

COMMITTEE REPORT

HOUSE

5/15/75

Mr. Speaker:

Date May 1, 1975

The Committee on FINANCE has had CSSR 76

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

[Signature] recommends: none

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE REPORT
HOUSE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR
SENATE BILL 76 (FINANCE)

The House Finance Committee has had Committee Substitute for Senate Bill 76 under consideration and recommends that it be replaced with House Committee Substitute for Committee Substitute for Senate Bill 76 (Finance).

HCSCSSB 76 (Finance) incorporates the appropriations contained in SB 76, SB 363, HB 439, and HB 451. The contract for community college faculty is fully funded in Section 1, except for the costs of negotiation of that contract. In Section 2, the cost of the February 16, 1965 COLA is funded for all employees at \$4,858,600 after removing a 10% vacancy factor, as well as the cost of the August 16, 1975 COLA for the University of Alaska at \$986,800, an addition to the amount contained in SB 363. Sections 3 and 4 fund salary increases for General Government contract employees and non-covered employees respectively, both according to the terms of the General Government contract less 10% vacancy. Non-covered employees include Legislative, Court System, University of Alaska, and partially exempt employees.

Hugh Malone, Chairman

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/15/75
Referred: Finance

FINANCE
BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE SENATE

2

HOUSE CS FOR CS FOR SENATE BILL NO. 76

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a supplemental appropriation to the
Dept. of Admin. for state salaries

7

~~UNIVERSITY OF ALASKA~~; and providing for an effective

8

date."

9

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

\$1,455,500

10

* Section 1. The sum of \$1,026,700 is appropriated from the general fund
Dept. of Administration

11

to the University of Alaska for the fiscal year ~~ending June 30~~, 1975, to pay

12

the following estimated/costs of the arbitrated 1975 contract for community
college instructorsx.

13

* Sec. 2.

\$5,845,400

10

~~Section 2~~ The sum of ~~\$4,858,600~~ is appropriated to the Department
for Fiscal Year 1975 to pay the

11

of Administration ~~for distribution to other agencies for~~ unfunded costs

12

related to salary increases, primarily the cost-of-living allowance. The
is funded

13

~~sources of this~~ appropriation ~~are~~ as follows:

14

General Fund ~~\$4,620,300~~ \$5,607,100

15

Fish and Game Fund 212,400

(SB363

16

Agricultural Loan Fund 6,300

17

Veterans' Loan Fund 12,800

18

Surplus Property Reserve Account 6,400

19

Second Injury Fund 400

20

~~\$4,858,600~~ \$5,845,400

26

27

28

29

11 Sec. 3. \$4,228,400
 12 * ~~Section 1~~ The sum of ~~\$4,698,200~~ is appropriated to the Department of
 13 Administration ~~for the purpose of paying~~ the salaries of state employees
 14 covered by the general government contract settlement, ~~for fiscal year 1975.~~
 15 is funded
 16 The ~~amount of this~~ appropriation ~~and~~ as follows:

	<u>Fiscal Year 1975</u>	
16 General Fund	\$3,973,200	\$3,576,100
17 International Airport Revenue Fund	135,300	121,300
18 Fish and Game Fund	45,100	40,500
19 Highway Working Capital Fund	15,500	13,900
20 Teachers Retirement System	10,800	9,700
21 Public Employees Retirement System	10,800	9,700
22 Agricultural Revolving Loan Fund	1,900	1,700
23 Veterans Revolving Loan Fund	19,700	17,700
24 FICA Fund Reserve Account	1,900	1,700
25 Surplus Property Account	3,500	7,600
26 Second Injury Fund	1,900	1,700
27 Sick and Disabled Fishermen's Fund	1,900	1,700
28 Donated Commodities Fee Reserve Account	1,900	1,700
29 Federal Program Receipts	465,800	<u>422,800</u>
	-\$4,698,200	<u>\$4,228,400</u>

11 Sec. 4. \$2,652,800
 12 * ~~XXXXXXXXXX~~. The sum of ~~\$2,947,600~~ is appropriated from the general
 13 fund to the Department of Administration ~~for the purpose of paying~~ the cost
 14 of salary increases for state employees not covered by any collective
 bargaining agreement~~x~~. ~~for Fiscal Year 1975:~~

Sec. 5. Notwithstanding the provisions of AS 37.07.080(e) pertaining to appropriation transfers, the division of budget and management is authorized to transfer the appropriate amounts shown in sections 1 through 4 of this Act between program categories or agencies as required for salary increase purposes.

Sec. 6. This Act takes effect immediately in accordance with AS 01.10.070(c).

Original sponsor: The Rules Committee by
request of the Governor

Offered: 4/30/75
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 76

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 University of Alaska; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$546,100 is appropriated from the general fund to
11 the University of Alaska for the fiscal year ending June 30, 1975, to pay the
12 following estimated costs of the arbitrated 1975 contract for community
13 college instructors:

14 Area cost-of-living differential	\$ 111,600
15 Salary increases	<u>434,500</u>
	16 \$ 546,100

17 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

REVISED

4-4-75

I. REQUEST

Bill No. Senate Bill 76
 Title: An Act Making a Supplemental Appropriation to the University of Alaska
 Requested by: Senator Bill Ray Date: February 11, 1975
 Return Date Requested: February 12, 1975
 Agency: University of Alaska Program: Post Secondary & Adult Education

II. FISCAL DETAIL

Budget Request Unit(s) Affected: All Community Colleges

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	1370.2	3213.2	3981.2	4932.6	6111.6	7572.2
200 TRAVEL	36.5	35.6	40.9	47.8	54.1	62.3
300 CONTRACTUAL	59.4	543.5	107.5	123.6	142.2	163.5
400 COMMODITIES						
500 EQUIPMENT	3.5	1.0	1.0	1.0	1.0	1.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	12.9	33.5	63.5	93.5	123.5	153.5
TOTAL	1482.5	3826.8	4194.1	5198.5	6432.4	7952.5

B. FUNDING: (Thousands of dollars)

GENERAL FUND	1482.5	3826.8	4194.1	5198.5	6432.4	7952.5
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	182 /	220 /	220 /	220 /	220 /	220 /
MAN MONTHS (P./T.)	1638 /	1986 /	1986 /	1986 /	1986 /	1986 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Personnel in the bargaining unit are expected to increase by 38.7 in FY 76. Salaries will increase 15% plus 6.5% each year for step increases, and 1% of total salaries for fringe benefits. Other expenses will increase at 15% for inflation. Continuing Education will continue to increase at rate of 30.0 per year.

IV. ATTACHMENTS

- Summary of cost of the contract.
- Detail of the costs.

V. DATE: 4-4-75 (REVISED)

PREPARED BY: *M. Sullivan*

Original: Legislative Finance
 cc: budget and management
 Prime Sponsor (First Legislator Named)

SENATE BILL NO. 76Summary of the Cost of the Contract

<u>Cost Items</u>	<u>FY 75</u>	<u>FY 76</u>
Cost of Negotiations	27.0	14.9
Formal Grievance Procedure	23.5	45.0
Travel	2.4	7.2
Site Visitation	5.7	50.0
Offices	35.0	500.0
Substitutes	54.6	125.3
Overloads	64.4	225.0
Summer Employment	105.0	350.0
Less-than-full-time Employment	8.5	17.0
Placement and Salary Increase	659.1	1582.5*
Area Cost of Living	111.6	176.7*
Cost of Living Escalator (6.5%)	292.9	428.3*
Parking	8.0	12.0
Lounge	3.5	1.0
Continuing Education	12.9	33.5
Professional Development Leave	-0-	101.4
Annual Leave	66.1	150.0
Union President--Released Time	2.3	7.0
	<u>1482.5</u>	<u>3826.8</u>

*Based on salary increases for the year FY 75 as follows:

Placement	5.29%	March 1, 1975	6.5%
Sept. 9, 1974	4.9%	July 1, 1975	9.09% Salary
Jan. 1, 1975	5.6%		5.56% Step Increase

and 1% increase in fringe benefit cost.

4.3 Sep 1 1975 COLA 295.3
 7.9 Mar 1 1976 COLA 194.7

COST ITEMS IN THE CONTRACT

Page Item

5 1.5 Cost of Negotiations

The University has spent \$27,000 to date on negotiation expenses and expects to spend at least \$3,000 more before the end of the fiscal year. No funds available to cover these expenses.

(Project 1976 at guess of \$14.9) 27,000

9 4I Grievance and Complaint Procedure

We project 3 major grievances (\$5,000) and 5 minor grievances (\$750) plus travel. 8 grievances x 2 people for 3 days each at \$100 per day

(Project about double in 76 \$45.0) 23,500

16 6.4 Assignments Requiring Travel

FY 75--20 unit members traveling 30 times at an estimated distance of 25 miles x 16 cents

2,400
2,400

FY 76--60 unit members traveling 30 times at an estimated distance of 25 miles x 16 cents

7,200
7,200

16 6.5 Relocation

No change in current policy. No added cost.

17 6.6 Site Visitation

Estimated 3 courses at 3 credits each = 9 credit hours. 9 x 1/30 x 18,900 (ave. salary) =

5,670

FY 76 Project 22 courses at 3 credit hours each = 66 credit hours x 1/30 x 22,526 (ave. salary) or \$50.0

Page Item

17 6.8 Faculty Offices

The University has committed \$35,000 to be spent on Faculty offices in FY 75 35,000
In FY 76 we are requesting \$500.1 for offices. This will not provide offices for all bargaining unit members, but will satisfy part of the need.

18 6.9 Clerical Support

No change in current level of support. Increase for FY 76 are included in the budget request.

18 6.10 Substitutes

182 members of the unit, estimate an average of one week a semester absence for which a substitute is required.
12 credit hours per week x 182 x
\$25 (cost of substitute) 54,600

FY 76--221 unit members (includes anticipated increase of 39 faculty as University has projected) x 12 credit hours per week x 35 (dollar cost of substitute)
x $\frac{6.76 (1/2 \text{ of } 13 \frac{1}{2} \text{ days accrued})}{5 (5 \text{ days})}$
125,307

19 6.11 Overloads

FY 75--30 courses x 3 credit hours x 1/30 (negotiated contract rate) x \$1.455 (FY 75 average salary) 64,363
FY 76 project at 100 courses x 3 credit hours x 1/30 x 22,526 225,260

20 7.1 Summer Employment

50 courses x 3 credit hours x 1/30 x 21,454 105,000
FY 76--150 courses x 3 x 1/30 x 22,526 = 350.0

Page Item

21 7.2 Less Than Full-time Employment
 10 persons x 3 credit hours = 30 x current
 part-time rate of \$346 per credit hour =
 \$10,380 compared to 30 x \$630 1/3 of a credit
 hour of \$630 8,520
 FY 76 full year at \$17.0

23 7.4f8 Retraining
 No cost in FY 75 or FY 76

24 8.1e
 /8.2 Placement of Personnel on Salary Schedule
 Calculations based on actual placement on the
 schedules by a committee composed of Labor
 and Management 659,100
 FY 76--Increase in salary as of 1-1-75 per
 actual placement indicated a cost of \$77,728
 per month. Using \$3,000,000 as the salary
 base for FY 75 add the \$77,728 x 9 months
 plus a 6.5% cost of living adjustment at
 3-1-75 plus 9.09% increase at 7-1-75, plus
 a step increase of 5.56% at 7-1-75 and a 1%
 increase in fringe benefits = \$1,582,520

31 8.3 Cost of Living Escalator
 FY 75--7 1/2 (est. % increase) x 9 (9 mo.
 academic year) x \$2,384 (ave. mo. salary
 includes fringe benefits) x 182 (no. of
 bargaining unit members). 292,900
 FY 76--Salary base at 7-1-75 = \$4,582.5
 plus COLA 176.7 x State projection of 9%
 = \$428.3

31 8.4 Area Cost of Living

<u>FY 75</u>	<u>Total Salaries</u>	<u>Area</u>	<u>Total</u>
<u>Community Col.</u>	<u>At 1-1-75</u>	<u>Factor</u>	
Kodiak	73,540	.142	10,300
Kuskokwim	149,732	.418	64,420
Ketchikan	138,096	.006	828
Sitka	56,484	.100	5,648
Juneau	211,320	.071	15,003
	<u>Total</u>		<u>96,199</u>

<u>Page</u>	<u>Item</u>		
31	8.4	<u>Area Cost of Living</u> - continued	
		Plus 16% fringe benefits FY 75 Total (9 months)	111,600
		FY 76--area cost of living increased to a full year 111.6 plus 23% plus 6.5% plus 9.09% plus 1% = 176.7	
	8.5	<u>Fringe Benefits</u>	
		No change.	
32	8.6a	<u>Parking</u>	
		Cost of installing parking gates, fence and maintenance for preparing the parking lot in Anchorage (estimated)	8,000
		FY 76--Project cost of maintenance and policing to be \$12.0	
	8.6c	<u>Faculty Lounge</u>	
		Cost of furnishing and equipping a faculty lounge at the Anchorage campus	3,500
		FY 76--Estimate additional 1.0 for equipment	
33	8.6e	<u>Continuing Education</u>	
		90 staff x 3 credit hours x \$30 = 8,100	
		40 dependents x 6 credit hours x \$20 = 4,800	12.9
		FY 76--Increase to full year and 25% increase to \$33.5	
	9.1	<u>Professional Development Leave</u>	
		No cost in FY 75.	
		FY 76--9 bargaining unit members x \$22,526 (ave. salary) x 1/2 (receive up to 1/2 salary)=	101,367
37	9.3	<u>Annual Leave</u>	
		Salary level 3,347,100 x 25% of annual rate of 7.9%	66,105
		FY 76--Increase to full year plus salary increases \$150.0	

Page Item:

38 10.3 Checkoff

Cost of deducting and remitting dues is being absorbed within the payroll and accounting office.

39 10.6 Released Time

Union President 1/5 annual salary and benefits 18,135 + 16% + 7.9% (accrued leave) .
22,698/ 1/10

2.3

FY 76--Union President 1/5 annual salary and benefits 3,114 x 9 months x 1.17
fringe benefits x 7.9% (accrued leave)/ 1/5
= 7,076

SB 76 The Finance Committee has had SENATE BILL NO. 76 (supplemental appropriation to the University of Alaska) under consideration, and the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 76 and reports the committee substitute back as follows: Senator Ray, Chairman, and Senators Butrovich and Sackett signed "Do pass"; Senators Rader, Hohman, Chance and Poland signed "no recommendation."

SENATE BILL NO. 76 was referred to the Rules Committee.

The Finance Committee's letter of intent follows:

"SENATE FINANCE COMMITTEE REPORT

FOR CSSB 76

The Senate Finance Committee has approved FY 75 supplemental funding for salary increases and area cost-of-living differentials included in the University of Alaska Community College Faculty Contract. The amounts appropriated are based upon estimates that were developed by the Alaska Community Colleges' Federation of Teachers.

The following sections of the contract describe the effect of this committee substitute upon the union and university:

"13.4 Saving Clause

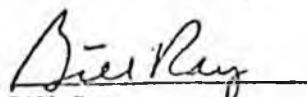
.....
In the event of any such court or administrative decision or in the event of failure of the legislature to appropriate money or enact legislation as expressly contemplated herein, the parties agree that, upon written request by either party, the parties shall promptly reopen this agreement for the specific and limited purpose of negotiating language to deal with

the application ruled invalid or not appropriated or not enacted or to replace the provisions ruled invalid. If this agreement is so reopened, all the remaining terms shall remain in effect. The written request shall state what provisions or applications were invalidated upon which it is proposed to negotiate, the substance of the rights affected, and the substance of the proposed amended provisions.

If the parties are unable to agree on the proposed amendments, then the matter at issue shall be submitted to mediation, and if the parties are thereafter unable to agree, the matter shall then proceed to arbitration in the manner provided by Step 3 of the grievance procedure.

13.5 Legislative Appropriation

It is agreed by and between the parties that any provision of this agreement requiring legislative action to permit its implementation, by amendment of law or by providing additional funds therefor, shall not become effective until the appropriate legislative body has given approval."


Bill Ray
Chairman
Senate Finance Committee"

SB
76

January 28, 1975

CSSB 76

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Pursuant to the Uniform Rules of the Legislature, I am transmitting a bill making a supplemental appropriation to the University of Alaska for \$900,000. This amount is requested to pay the estimated cost of the arbitrated 1975 contract for community college instructors. The bill itself contains a breakdown of the total amount appropriated by category and by amount.

Sincerely,

Jay S. Hammond
Governor

REACTION: The University position is inaccurate and unclear. The Labor-Management Committee (provided for in the contract) has to date received at least 14 notices of "University intent not to rehire for FY 76". Retraining of those individuals as provided for in the contract is apparently viewed by the University as a no-cost item.

UNION PROPOSAL: Assuming that the University intends to fulfill its contractual obligations regarding retraining of faculty sent notices of "intent not to rehire" the Union raises no objection at this time.

REACTION: Union agrees with sentence one. However, cost analysis is erroneous. Our basis is taken from the calculated figures of the Union-University Salary Placement Committee.

UNION PROPOSAL:

FY 75--Sept. 1, 1974--June 30, 1975 (and includes the 16% fringe benefit cost)

FY 75 TOTAL

\$624,042 *

FY 76--July 1, 1975--June 30, 1976 (and includes the 16% fringe benefit cost) *

FY 76 TOTAL

\$4,976,246 *

*note: The FY 76 figures includes the estimated 39 new hires projected by the University.

* Figures worked up from the Union-University Salary Placement Committee study indicate that salary increases from Sept. 1, 1974 through Dec. 31, 1974 total \$125,924. Increases from January 1, 1975 through June 30, 1975 total \$412,044. These figures are added, and then increased by 16% to reflect the cost of fringe benefits. Thus the total salary INCREASE for FY 1975 is \$624,042.

** Assuming one vertical increment and no horizontal movement per bargaining unit member, the average projected salary for a unit member in FY 1976, including fringe benefits, is \$22,526. Mullinger's University figures project 221 unit members for FY 1976. Multiplying these two we get \$22,526 X 221=\$4,973,246 as the total cost for bargaining unit member salaries for FY 1976.

SENATE BILL NO. 76

SUPPORTING DETAIL

<u>COST ITEMS</u>	<u>FY 75</u>	<u>FY 76</u>	<u>INCREASE ELEMENT</u>
Cost of negotiations	14.9	14.9	
Formal Grievance Procedures	70.0	105.0	Best estimate
Travel	1.7	5.1	Full year
Site visitation	5.7	17.1	Full year
Offices	35.0	35.0	Pledged expenditures
Substitutes	54.6	136.5	Full year
Overloads	56.7	125.0	Full year
Summer employment	-0-	56.7	30 courses X 3 credit hours X average salary \$630
Less than full-time employment	8.5	17.0	Full year
Placement	189.6	189.6	
Salary Increase	376.8	492.5	Full year
Area cost of living	109.2	109.2	
Parking	8.0	12.0	Normal cost of maintenance and police
Lounge	3.5	1.0	Additional equipment
Continuing education	12.9	33.5	Full year plus estimated increase
Professional leave	-0-	98.7	9 persons at half salary of \$18,000 plus 16%
Annual leave	66.1	150.0	Full year plus increase
President of union release time	2.3	4.6	Full year
FY 75	<u>1,015.5</u>	<u>1,603.4</u>	
FY 76 SALARY ADJUSTMENT*		251.4	
		<u>1,854.8</u>	

*Salary items increase by 9.7% for 1-1-76 increase, 6.5% step increase and 1% increase in fringe benefits on total salaries as adjusted.