

SB455

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/92

FURTHER:

DATE TURNED INTO OFFICE: 4-23-92

The Finance Committee considered

SENATE BILL NO. 455

"An Act making appropriations for contract settlement costs 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 recommends:

- replace with _____ CS SB 455 (FINANCE)
- or adopt previous _____ CS _____
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date
 zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date
 zero fiscal notes _____

fiscal notes _____

DO PASS:

[Handwritten signatures]

OTHER RECOMMENDATIONS:

[Handwritten signatures and notes: "No Rec", "No Rec"]

1. *[Signature]* do not pass with non-covered
Co-Chair: Signature/Recommendation

2. *[Signature]* No Rec
Co-Chair: Signature/Recommendation

Final

7-GS2076G

CS FOR SENATE BILL NO. 455 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:
Funding Information: General Fund \$ 9,748,200
Other Funds 4,725,100
\$14,473,300

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

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

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

5 * Section 1. The sum of \$10,984,600 is appropriated to the Office of the Governor, office of
6 management and budget, to pay a 3.6 percent cost-of-living salary adjustment for executive-branch
7 employees for the period January 1, 1992, through June 30, 1992, from the following sources:

8	Federal Receipts	\$1,390,700
9	General Fund Match	325,200
10	General Fund	5,611,300
11	General Fund/Program Receipts	367,000
12	General Fund/Mental Health	170,600
13	Inter-agency Receipts	533,400
14	Agricultural Loan Fund	10,100

1	State Corporation Receipts	227,000
2	Fish and Game Fund	138,900
3	Science and Technology Endowment Income	6,300
4	Highway Working Capital Fund	186,100
5	International Airports Revenue Fund	404,500
6	Public Employees Retirement Fund	33,600
7	Second Injury Fund Reserve Account	1,700
8	Disabled Fishermans Reserve Account	2,100
9	Surplus Property Revolving Fund	2,300
10	Teachers' Retirement System Fund	28,500
11	Veterans' Revolving Loan Fund	5,700
12	Commercial Fishing Loan Fund	17,500
13	Real Estate Surety Fund	1,000
14	Judicial Retirement System	400
15	National Guard Retirement System	300
16	Training and Building Fund	15,300
17	Permanent Fund Dividend Fund	58,800
18	Oil and Hazardous Substance Response Fund	167,900
19	Small Business Loan Fund	600
20	Tourism Revolving Loan Fund	700
21	Capital Improvement Project Receipts	1,154,000
22	Power Project Loan Fund	400
23	Housing Assistance Loan Fund	24,800
24	Rural Electrification Revolving Loan Fund	100
25	Mining Revolving Loan Fund	2,900
26	Child Care Revolving Loan Fund	600
27	Historical District Revolving Loan Fund	200
28	Fisheries Enhancement Loan Fund	4,000
29	Alternative Energy Revolving Loan Fund	3,200
30	Residential Energy Conservation Loan Fund	3,100
31	Power Development Revolving Loan Fund	8,700

1	Bulk Fuel Revolving Loan Fund	700
2	Alaska Clean Water Loan Fund	1,100
3	Alaska Marine Highway Fund	65,600
4	Gifts, Grants, and Bequests	1,300
5	Storage Tank Assistance Fund	6,400

6 * Sec. 2. (a) The sum of \$1,913,000 is appropriated from the general fund to the University of
7 Alaska to pay salary adjustments in accordance with the compensation policy of the board of regents for
8 the period January 1, 1992, through June 30, 1992.

9 (b) The sum of \$27,000 is appropriated from the general fund to the University of Alaska to pay
10 salary adjustments to employees of the Prince William Sound Community College who have not received
11 salary increases during the last four years because of a collective bargaining dispute.

12 * Sec. 3. The sum of \$489,600 is appropriated from the general fund to the Alaska State Legislature
13 to pay a 3.6 percent cost-of-living salary adjustment for legislative-branch employees for the period
14 January 1, 1992 through June 30, 1992.

15 * Sec. 4. The sum of \$588,000 is appropriated from the general fund to the Alaska Court System to
16 pay a 3.6 percent cost-of-living salary adjustment for court system employees for the period January 1,
17 1992, through June 30, 1992.

18 * Sec. 5. The sum of \$380,500 is appropriated to the Office of the Governor, office of management
19 and budget, to pay the 3.6 percent cost-of-living salary adjustment for the Alaska marine highway
20 maritime bargaining units for the period April 1, 1992 through June 30, 1992, from the following
21 sources:

22	General Fund	\$165,900
23	Alaska Marine Highway System Fund	214,600

24 * Sec. 6. The sum of \$90,600 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 Marine Engineers Beneficial Association for the fiscal year
27 ending June 30, 1991.

28 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

CS FOR SENATE BILL NO. 455 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$ 5,883,287
	Other Funds	<u>4,230,614</u>
		\$10,113,901

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations for contract settlement costs for public employees who are
2 members of collective bargaining units and for certain employees of the Prince William
3 Sound Community College; and providing for an effective date."

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

5 * Section 1. The sum of \$9,615,801 is appropriated to the Office of the Governor, office of
6 management and budget, to pay a 3.6 percent cost-of-living salary adjustment for executive-branch
7 employees for the period January 1, 1992, through June 30, 1992, from the following sources:

8	Federal Receipts	\$1,365,656
9	General Fund Match	301,064
10	General Fund	4,876,305
11	General Fund/Program Receipts	287,021
12	General Fund/Mental Health	135,397
13	Inter-agency Receipts	404,641
14	Agricultural Loan Fund	10,100

1	State Corporation Receipts	1,988
2	Fish and Game Fund	135,200
3	Highway Working Capital Fund	184,842
4	International Airports Revenue Fund	394,166
5	Public Employees' Retirement Fund	28,081
6	Second Injury Fund Reserve Account	1,700
7	Disabled Fishermans Reserve Account	2,100
8	Surplus Property Revolving Fund	2,300
9	Teachers' Retirement System Fund	22,981
10	Veterans' Revolving Loan Fund	5,700
11	Commercial Fishing Loan Fund	17,465
12	Real Estate Surety Fund	903
13	Judicial Retirement System	400
14	National Guard Retirement System	300
15	Training and Building Fund	15,300
16	Permanent Fund Dividend Fund	57,062
17	Oil and Hazardous Substance Response Fund	154,641
18	Small Business Loan Fund	600
19	Tourism Revolving Loan Fund	181
20	Capital Improvement Project Receipts	1,108,899
21	Housing Assistance Loan Fund	22,612
22	Mining Revolving Loan Fund	2,648
23	Historical District Revolving Loan Fund	200
24	Fisheries Enhancement Loan Fund	3,871
25	Alternative Energy Revolving Loan Fund	3,040
26	Residential Energy Conservation Loan Fund	2,975
27	Power Development Revolving Loan Fund	43
28	Bulk Fuel Revolving Loan Fund	46
29	Alaska Clean Water Loan Fund	1,100
30	Alaska Marine Highway Fund	57,649
31	Gifts, Grants, and Bequests	1,300

1 Storage Tank Assistance Fund 5,324.

2 * Sec. 2. The sum of \$27,000 is appropriated from the general fund to the University of Alaska to
3 pay salary adjustments to employees of the Prince William Sound Community College who have not
4 received salary increases during the last four years because of a collective bargaining dispute.

5 * Sec. 3. The sum of \$380,500 is appropriated to the Office of the Governor, office of management
6 and budget, to pay the 3.6 percent cost-of-living salary adjustment for the Alaska marine highway
7 maritime bargaining units for the period April 1, 1992, through June 30, 1992, from the following
8 sources:

9 General Fund \$165,900

10 Alaska Marine Highway System Fund 214,600.

11 * Sec. 4. The sum of \$90,600 is appropriated from the general fund to the Department of
12 Transportation and Public Facilities, Alaska marine highway system, to satisfy the monetary terms of
13 the collective bargaining agreement with the Marine Engineers Beneficial Association for the fiscal year
14 ending June 30, 1991.

15 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

4-23-92

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

OFFICE OF THE GOVERNOR
OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF BUDGET REVIEW

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
PHONE: (907) 465-3568

April 23, 1992

The Honorable Pat Pourchot
Co-Chair
Senate Finance Committee
State Capitol
Juneau, Alaska 99811

Dear Senator Pourchot:

In response to the committee's question this morning regarding the retroactive cost-of-living appropriation being included as an FY 92 "continuation" supplemental, attached is OMB's work paper. As you will note, the retroactive COLA amount is reflected.

Should you need additional information, please let me know.

Sincerely,

Cheryl Frasca
Cheryl Frasca
Director

attachment

cc: Senator Jalmar Kerttula, Co-Chair
Senate Finance Committee Members
J. Shelby Stastny

Continuation FY 92 Supplementals

FY 92 expenditures which continue into FY 93

	GF	Bill
Administration		
Leasing	3,600.0	HB 50
Longevity Bonus	1,602.7	HB 470
Public Defender	396.6	HB 470
Commerce and Economic Development		
Occupational Licensing - Legal Services	92.0	HB 470
Power Cost Equalization	1,200.0	HB 470
Corrections		
Major Medical	2,111.1	HB 50
Operation Costs	8,688.9	HB 470
Court System		
Operating Costs	305.8	HB 50
Education		
Foundation	19,944.7	HB 50
PTPC	87.3	HB 50
Environmental Conservation		
Program Administrative Support	158.5	HB 470
Fish and Game		
Advisory Committees/Regional Council	216.2	HB 50
Health and Social Services		
AFDC	7,585.7	HB 50
Medicaid	917.0	HB 470
Eligibility Determination	288.0	HB 470
McLaughlin Youth Center	205.5	HB 470
API	300.0	HB 470
Harborview	677.0	HB 470
Adult Public Assistance	1,662.3	HB 470
Manillaq Senior Center	197.2	*
Law		
Oil and Gas Litigation	5,000.0	HB 50
Legislature		
Operations	1,951.9	HB 50
Military and Veterans Affairs		
Veterans Death Gratuity	26.4	HB 470
Public Safety		
Search and Rescue	125.0	HB 470
Contract Jails	815.0	*
VPSO	225.0	*
Transportation		
Rural Airports	2,138.8	HB 470
Klondike Highway Maintenance	94.1	HB 470
Southeast Electrical Costs - SOB	106.8	HB 470
All Departments		
COLA - 1/1/92 - 6/30/92	9,644.6	SB 455/ HB 565
Total	70,364.1	

*Funding was in HB 50 but since deleted; anticipate will be included in another vehicle

MEMORANDUM

State of Alaska
Department of Administration

To: Shelby Stastny
Director
Office of Management
and Budget

April 8, 1992

465-2200

From: Nancy Bear Usera
Commissioner
Department of Administration

Subject: Contractual
Wage Adjustments
(COLA)

As the result of grievances filed by various State employee unions, my staff has investigated the methods historically used by the State to calculate "cost of living" allowances. We find that the practice has been to round to tenths of a percent. Consequently, I have partially granted the grievance filed by the Alaska State Employees Association regarding wage adjustments by raising the adjustment from three and fifty-seven hundredths percent to three and six-tenths percent. As it was the State's intent to have all agreements follow the same pattern, this adjustment should be applied to all State employees entitled to cost of living adjustments and, on the basis of equity, to those Executive Branch employees not covered by collective bargaining.

attachment

STATE OF ALASKA
GRIEVANCE FORM
(Attach copies of completed previous step forms)
BARGAINING UNIT GGU
CONTRACT YEAR(s) 1992

1. Name of Grievant All General Government Bargaining Unit Members 2. SSN N/A

3. Mailing Address 3510 Spenard Road, Anchorage AK 99510

4. Job Class All 5. Location All

6. Department/Division/Vessel/Crew All

7. Discussed with supervisor on N/A (Ongoing)

8. Does your grievance stem from a violation of the contract? Yes If so, what provision(s) Preamble; Articles 4, 21, 22, 24, 25, 26; Appendices A, B, C, E, inter alia.

9. Nature of Grievance The State has misinterpreted the 1991 (CPI-U) COLA adjustment.

When did this occur? February 19, 1992

10. Relief Sought That the State implement a 4.6% Cost of Living Adjustment when adjusting salaries pursuant to Article 21, Section 2B.

02/28/92 Charles L. O'Connell Charles L. O'Connell
Date Authorized Submitter's Signature Business Agent III
(See Contract to identify authorized submitter)

11. Name and Title of Respondent Nancy Bear Usara, Commissioner of Administration

12. Date Received March 3, 1992 13. Remarks See Attached

14. Decision Grievance Denied

4/1/92 Nancy Bear Usara
Date Respondent's Signature

It is clear from Mr. O'Connell's cavalier response to Mr. Corso's letter of March 16, 1982, that the union does not intend to make a good faith endeavor to explain its rationale for arriving at a wage adjustment figure of 4.6%. Consequently, the State is left to respond only with that information available to us and deny the instant grievance.

We are obligated to point out that we, too, have verified our figures with the U.S. Department of Labor. Our research has indicated that the State has historically rounded to tenths of a percent rather than hundredths. Though Arbitrator Fogelberg's award was expressed in hundredths of a percent, we believe that consistency dictates that the appropriate wage adjustment be 3.6% and will so instruct the Office of Management and Budget (OMB).

The State is confident that we have complied with Arbitrator Fogelberg's award for Class One employees and the agreement for the Class Two/Three employees incorporating that award in calculating the appropriate wage adjustment. As the union is aware the wage adjustment language of the current agreement stems from the union's proposal to Arbitrator Fogelberg and reflects his award and the parties' agreement to extend the wage adjustment terms of that award to Class Two/Three employees. The record also shows that the union accepted the benefits of the State's calculation methodology in silence when the wage adjustments were implemented in the past. Only now when an apparent benefit arises does the union contest that which stems from its own actions and from which it has accepted the benefit. Consequently, we conclude that the union is precluded by its own acts from disputing the State's actions at this late date.

Owing to the dearth of information supplied and the rush to arbitration, we remain uncertain as to the facts and circumstances giving rise to this grievance. Therefore, should this dispute ultimately be submitted to a third party, the State does not by its answer on the merits at Step Four waive any defense or objections to arbitration on procedural or substantive grounds.

4/9/83131.wp

MEMORANDUM

STATE OF ALASKA

Department of Administration
Division of Personnel & EEO

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

Date: February 19, 1992

Thru: Nancy Bear Userra
Commissioner
Department of Administration

Fr: Robert H. King
Director
Division of Personnel & EEO
Department of Administration

Re: Cost of Living Allowance
(COLA) Pay Increases

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 three and fifty seven one-hundredths percent (3.57%) for calendar year 1991. Consequently, Cost of Living Allowances (COLA's) to salaries/wages are contractually due for the bargaining units noted below with respective effective date.

The following groups are due for a 3.57% 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))	Effective July 1, 1992.
b. "Class 2 and 3" employees (AS 23.40.200(a) (2) and (3))	Effective January 1, 1992.
2. Supervisory Unit (SU)	Effective January 1, 1992.
3. Confidential Employees Association (CEA) (K)	Effective January 1, 1992.

- | | |
|---|---|
| 4. Centralized Correspondence Study Education Association (CCSEA) | Effective January 1, 1992. |
| 5. Teachers' Education Association of Mt. Edgecumbe (TEAME) | Effective July 1, 1992. |
| 6. Inlandboatmen's Union of the Pacific (IBU) | Effective April 1, 1992. |
| 7. Marine Engineer's Benevolent Assoc. (MEBA) | Effective April 1, 1992. (Base wage only) |
| 8. Masters' Mates and Pilots (MMP) | Effective April 1, 1992. (Base wage only) |

Please prepare the requests for appropriation which are necessary to fulfill our contractual obligations for these COLAs.

The remaining Unions, LTC, PSEA and AVTECTA, are currently in negotiations and it is unknown what monetary increases, if any, will be agreed upon. If negotiations are concluded and terms ratified 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.

FY92 COLA

	Total	Covered	Non-Covered
Federal Receipts	1,390,700	1,365,656	25,044
General Fund Match	325,200	301,064	24,136
General Fund	5,611,300	4,876,305	734,995
General Fund/Program Receipts	367,000	287,021	79,979
General Fund/Mental Health	170,600	135,397	35,203
Inter-agency Receipts	533,400	404,641	128,759
Agricultural Loan Fund	10,100	10,100	0
State Corporation Receipts	227,000	1,988	225,012
Fish and Game Fund	138,900	135,200	3,700
Science and Technology Endowment Income	6,300	0	6,300
Highway Working Capital Fund	186,100	184,842	1,258
International Airports Revenue Fund	404,500	394,166	10,334
Public Employees Retirement Fund	33,600	28,081	5,519
Second Injury Fund Reserve Account	1,700	1,700	0
Disabled Fishermans Reserve Account	2,100	2,100	0
Surplus Property Revolving Fund	2,300	2,300	0
Teachers' Retirement System Fund	28,500	22,981	5,519
Veterans' Revolving Loan Fund	5,700	5,700	0
Commercial Fishing Loan Fund	17,500	17,465	35
Real Estate Surety Fund	1,000	903	97
Judicial Retirement System	400	400	0
National Guard Retirement System	300	300	0
Training and Building Fund	15,300	15,300	0
Permanent Fund Dividend Fund	58,800	57,062	1,738
Oil and Hazardous Response Fund	167,900	154,641	13,259
Small Business Loan Fund	600	600	0
Tourism Revolving Loan Fund	700	181	519
Capital Improvement Project Receipts	1,154,000	1,108,899	45,101
Power Project Loan Fund	400	0	400
Housing Assistance Loan Fund	24,800	22,612	2,188
Rural Electrification Revolving Loan Fund	100	0	100
Mining Revolving Loan Fund	2,900	2,648	252
Child Care Revolving Loan Fund	600	0	600
Historical District Revolving Loan Fund	200	200	0
Fisheries Enhance Loan Fund	4,000	3,871	129
Alternative Energy Revolving Loan Fund	3,200	3,040	160
Residential Energy Conservation Loan Fund	3,100	2,975	125
Power Development Revolving Loan Fund	8,700	43	8,657
Bulk Fuel Revolving Loan Fund	700	46	654
Alaska Clean Water Loan Fund	1,100	1,100	0
Alaska Marine Highway Fund	65,600	57,649	7,951
Gifts, Grants and Bequests	1,300	1,300	0
Storage Tank Assistance Fund	6,400	5,324	1,076
Total	10,984,600	9,615,801	1,368,799

WALTER J. HICKEL
GOVERNOR

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 18, 1992

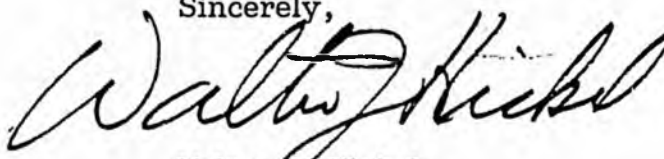
The Honorable Richard I. Eliason
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

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 3.57 percent cost-of-living salary adjustment for public employees, and certain other contract settlement costs.

The appropriations in secs. 1 - 5 of the bill are for salary adjustment costs during the period January 1, 1992 through June 30, 1992. The appropriation in sec. 6 of the bill is to pay certain fiscal year 1991 contract settlement costs.

Sincerely,



Walter J. Hickel
Governor