detailed that state troopers worked a 40-hour week and correctional officers worked a 42-hour week. She noted that the employees were compensated accordingly. She communicated that marine and teacher unions were slightly different as well. The average state employee including GGU, non-covered, SU, CEA, and Public Employees (LTC) all worked a 37.5-hour week. She added that the state paid overtime for many employees when they worked above 37.5 hours per week. She relayed that the state paid additional straight-time for a smaller number of employees working between 37.5 and 40 hours, with overtime paid after 40 hours.

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Representative Wilson asked whether contracts could be tied to oil production. Mr. Thayer replied that the department had discussed the idea internally prior to entering negotiations. He discussed that the concept would be difficult given various factors including the price of oil, production, and any mechanical issues that may occur with the pipeline; therefore, DOA had experienced difficulty determining how the concept would be structured. Additionally, it was hard to determine how to tie the issue to employees; the state needed the employees to come to work and the idea of tying them to something they had no direct involvement in would be difficult.

Representative Gara pointed to slide 19 and asked whether management members of the executive branch accrued an unlimited amount of leave. Mr. Thayer responded in the affirmative; however, because the positions were politically appointed, the employees were not necessarily accruing leave as fast as some employees. He noted that the leave for non-covered, executive branch employees was valued at the rate it was earned whereas; union employee leave was valued at their current salary. He added that the executive branch expected union negotiations to apply to it as well.

Representative Gara suggested that it may be easier to negotiate a cap on leave for union employees if the non-covered employees had a cap on leave accrual.

Mr. Thayer replied that the state intended to implement the same accrual of leave, cap, cost of living allowance, and health insurance for both non-covered and union employees. He added that the executive branch typically followed structure outlined in negotiated union contracts.

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Representative Munoz asked about overtime savings that would occur if the 37.5-hour workweek was changed to a 40-hour workweek. Ms. Neal replied that the question was difficult to answer. She communicated that some employees received overtime pay for anything above 37.5 hours; if their hours were increased to 40 per week it would have to be determined whether the employees would be compensated for the additional 2.5 hours, which equated to an increase

of approximately 6.3 percent. She relayed that DOA did not currently have the figure and would need to look into it.

Mr. Thayer added that the 37.5-hour workweek dated back to 1955; the workweek had been negotiated down from 40 hours per week to 37.5 hours in lieu of a furlough.

Representative Munoz inquired if the department could share some of its proposals related to a potential cap on leave. Mr. Thayer replied that the state was currently in discussions with unions on a potential leave cap. He declined to comment on specifics given the current union negotiations that were underway.

Representative Munoz queried how a cap on leave would impact employees who could not take more than a few days off at a time, given the critical nature of their duties. Mr. Thayer replied that the department had been looking at the cap and increasing the required usage of leave per year. He stated that generally employees should find the time to take the necessary leave. He elaborated that employees had earned the usage of the time and should be allowed to take leave for their own mental health. He provided an example of businesses that required mandatory leave. The state was not discussing mandatory leave with the unions, but it was discussing how to increase the usage. The state needed to work with supervisors on giving employees leave approval; it would keep costs down and would give employees increased time off.

Co-Chair Austerman discussed the schedule for the following week and the following day.

ADJOURNMENT

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The meeting was adjourned at 2:33 p.m.