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# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## OFFICE OF THE GOVERNOR

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

March 19, 1992

The Honorable Drue Pearce  
Chairman  
Senate Labor and Commerce Committee  
State Capitol  
Juneau, Alaska 99801

Dear Senator Pearce:

Yesterday Senate Bill 455, related to the cost-of-living allowance (COLA) for state employees, has been referred to your committee for its consideration. The legislation was introduced by the Rules Committee at the request of the Governor in accordance with the requirement the Governor present to the Legislature for its consideration the monetary terms necessary to meet collective bargaining agreements.

SB 455 appropriates the funding necessary to meet the monetary terms of the salary adjustment due employees covered by collective bargaining agreements for the period of January 1, 1992 through June 30, 1992 (or other days as noted below.) In addition, it includes funding to extend the same salary adjustment to employees not covered by an agreement.

Specifically:

Section 1. Executive Branch.

Appropriates \$6,425,200 in general funds and \$4,531,900 in other funds to pay the 3.57 percent COLA to executive-branch covered and non-covered employees;

Section 2. University of Alaska.

Appropriates \$1,897,000 in general funds to the University of Alaska to pay a salary adjustment based on the compensation policy of the Board of Regents (appropriation amount is calculated using the 3.57 percent); these are non-covered employees;

Section 3. Legislative Branch.

Appropriates \$485,200 in general funds to the Legislature to pay the 3.57 salary adjustment to its employees; these are non-covered employees;

Section 4. Court System.

Appropriates \$583,100 in general funds to the Court System to

pay the 3.57 percent salary adjustment to its employees; these are non-covered employees;

Section 5. Marine Highway.

Appropriates \$163,500 from the general fund and \$212,700 in other funds to pay the 3.57 salary adjustment due marine highway maritime bargaining units for the period of April 1, 1992 through June 30, 1992;

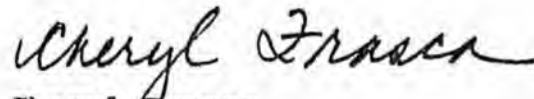
Section 6. FY 91 MEBA Agreement.

Appropriates \$90,600 from the general fund to pay monetary terms of an agreement with the Marine Engineers Beneficial Association for fiscal year 1991. (Funding to meet this agreement was appropriated by the Legislature last session. However, MEBA did not reach agreement prior to the end of the fiscal year and the funds lapsed. An agreement has since been reached and as a result, it is necessary to again appropriate these dollars.)

For the committee's reference, I have attached the notification OMB received from the Department of Administration regarding the COLA amount and specific information regarding each bargaining unit and its respective effective date for the salary adjustment.

Should the committee require additional information, please let me know.

Sincerely,



Cheryl Frasca  
Director

attachment

cc: Commissioner Nancy Usera  
J. Shelby Stastny  
Paul Fuhs

# 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.

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| 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.