

**SB 161**

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/22/91

FURTHER:

DATE TURNED INTO OFFICE: 5-1-91

The Finance Committee considered SENATE BILL NO. 161

"An Act making appropriations for contract settlement costs and arbitration awards for public employees who are members of collective bargaining units, and for salary adjustments for public employees who are not members of a bargaining unit; and providing for an effective date."

and recommended:

replace with \_\_\_\_\_ CS SB 161 (Fix)  same title  
 or adopt \_\_\_\_\_ CS \_\_\_\_\_  new title  
 attached amendment(s)  technical title change (HB only)  
 \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

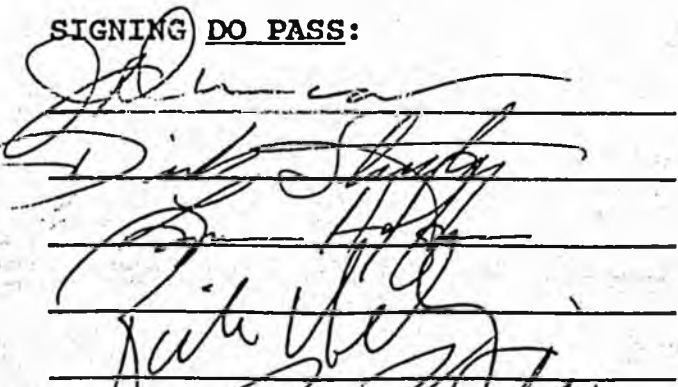
ATTACHES NEW FISCAL NOTE(S):  
Dept/Date:

fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_

appropriation-no fiscal note

SIGNING DO PASS:

  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

APPROVES PREVIOUS:

Dept/Date:  
 fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS:

Al Adams - No Rec  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

1. Pat [unclear] no rec 2. [unclear] do pass  
 Co-Chairs: Signatures and Recommendations

5-1-91  
SFC-91  
Adopted  
WORK DRAFT

7-GS0076G ✓  
Cramer  
4/30/91

Amend. #1  
p. 3 Line 20

CS FOR SENATE BILL NO. 161 (FINANCE)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$14,604,600
	Other Funds	<u>6,294,200</u>
		\$20,898,800

Sponsor(s): SENATE RULES/GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations for contract settlement costs and an arbitration award for  
2 public employees who are members of collective bargaining units, and for salary  
3 adjustments for public employees who are not members of a bargaining unit; and  
4 providing for an effective date."

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

6 \* Section 1. The sum of \$14,151,300 is appropriated to the Office of the Governor, office of  
7 management and budget, to pay a cost-of-living salary adjustment for executive branch employees for  
8 the period January 1, 1991, through June 30, 1991, from the following sources:

9	Federal Receipts	\$1,784,300
10	General Fund Match	356,800
11	General Fund	7,756,200
12	General Fund/Program Receipts	428,000
13	General Fund/Mental Health	215,600
14	Interagency Receipts	584,000

	WORK DRAFT	WORK DRAFT	WORK DRAFT
1	Agricultural Loan Fund		15,800
2	State Corporation Receipts		283,300
3	Fish and Game Fund		172,100
4	Science and Technology Endowment Income		6,500
5	Highways Equipment Working Capital Fund		178,300
6	International Airports Revenue Fund		449,600
7	Public Employees' Retirement Fund		49,000
8	Second Injury Fund Reserve Account		2,200
9	Disabled Fisherman's Reserve Account		2,500
10	Surplus Property Revolving Fund		3,000
11	Teachers' Retirement System Fund		37,400
12	Veterans' Revolving Loan Fund		7,100
13	Commercial Fishing Loan Fund		22,000
14	Real Estate Surety Fund		1,200
15	Judicial Retirement System		500
16	Public Law 81-874 Receipts		800
17	National Guard Retirement System		400
18	Training and Building Fund		11,800
19	Permanent Fund Dividend Fund		74,700
20	Oil and Hazardous Substance Release Response Fund		256,800
21	Small Business Loan Fund		1,100
22	Tourism Revolving Loan Fund		900
23	Capital Improvement Project Receipts		1,391,100
24	Housing Assistance Loan Fund		28,800
25	Mining Revolving Loan Fund		3,400
26	Child Care Revolving Loan Fund		800
27	Historical District Revolving Loan Fund		200
28	Fisheries Enhancement Loan Fund		5,000
29	Alternative Energy Revolving Loan Fund		4,300
30	Residential Energy Conservation Loan Fund		4,100
31	Power Development Revolving Loan Fund		11,700

1 \* Sec. 2. The sum of \$4,923,000 is appropriated to the University of Alaska to pay salary adjustments  
 2 for employees of the university who are not members of a collective bargaining unit in accordance with  
 3 the compensation policy of the board of regents for the period January 1, 1991, through June 30, 1991,  
 4 from the following sources:

5	Federal Receipts	\$332,100
6	General Fund	3,253,500
7	Interagency Receipts	321,100
8	U/A Student Tuition/Fees/Services	810,100
9	U/A Indirect Cost Recovery	42,600
10	University Restricted Receipts	163,600

11 \* Sec. 3. The sum of \$675,200 is appropriated from the general fund to the Alaska State Legislature  
 12 to pay a 5.0 percent cost-of-living salary adjustment for legislative branch employees for the period  
 13 January 1, 1991, through June 30, 1991.

14 \* Sec. 4. The sum of \$750,000 is appropriated from the general fund to the Alaska Court System to  
 15 pay a 5.0 percent cost-of-living salary adjustment for court system employees for the period January 1,  
 16 1991, through June 30, 1991.

17 \* Sec. 5. The sum of \$245,000 is appropriated from the general fund to the Department of  
 18 Administration to satisfy an arbitration award regarding monetary terms of the agreement with the Public  
 19 Safety Employees Association for the fiscal year ending June 30, 1991.

20 \* Sec. 6. The sum of <sup>\$77.5 Adopted 5-1-91</sup>~~\$75,000~~ is appropriated from the International Airports Revenue Fund to the  
 21 Department of Transportation and Public Facilities, Alaska international airport system, to satisfy the  
 22 monetary terms of the collective bargaining agreement with the Alaska Public Employees Association  
 23 for fiscal years 1988, 1989, 1990, and 1991.

24 \* Sec. 7. The sum of \$79,300 is appropriated from the general fund to the Department of  
 25 Transportation and Public Facilities, Alaska marine highway system, to satisfy the monetary terms of  
 26 the collective bargaining agreement with the International Organization of Masters, Mates, and Pilots for  
 27 the fiscal year ending June 30, 1991.

28 \* Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

5-1-91  
Adopted

WALTER J. HICKEL, GOVERNOR

*Amend. #1*

**OFFICE OF THE GOVERNOR**

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

**OFFICE OF MANAGEMENT AND BUDGET  
DIVISION OF BUDGET REVIEW**

April 30, 1991

*WILL REQUIRE  
REVISION TO  
FIN CS.*

The Honorable Pat Pourchot  
Senate Finance Committee  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Pourchot:

In OMB's letter of April 25th to the committee concerning Senate Bill 161, the FY 91 COLA legislation, I requested the committee's consideration of including funding to meet the terms of a Letter of Understanding for payment of retroactive pay for Airport Safety Officer supervisors.

Originally the Department of Transportation and Public Facilities indicated the cost of meeting the agreement's terms was \$75,000. Its most recent correspondence, however, has revised this amount upward to \$77,500. A copy of the department's calculation is attached for your reference.

The committee's consideration of incorporating the additional funding will be appreciated.

Sincerely,

*Cheryl Frasca*

Cheryl Frasca  
Director

attachment

cc: Commissioner Frank Turpin  
Commissioner Millett Keller

# MEMORANDUM

# State of Alaska

Department of Transportation and Public Facilities

TO: Cheryl Frasca, Director  
Division of Budget Review  
Office of Management and Budget  
Office of the Governor

DATE: April 26, 1991

FILE NO.:

TELEPHONE NO.: 465-3900

FROM: Frank G. Turpin  
Commissioner



SUBJECT: Supplemental  
Appropriation for  
Airport Safety  
Officer Supervisors

The Department of Transportation and Public Facilities requests that a supplemental appropriation be made available to provide the authority for retroactive pay for Airport Safety Officer supervisors at the International Airports. It is estimated that the total retroactive salary obligation for these positions, based on an updated calculation using employee retroactive pay plus 25.5% in benefits, is \$77,500 (see attachment). Although a letter of agreement has been signed to provide this pay to Airport Safety Officers V and VI between the period May 16, 1988 through November 6, 1990, the funding must be appropriated.

## Attachment

cc: Bruce Cummings, Director, Division of Labor Relations, Department of Administration  
Janet Ignell, Personnel Officer, Department of Transportation and Public Facilities  
Millett Keller, Commissioner, Department of Administration  
Ron B. Lind, Director, Plans, Programs and Budget  
D. Randy Simmons, Deputy Commissioner, Finance and Management

## DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

## AIRPORT SAFETY OFFICER SUPERVISORS

## CALCULATION OF PERSONAL SERVICES RETROACTIVE SALARY OBLIGATION

PCN	CLASSIFICATION TITLE	LOCATION	RETRO DUE TO EMPLOYEE
25-2757	Airport Safety Officer VI	Anchorage	\$10,631
25-2758	Airport Safety Officer V	Anchorage	\$16,307
25-2759	Airport Safety Officer V	Anchorage	\$18,833
25-3013	Airport Safety Officer V	Fairbanks	\$15,988
		Subtotal	<u>\$61,758</u>
	Benefits at approximately 25.5%		\$15,748
		TOTAL	<u>\$77,506</u>

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR POURCHOT

TO: CSSB 161 (FINANCE)

Page 1, line 3, after "for":

Insert "certain"

Page 1, line 6, through page 3, line 16:

Delete all material.

Insert a new bill section to read:

"\* **Section 1.** The sum of \$12,326,827 is appropriated to the Office of the Governor, office of management and budget, to pay a cost-of-living salary adjustment for executive branch employees in the classified service for the period January 1, 1991, through June 30, 1991, from the following sources:

Federal Receipts	\$1,760,713
General Fund Match	345,720
General Fund	6,686,179
General Fund/Program Receipts	342,610
General Fund/Mental Health	174,128
Interagency Receipts	434,112
Agricultural Loan Fund	15,800
State Corporation Receipts	577
Fish and Game Fund	167,489
Highways Equipment Working Capital Fund	176,703
International Airports Revenue Fund	435,879
Public Employees' Retirement Fund	40,757
Second Injury Fund Reserve Account	2,200
Disabled Fisherman's Reserve Account	2,500
Surplus Property Revolving Fund	3,000
Teachers' Retirement System Fund	31,727

Veterans' Revolving Loan Fund	7,100
Commercial Fishing Loan Fund	21,954
Real Estate Surety Fund	1,082
Judicial Retirement System	500
Public Law 81-874 Receipts	800
National Guard Retirement System	400
Training and Building Fund	11,800
Permanent Fund Dividend Fund	72,271
Oil and Hazardous Substance Release Response Fund	239,589
Small Business Loan Fund	1,100
Tourism Revolving Loan Fund	225
Capital Improvement Project Receipts	1,306,984
Housing Assistance Loan Fund	26,424
Mining Revolving Loan Fund	3,400
Child Care Revolving Loan Fund	43
Historical District Revolving Loan Fund	200
Fisheries Enhancement Loan Fund	4,832
Alternative Energy Revolving Loan Fund	4,092
Residential Energy Conservation Loan Fund	3,937"

Renumber the following bill sections accordingly.

Adjust the funding information accordingly.

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

### OFFICE OF MANAGEMENT AND BUDGET DIVISION OF BUDGET REVIEW

WALTER J. HICKEL, GOVERNOR

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

April 29, 1991

The Honorable Pat Pourchot  
Co-Chairman  
Senate Finance Committee  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Pourchot:

Today OMB was notified of the monetary terms for the collective bargaining agreement with the Masters, Mates and Pilots.

For Fiscal Year 1991, the Department of Transportation and Public Facilities calculates the cost of meeting these terms at \$79,300 in general funds. I request the Finance Committee's consideration of incorporating these additional dollars in Senate Bill 161.

For your reference, attached is the Department of Administration's notification. If I can provide additional information, please let me know.

Thank you.

Sincerely,



Cheryl Frasca  
Director

attachment

# MEMORANDUM

# State of Alaska

TO: Cheryl Frasca  
Director  
Division of Budget Review  
Office of Management and Budget  
Office of the Governor

DATE: April 29, 1991

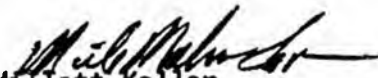
FILE NO:

TELEPHONE NO: 465-2200

THRU:

SUBJECT: Monetary Terms of Agreement  
with International  
Organization of Masters,  
Mates, and Pilots

FROM:

  
Mittelt Keller  
Commissioner of Administration  
Department of Administration

**RECEIVED**  
APR 29 1991

## BUDGET REVIEW

On April 25, 1991, the State reached agreement with the Masters, Mates and Pilots on a full collective bargaining agreement for this unit. As you are aware, the Department of Administration must submit the monetary terms of an agreement to the legislature. I am transmitting the monetary terms for the employees in this bargaining unit to the President of the Senate and the Speaker of the House simultaneously with this memorandum to you.

### Monetary Terms

Monetary terms of an agreement are defined in AS 23.40.250(4) as changes that require an appropriation for their implementation, result in a change in State revenues, or result in a change in productive work hours for State employees.

#### A. Require Appropriation

1. Subject to legislative funding, the agreement calls for the wage rates set out in Rule 17 to be increased by an amount equal to a five percent increase in the bargaining unit wage cost incurred by the Alaska Marine Highway System in the previous calendar year. The effective date is April 1, 1991.
2. The above increase will be applied across the board to the wages, not including Cost of Living Differential (COLD), at the rate of five and six-tenths percent (5.6%) for all classifications in the Southeast system.

M/V LE CONTE class masters will be paid at the M/V COLUMBIA rate. This "increase" is offset by the fact that relief Masters assigned to M/V LE CONTE class vessels are paid at M/V COLUMBIA rates under the terms of prior agreements and by elimination of one vacation relief Master upon filling of the permanent Master's position.

M/V BARTLETT: The Master's pay and nonwatch pay shall be at the M/V COLUMBIA rate. Base wages for all classifications shall be increased by four and five-tenths (4.5%). Rule 25.01 will be as in the M/V TUSTUMENA agreement.

The sum of money allocable to the M/V TUSTUMENA shall be applied to offset the increase in Master's pay and Master's nonwatch pay to the M/V COLUMBIA rate and to offset the cost of accruing "A" days in the yard as if on the run. The wage rates, not including COLD, of all classifications shall be increased by one percent (1%).

#### B. State Revenues

There are no provisions in this agreement that would change State revenues.

#### C. Productive Work Hours

Accrual of "A" days for M/V TUSTUMENA while in yard status may result in a change of productive hours for some employees, but will not require an appropriation.

#### Other Terms

There are other terms to the collective bargaining agreement that do not meet the statutory definition of "monetary terms" that will be of interest to you.

- On or after July 1, 1991, the Employer may convert to the semimonthly pay system currently in effect for all other State employees except the Marine Engineers. This reduces the cost and inconvenience to the Department of Administration of running a separate payroll for marine employees.

#### Conclusion

Funding for the monetary terms is required. Please prepare and forward to the legislature the necessary documents. Please feel free to call on the staff of the Division of Labor Relations for any assistance desired.

MK/AC/lt

9/8/1160694.wp

cc: Frank Turpin  
Commissioner  
Department of Transportation and  
Public Facilities

Jim Ayers  
Director  
Alaska Marine Highway System  
Department of Transportation and  
Public Facilities

Bruce Cummings  
Director  
Division of Labor Relations  
Department of Administration

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## OFFICE OF THE GOVERNOR

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

### OFFICE OF MANAGEMENT AND BUDGET DIVISION OF BUDGET REVIEW

April 25, 1991

The Honorable Pat Pourchot  
Co-Chairman  
Senate Finance Committee  
Post Office Box V  
Juneau, Alaska 99811

Dear Senator Pourchot:

Thank you for scheduling Senate Bills 160 and 161, legislation which will provide a Fiscal Year 1991 cost of living allowance for state employees. I will take this opportunity to provide you with some additional information concerning the Labor and Commerce Committee Substitute as well as request Senate Finance Committee's consideration of several additional amendments.

#### CSSB 161(L&C)

At the request of the Governor, Senate Labor and Commerce made a net reduction of \$666,000 in Section 1 which reflects the following:

1. The reaching of a wage agreement with Labor, Trades and Crafts since introduction of the original bill. The additional funding necessary to meet the terms of this agreement is \$1,656,300. The Department of Administration's notification of the "monetary terms" of this contract is attached for your review; and
2. Correction of an error based on an incorrect date which was originally reflected regarding the effective date of the COLA for General Government Unit "Class 1" employees. The effective date for this group is July 1, 1991, instead of January 1, 1991. Accordingly, a reduction of \$2,322,900 is possible. For your reference, I have also included this information as well.

#### Proposed Amendments to CSSB 161 (L&C)

##### University of Alaska

The University has requested section 2 be amended to reflect similar language included in SB 160, the amended salary schedule. This change is:

\* Sec. 2. The sum of \$4,923,000 is appropriated to the University of Alaska to pay salary adjustments for employees of the University of Alaska who are not members of a collective bargaining unit in accordance with the compensation policy of the board of regents for the period January 1, 1991, through June 30, 1991, from the following sources: (no changes to amounts or funding sources).

**Airport Safety Officers**

The Department of Transportation and Public Facilities has agreed to a Letter of Understanding for supervisory Airport Safety Officers which requires the appropriation of funds to meet its monetary terms. Please consider a new section which reflects the following:

\* Sec. . The sum of \$75,000 is appropriated from the International Airports Revenue Fund to satisfy monetary terms of the agreement with the Alaska Public Employees Association for fiscal years 1988, 1989, 1990, and 1991.

**Technical Corrections**

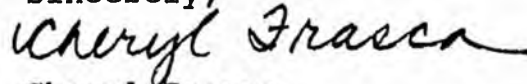
Upon further review of the distribution of funding for the salary adjustment, a series of technical corrections are necessary. A marked-up copy of CSSB 161(L&C) reflecting these changes is attached.

**Distribution of Funding for Covered and Non-Covered**

Per your staff's request, attached is a distribution of the allocation of funding provided in section 1 for covered and non-covered employees.

Please let me know if there is any additional information I can provide.

Sincerely,



Cheryl Frasca  
Director

cc: Senator Jalmar Kerttula  
Shelby Stastny, Office of Management and Budget  
Bruce Kendall, Office of the Governor

FY91 COLA SUPPLEMENTAL

FUND SOURCE	PSEA	EXCL	GGU	CONF	LTC	SPVR	TCHR	XMPT	IBU	TOTAL
1002 Federal Receipts	13,353		1,488,518	759	47,681	210,422		23,587		1,784,300
1003 General Fund Match	1,128		282,748		11,918	49,925		11,080		356,800
1004 General Fund	618,477	22,230	3,628,588	157,676	923,870	977,386	54,976	1,070,021	302,976	7,756,200
1005 Program Receipts/GF	3,145	1,883	283,893		9,623	44,067		85,390		428,000
1006 Mental Health/GF			64,199	497	66,328	43,104		41,472		215,600
1007 Inter-Agency	3,208		291,449	12,704	29,357	51,478	45,916	149,88E		584,000
1021 Agricultural Loan Fund			14,299			1,501				15,800
1022 State Corp. Receipts			577					282,723		283,300
1024 Fish & Game Fund			144,057		343	23,089		4,611		172,100
1025 Sci/Tech Endowment Income								6,500		6,500
1026 Highway Working Capital		1,957	30,440	2,317	124,845	17,144		1,597		178,300
1027 International Airports	189,985	484	52,076	3,528	158,477	31,329		13,721		449,600
1029 Public Employees Retirement			34,468			6,289		8,243		49,000
1031 Second Injury Fund			2,200							2,200
1032 Disabled Fishermen			1,231			1,209				2,500
1033 Surplus Property			1,246		1,061	693				3,000
1034 Teachers Retirement			25,635			6,092		5,673		37,400
1035 Veterans Loan Fund			5,655			1,445				7,100
1036 Comm Fishing Loan Fund			17,252			4,702				22,000
1040 Real Estate Surety Fund			1,082					118		1,200
1042 Judicial Retirement			500							500
1043 Public Law 81-874/GF			800							800
1045 National Guard Retirement			400							400
1049 Training & Building Fund			9,052			2,748				11,800
1050 Permanent Fund Div Fund			61,424			10,847		2,429		74,700
1052 Oil/Hazardous Waste			232,225	1,434		5,930		17,211		256,800
1057 Small Business Loan Fund			1,031			69				1,100
1058 Tourism Revolving Loan			225					675		900
1061 CIP Receipts			854,820		282,811	169,353		84,116		1,391,100
1064 Housing Assistance			22,600	327		3,497		2,376		28,800
1087 Mining Revolving Loan Fund			3,272			128				3,400
1088 Child Care Revolving Loan			43					757		800
1089 Hist Distr Revolving Loan						200				200
1070 Fisheries Enhance Rev Loan			4,402			430		168		5,000
1071 Alt Energy Rev Loan Fund			3,226			866		208		4,300
1072 Res Energy Cons Rev Loan			3,502			435		163		4,100
1073 Pwr Dev Rev Loan Fund								11,700		11,700
<b>TOTAL FUNDS</b>	<b>829,296</b>	<b>26,553</b>	<b>7,567,136</b>	<b>179,242</b>	<b>1,656,294</b>	<b>1,664,437</b>	<b>100,892</b>	<b>1,824,473</b>	<b>302,976</b>	<b>14,151,300</b>
<b>GENERAL FUND</b>	<b>822,750</b>	<b>24,112</b>	<b>4,259,429</b>	<b>158,173</b>	<b>1,011,739</b>	<b>1,114,481</b>	<b>54,976</b>	<b>1,207,963</b>	<b>302,976</b>	<b>8,756,600</b>

Public Safety Employees(PSEA) Excluded(EXCL) General Government(GGU) Confidential(CONF) Labor, Trades & Crafts(LTC) Supervisory(SPVR) Teachers(TCHR) Exempt/Partially Exempt(XMPT) Inland Boatmen(IBU)

**Distribution of 5% COLA Increase**  
**Proposed Amendments to CSSB161(L&C)**

The following table is a breakdown between non-covered ie., exempt employees, and covered employees.

	Non-Covered	Covered
Federal Receipts	23,587	1,760,713
General Fund Match	11,080	345,720
General Fund	1,070,021	6,686,179
General Fund/Program Receipts	85,390	342,610
General Fund/Mental Health	41,472	174,128
Interagency Receipts	149,888	434,112
Agricultural Loan Fund		15,800
State Corporation Receipts	282,723	577
Fish and Game Fund	4,611	167,489
Science and Technology Endowment Income	6,500	
Highway Working Capital Fund	1,597	176,703
International Airports Revenue Fund	13,721	435,879
Public Employees' Retirement Fund	8,243	40,757
Second Injury Fund Reserve Account		2,200
Disabled Fisherman's Reserve Account		2,500
Surplus Property Revolving Fund		3,000
Teachers' Retirement System Fund	5,673	31,727
Veterans' Revolving Loan Fund		7,100
Commercial Fishing Loan Fund	46	21,954
Real Estate Surety Fund	118	1,082
Judicial Retirement System		500
Public Law 81-874 Receipts		800
National Guard Retirement System		400
Training and Building Fund		11,800
Permanent Fund Dividend Fund	2,429	72,271
Oil and Hazardous Response Fund	17,211	239,589
Small Business Loan Fund		1,100
Tourism Revolving Loan Fund	675	225
Capital Improvement Project Receipts	84,116	1,306,984
Housing Assistance Loan Fund	2,376	26,424
Mining Revolving Loan Fund		3,400
Child Care Revolving Loan Fund	757	43
Historical District Revolving Loan Fund		200
Fisheries Enhancement Loan Fund	168	4,832
Alternative Energy Revolving Loan Fund	208	4,092
Residential Energy Conservation Loan Fund	163	3,937
Power Development Revolving Loan Fund	11,700	
<b>TOTAL</b>	<b>1,824,473</b>	<b>12,326,827</b>

FY 91 COLA Legislation

5-1-91  
 Cheryl  
 Franca  
 Handout  
 JB161

	GF	OF	Total
Sec. 1 EXECUTIVE BRANCH (includes technical amd)	8,756.6	5,394.7	14,151.3
Sec. 2 UA	3,253.5	1,669.5	4,923.0
Sec. 3 LEGISLATURE	675.2		
Sec. 4 COURT SYSTEM	750.0		
Sec. 5 PSEA Arbitration	245.0		
	13,680.3	7,064.2	20,744.5
<b>Amendments:</b>			
Airport Safety Officers		77.5	
MMP	79.3		
<b>TOTAL</b>	<b>13,759.6</b>	<b>7,141.7</b>	<b>20,901.3</b>

# MEMORANDUM

# State of Alaska

TO: Cheryl Frasca  
Director  
Division of Budget Review  
Office of the Governor

DATE: March 12, 1991

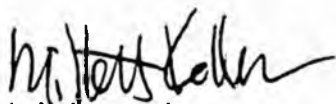
FILE NO:

TELEPHONE NO: 465-4404

THRU:

SUBJECT: Monetary Terms of Labor,  
Trades and Crafts (LTC)  
Contract

FROM: Millett Keller  
Commissioner  
Department of Administration



As indicated in our January 7, 1991, memorandum regarding "monetary terms" for FY 91, the State has been negotiating with Local #71, the representative of the Labor, Trades and Crafts (LTC) unit. The negotiations have been completed. We were notified on March 12 that union membership had ratified the contract changes. I am herewith providing you with the monetary terms so that supplemental and budget amendment requests may be made to the legislature. Simultaneously, I am providing the legislature with the monetary terms, as required by law.

## Monetary Terms

Monetary terms of an agreement are defined in AS 23.40.250(4) as changes that require an appropriation for their implementation, changes that will result in a change in State revenues, or changes that will result in a change in production work hours for State employees.

### I. Require Appropriation.

- A. For the period January 1 through June 30, 1991, each employee in the bargaining unit is to receive \$65.00 for each of the twelve pay periods in which they work. At the time of negotiations, there were 1,671 active employees in the unit. Information on the change in number of employees during the period, and the number of part-time or seasonal employees who may not work in each period, will not be known precisely until the period ends. A supplemental appropriate slightly larger than

1,671 X \$780  
+ benefits (except health insurance)

should be sufficient. You may have information with which to refine the amount needed.

B. For FY 92, there are several changes to the wage structure.

1. The wage scale for employees other than Class 1 employees (not allowed to strike) is increased 4.5 percent effective July 1, 1991. Class 1 employees will be moved to this schedule also. For them, it is a 3.2 percent increase. Class 1 employees make up approximately 23 percent of the unit, but only 20 percent of the wages.
2. In addition, the service bonus (equivalent of longevity) provision was modified from a cents-per-hour basis to a percentage basis. Instead of 30¢ and 60¢, the two service bonus steps will be 3 percent each.
3. The subsistence (equivalent to geographic differential) provision was also changed. The rate was increased by 3¢ per step per day. Further, subsistence will be calculated as an hourly rate (based on a normal workweek) and added to the regular hourly rate. Employees in the Aleutian Islands and Bristol Bay election districts will have their subsistence increased from seven steps to eight steps.
4. Finally, the hourly payments to nonpermanent employees in lieu of benefits was increased from \$1.50 to \$1.65 per hour.

In total, the FY 92 costs for positions in this unit are increased by 5 percent. This includes both wages and earnings-based benefits (all benefits except health insurance). Because the subsistence and service bonus increases do not apply uniformly to all employees, a flat 5 percent increase in appropriation may not distribute the increase where it is needed. We would be happy to work with you and your staff to refine the PACS data, if feasible, in time for a more accurate allocation.

## II. State Revenue.

There are no provisions in the agreement that would change State revenues.

## III. Productive Work Hours.

For the period July 1 through December 31, 1991, Class 1 employees in this unit will receive an additional 1.05 hours of annual leave per pay period. This provision will potentially effect the productive work hours of these employees.

## Other Terms

There are other terms to the collective bargaining agreement that do not meet the statutory definition of "monetary terms," that will be of interest to you.

- Upon promotion, employees in this unit will be treated like most other State employee, with the potential of a lower step placement than the step held prior to the promotion.
- The probationary period has been extended from 60 to 120 days.
- Double-time pay for overtime on the seventh day of a workweek will only be paid if the employee also worked on the sixth day.

Conclusion

Funding for the monetary terms is required. Please prepare and forward to the legislature the necessary documents. Please feel free to call on the staff of the Division of Labor Relations for any assistance desired.

BC/MPM/pal  
6/4D2/030809-1

cc: Division of Labor Relations  
Department of Administration

# MEMORANDUM

# State of Alaska

TO: Cheryl Frasca  
Director  
Division of Budget Review  
Office of Management and Budget  
Office of the Governor

DATE: March 4, 1991

FILE NO:

TELEPHONE NO: 465-4404

THRU: <sup>M.M. For</sup> Millett Keller  
Commissioner  
Department of Administration

SUBJECT: Cost of Living Allowance  
(COLA) Pay Increases  
(REVISED)

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

We have just been advised by the U.S. Bureau of Labor Statistics that the Consumer Price Index for All Urban Consumers (CPI-U) for Anchorage, Alaska, rose by seven percent (7%) for calendar year 1990. Consequently, Cost of Living Allowances (COLAs) to salaries/wages are contractually due for the bargaining units noted below; since the COLA due may not exceed five percent (5%) in most of our collective bargaining agreements, each group listed is eligible for a five percent (5%) COLA; exceptions are discussed in ensuing paragraphs.

The following groups are eligible for a five percent (5%) COLA, on the dates noted.

<u>BARGAINING UNIT</u>	<u>EFFECTIVE DATE/COMMENT</u>
1. General Government Unit (GGU)	
a. "Class 1" employees [AS 23.40.200(a)(1)]	Full COLA (5%) effective July 1, 1991.
b. "Class 2 and 3" employees [AS 23.40.200(a)(2) and (3)]	COLA effective January 1, 1991.
2. Supervisory Unit (SU)	Full COLA (5%) applied to schedule for employees subject to AS 23.40.200(a) (2) and (3); all salaries to be converted to this schedule effective January 1, 1991.
3. Confidential Employees Association (CEA) (K)	Effective January 1, 1991.
4. Public Safety Employees Association (PSEA)	Effective January 1, 1991.
5. Centralized Correspondence Study Education Association (CCSEA)	Effective January 1, 1991.

<u>BARGAINING UNIT</u>	<u>EFFECTIVE DATE/COMMENT</u>
6. Teachers' Education Association of Mt. Edgecumbe (TEAME)	Effective July 1, 1991.
7. Inlandboatmen's Union of the Pacific (IBU)	Effective April 1, 1991.

In addition to these COLAs, we also have an uncapped COLA clause in the contract with the Alaska Vocational Technical Center Teachers' Association, entitling them to a full seven percent (7%) COLA, effective July 1, 1991. (This agreement was negotiated with State Board of Education under Title 14, and does not expire until June 30, 1992.)

Please prepare the requests for appropriation which are necessary to fulfill our contractual obligations for these COLAs. Additional appropriation needs may exist in the near future for bargaining units discussed below:

1. We have recently received tentative agreement on wage adjustments for the Labor, Trades and Crafts (LTC) bargaining unit. However, the tentative agreement is subject to ratification balloting, the results of which are due March 12. If the contract is ratified, we will advise you by separate cover of the "monetary terms" subject to legislative approval and appropriation.
2. 1991 wage negotiations with the International Organization of Masters, Mates & Pilots (MM&P) and Marine Engineers Beneficial Association, AFL-CIO (MEBA), are just commencing. If negotiations are concluded while the legislature is in session, any "monetary terms" will be reported and we will ask you to seek any necessary appropriations. If negotiations are not concluded within that time, terms will be reported and funding sought in the next session.

Please do not hesitate to contact me if you have any questions on these matters.

BC/lr  
9/8/0501486.wg

# MEMORANDUM

# State of Alaska

TO: Cheryl Frasca  
Director  
Division of Budget Review  
Office of Management and Budget  
Office of the Governor

DATE: March 4, 1991

FILE NO:

TELEPHONE NO: 465-4404

THRU: *MEM FOR*  
Millett Keller  
Commissioner  
Department of Administration

SUBJECT: COLA Error; GGU "Class 1"

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

My February 21 memorandum to you on contractual cost-of-living adjustments (COLAs) was in error regarding the effective date of the COLA for General Government Unit "Class 1" employees [AS 23.40.200(a)(1)]. Per the arbitrator's award for this subgroup, the scheduled COLA does not take effect until July 1, 1991 (Article 21, Section 2-A of the agreement).

I sincerely apologize for any inconvenience my error created. For ease of reference and to minimize perpetuation of the error, I have attached a revised memorandum listing all units and effective dates.

BC/pab  
8/8/0631861.wp  
Attachment: COLA Memorandum

LETTER OF AGREEMENT  
between the  
STATE OF ALASKA  
and the  
ALASKA PUBLIC EMPLOYEES ASSOCIATION

RE: Pay Rate for Airport Safety Officers V/VI

It is agreed and understood between the parties that the following terms shall apply regarding pay rates for the period May 16, 1988, through November 6, 1990:

1. Airport Safety Officer VI

The incumbent(s) of PCN 252757, Airport Safety Officer VI, shall be paid at the appropriate step of Range 21.

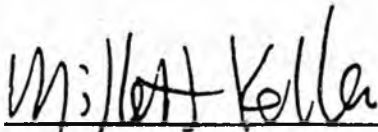
2. Airport Safety Officer V

Incumbents of PCNs 253013, 252758, 252759, Airport Safety Officer V positions, shall be paid at the appropriate step of Range 20.

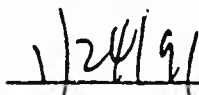
3. Time-frames for disputes regarding calculation of retroactive payments shall be processed in accordance with the contractual grievance procedures.

The parties recognize that funding for this agreement is subject to legislative approval in accordance with AS 23.40.215.

FOR THE STATE OF ALASKA:

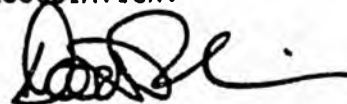


Commissioner Millett Keller  
Department of Administration



Date

FOR THE ALASKA PUBLIC EMPLOYEES  
ASSOCIATION:



David R. Kaiser  
Alaska Public Employees Association



Date

WALTER J. HICKEL  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 1, 1991

The Honorable Richard I. Eliason  
President of the Senate  
P.O. Box V  
Juneau, AK 99811

Dear President Eliason:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making appropriations to pay the costs of a 5.0 percent cost-of-living salary adjustment for public employees, and the costs of an arbitration award regarding the Public Safety Employees Association. The appropriations are for costs during the period January 1, 1991 through June 30, 1991.

Sincerely,

*Walter J. Hickel*

Walter J. Hickel  
Governor