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526

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE 4/20/90

FURTHER: State Affairs
Finance

Date of 5-Day Notice: 3/22/90
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/3/90

Labor and Commerce

Committee considered

SB 526

Appropriations for contract settlement costs for public employees who are members of collective bargaining units; salary increases for public employees who are not members of a bargaining unit; efd.

and recommended:

replace with _____ cs SB 526 (LAC) same title
 attached amendment(s) new title

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS?

[Handwritten signatures]

OTHER RECOMMENDATIONS:

[Handwritten signature]
Chair: Signature and Recommendation

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 20, 1990

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that makes appropriations that are necessary to implement the monetary terms of the contracts agreed to with the Marine Engineers Beneficial Association and the Alaska Vocational Technical Center teachers; it also appropriates for a corresponding salary adjustment for employees not covered by collective bargaining.

The Administration has tendered an offer to all other public-employee bargaining unions of a contract settlement with a 3.3 percent wage increase effective in 1990. Several of the unions have this offer under consideration at this time. As additional agreements are reached and ratified by the union members, I will forward to the legislature amendments to this bill to cover the monetary provisions of the new agreements.

Public employees have received no adjustment to wage schedules during my tenure in office. Recent improvements in the Alaskan economy have also resulted in an increase in the cost of living for all Alaskans. Other employers have recognized that increase in their contract negotiations and settlements. The 3.3 percent wage adjustment corresponds to the increase in the Anchorage Consumer Price Index for 1989. Public employees provide a valuable service to all Alaskan citizenry. It is important that state employees receive this increase.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over a circular stamp or seal.

Steve Cowper
Governor

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF BUDGET REVIEW

STEVE COWPER, GOVERNOR

POUCH AM
JUNEAU, ALASKA 99811
PHONE: (907) 465-3568

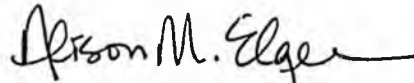
March 30, 1990

The Honorable Dick Eliason
Chairman, Senate Labor and
Commerce Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Eliason:

Attached is a proposed amendment to SB 526, "An act making appropriations for contract settlements for certain public employees...." The amendment is necessary to include funding for a contract settlement with the Public Safety Employees Association which was ratified March 28th by the union membership. The monetary terms of the contract are similar to other negotiated settlements with a 3.3% wage increase effective January 1, 1990.

Sincerely,



Alison M. Elgee
Director

Attachment

A M E N D M E N T

Senate Bill 526 "An Act making appropriations for contract settlement costs for certain public employees who are members of collective bargaining units and for salary increases for public employees who are not members of a bargaining unit; and providing for an effective date."

Page 4, line 20 add a new section as follows and renumber remaining sections accordingly:

*Sec. 7. (a) The sum of \$558,200 is appropriated to the Office of the Governor, Office of Management & Budget, to pay for a 3.3% contract settlement for the Public Safety Employees Association for the period January 1, 1990 through June 30, 1990 from the following sources:

Federal Receipts	\$ 9,100
General Fund Match	800
General Fund	443,200
General Fund/Program Receipts	2,900
Inter-agency Receipts	3,700
International Airports Revenue Fund	98,500

(b) The sum of \$1,162,700 is appropriated to the Office of the Governor, Office of Management & Budget, to pay for a 3.3% contract settlement for the Public Safety Employees Association for the fiscal year ending June 30, 1991 from the following sources:

Federal Receipts	\$ 19,000
General Fund Match	1,700
General Fund	923,200
General Fund/Program Receipts	6,000
Inter-agency Receipts	7,600
International Airports Revenue Fund	205,200

Page 4, line 21 delete [AND 6(a)] and replace with 6(a) and 7(a).

Page 4, line 24 delete [AND 6(b)] and replace with 6(b) and 7(b).

Page 4, line 27 delete [AND 6(a)] and replace with 6(a) and 7(a).

OMB - 3/30/90 Alison M. Elgee

MEMORANDUM

STATE OF ALASKA

To: Alison Elgee
Director
Division of Budget Review
Office of the Governor

Date: March 28, 1990

File No:

Phone: 465-4404

From: Bruce Cummings
Director
Division of Labor Relations
Department of Administration

Subject: Terms of Pending Collective
Bargaining Agreements,
Ratified and Tentatively
Agreed

Status Summary:

During March 1990 the State entered into, continued or completed negotiations with all ten bargaining units representing State employees. The status of those negotiations is as follows:

1. Agreements Obtained

- A. Agreements have been ratified by three groups (Public Safety Employees, Centralized Correspondence Study, Teachers Education Association of Mount Edgecumbe).
- B. In a fourth instance, the Marine Beneficial Association, ratification was not required.

2. Tentative Agreements

Four bargaining units are in the final stages of voting on tentative agreements, with results due the week of April 2 (Confidential Employees Association, Supervisory Unit, Labor, Trades and Crafts, Masters, Mates and Pilots).

3. Unresolved

- A. No agreement has been reached with the General Government Unit (GGU) and no talks are currently scheduled. The arbitrator's decision establishing terms for GGU Class One employees is expected on or about April 15.
- B. Negotiations with the Inlandboatman's Union have been unsuccessful, although the parties do plan to meet at least one more time this week.

Bargaining Unit Summaries:

1. Public Safety Employees Association (ratified)

A. Wages

- 1) 1990: 3.3 percent across the board general wage increase.
- 2) 1991: across the board general wage increase equal to the increase in the Anchorage Consumer Price Index--all Urban Wage Earners (CPI-U), not to exceed five (5) percent.

B. Health Insurance: This issue has been submitted to interest arbitration.

1) State Proposal:

- a. 1990: State will continue to pay current premium through December 31, 1990.
- b. 1991: If the premium increases during this year, the State will pay an additional premium amount equal to the Anchorage CPI-U increase during the previous year but not to exceed 5 percent.

If the premium increase for current benefits exceeds the amount provided for above, the parties shall meet to discuss plan changes. If unable to agree, the State may modify plan to maintain the prescribed premium rate.

2) Union Proposal:

- a. 1990-91: Maintain current benefits. Employer pay 90 percent of premium, including any increase; employees pay 10 percent.

C. Holidays: No change

D. Duration: 1990-91

E. Other Issues: The parties agreed to continue current language on a number of disputed issues (seniority, relief and lunch periods, shift assignments) and to abide by the Arbitrator's decision on other issues already submitted to interest arbitration (geographic differentials on selected locations, overtime pay for recruits, etc).

2. Centralized Correspondence Study Education Association (ratified)

A. Wages:

- 1) 1990: In lieu of a 3.3 percent across the board general wage increase, eight days of annual leave will be accrued prorated monthly (5.36 hours per month) in 1990 only. Employees may cash out the additional eight days in 1990 only.

2. 1991 and 1992: Across the board general wage increase equal to the Anchorage CPI-U, but not to exceed 5 percent.

B. Health Insurance:

1. 1990: State will continue to pay current premium through December 31, 1990.
2. 1991-92: If the premium increases during these years, the State will pay an additional premium amount equal to the Anchorage CPI-U increase during the previous year but not to exceed 5 percent.

If the premium increase for current benefits exceeds the amount provided for above, the parties shall meet to discuss plan changes. If unable to agree, the State may modify plan to maintain the prescribed premium rate.

C. Holidays:

1. Martin Luther King Day, Jr, added
2. Employee's birthday deleted
3. Three floating holidays (Alaska Day, Seward's Day, President's Day) designated as fixed-date holidays.

D. Duration: 1990-92

E. Other Issues:

1. A two tier salary structure is adopted, providing additional compensation and incentive for possession of a Master's degree, and reducing the compensation rate for those with a Bachelor's Degree. This change is cost neutral.
2. Grievance procedure streamlined to reduce number of intermediate hearings.

3. Teachers Education Association of Mt. Edgecumbe (ratified)

A. Wages

1. 1990: 1.7 percent across the board general wage increase effective July 1, 1990. Difference between 1.7 percent and 3.3 percent used to fund Community Schools Program Fund to provide after school and weekend activities supervision.
2. 1991 and 1992 (cycled on the fiscal rather than calendar year):

Across the board general wage increase equal to the Anchorage CPI-U, but not to exceed 5 percent.

- B. Health Insurance
 - 1. 1990: State will continue to pay current premiums through December 31, 1990.
 - 2. 1991-92: If the premium increases during these years, the State will pay an additional premium amount equal to the Anchorage CPI-U increase during the previous year but not to exceed 5 percent.

If the premium increase for current benefits exceeds the amount provided for above, the parties shall meet to discuss plan changes. If unable to agree, the State may modify plan to maintain the prescribed premium rate or deduct the excess premium cost from the salary of eligible employees.
 - C. Duration: July 1, 1990, through June 30, 1993.
 - D. Other Issues: All other terms of the previous agreement will remain in effect.
4. Marine Engineers Beneficial Association (final: ratification not required)
- A. Wages:
 - 1. 1990: 3.3 percent across the board general wage increase. Some additional cost of living adjustments for employees in the Southwest System agreed in exchange for elimination of leave accrual for temporary dispatches and opportunity to test two crew procedure in Southwest System (costs offsetting).
 - 2. Succeeding years: full contract negotiations will determine rates. Contract expires March 30, 1991.
 - B. Health Insurance: No change. MEBA Agreement ties State cost to the contribution rate for the General Government Unit.
 - C. Holidays: No change.
 - D. Duration: Contract expires March 30, 1991.
5. Confidential Employees Association (tentative agreement)
- A. Wages
 - 1. 1990: 3.3 percent across the board general wage increase.
 - 2. 1991: across the board general wage increase equal to the increase in the Anchorage CPI-U, but not to exceed 5 percent.
 - 3. 1992: across the board general wage increase equal to the increase in the Anchorage CPI-U, but not to exceed 5 percent.

B. Health Insurance:

1. 1990: State will continue to pay current premium through December 31, 1990.
2. 1991-92: If the premium increases during these years, the State will pay an additional premium amount equal to the Anchorage CPI-U increase during the previous year but not to exceed 5 percent.

If the premium increase for current benefits exceeds the amount provided for above, the parties shall meet to discuss plan changes. If unable to agree, the State may modify plan to maintain the prescribed premium rate.

C. Holidays: Martin Luther King, Jr. Day added

D. Duration: 1990-1992

E. Other Issues: Specific layoff procedures and projections analogous to Supervisory Unit.

6. Supervisory Unit (tentative agreement)

Note: Terms for Class One employees in this unit were initially established by interest arbitration of outstanding issues in an economic reopener in the third year of the agreement. The arbitrator awarded Class One employees a 4.08 percent across the board increase and found for the State on all other issues. The parties reentered negotiations on an agreement for all employees in the unit, regardless of class.

A. Wages:

1. 1990:
 - a. Class One employees will receive a 4.08 percent across the board general wage increase.
 - b. Class Two and Three employees will receive a 3.3 percent across the board general wage increase and an additional leave accrual for 1990 only of 1.26 hours per month in compensation for the difference between 3.3 percent and 4.08 percent.
2. 1991:
 - a. Class One employees will be placed on the same salary schedule as Twos and Threes. In 1991 only, Class One employees will receive additional leave accrual of 1.26 hours per month as compensation for their placement on the 3.3 percent wage schedule (a loss of .78 percent)
 - b. Across the board general wage increase equal to the increase in the Anchorage CPI-U, but not to exceed 5 percent.

3. 1992: Across the board general wage increase equal to the increase in the Anchorage CPI-U, but not to exceed 5 percent.

B. Health Insurance:

1. 1990: State will continue to pay current premium through December 31, 1990.
2. 1991-92: If the premium increases during these years, the State will pay an additional premium amount equal to the Anchorage CPI-U increase during the previous year but not to exceed 5 percent.

The parties shall meet in a Health Benefits Evaluation to discuss plan changes. If unable to agree, the State may modify plan to maintain the prescribed premium rate or deduct the excess from the employee's salary.

C. Holidays:

1. Martin Luther King, Jr. Day added.
2. Three floating holidays (Alaska Day, Seward's Day, President's Day) designated as fixed-date holidays.

D. Duration: 1990-92

E. Other Issues:

1. Sea duty pay made consistent with PSEA, GGU tentative agreement on this issue.
2. Actual expenses allowed in lieu of per diem rates for official travel to Anchorage, Fairbanks, and Juneau consistent with Administrative Manual.

7. Labor, Trades and Crafts (tentative agreement)

Note: LTC is operating under the terms of an interest arbitration covering Class One employees for 1989-90, the contents of which were imposed upon Class Two and Three employees in August, 1989. That contract included wage reopeners for 1989 and 1990. Negotiations failed, and wage disputes for Class Ones were submitted to an arbitrator. Subsequent to receipt of an award granting a \$675 compensatory payment in lieu of a 1989 wage increase, and an across the board increase for 1990 of 4.6 percent, the parties reentered negotiations for an agreement covering all classes.

Tentative agreement has been reached and the ratification process is underway. However, the parties entered into an agreement not to discuss the details of the settlement until voting is complete.

8. Masters, Mates and Pilots (balloting without Union recommendation)
 1. Wages: 3.3 percent across the board general wage increase.
 2. All other issues: continue current contract language.

EC/DMC/dkk

20/8/0873630.wp

cc: Frank S. Baxter

Commissioner

Department of Administration