

**SB**

**289**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/2/94

FURTHER:

DATE TURNED INTO OFFICE: \_\_\_\_\_

The Finance Committee considered SENATE BILL NO. 289

"An Act making appropriations to satisfy the agreed-upon monetary terms of certain collective bargaining agreements for certain public employees; and providing for an effective date."

*Died in SFC 1994.  
See HB 456*

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ (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

Department	Date	Zero	Fiscal

### PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

### DO PASS:

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### OTHER RECOMMENDATIONS:

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1. \_\_\_\_\_

Co-Chair: Signature/Recommendation

2. \_\_\_\_\_

Co-Chair: Signature/Recommendation

**SENATE COMMITTEE REPORT**  
FIRST COMMITTEE OF REFERRAL

*dup 1*

DATE: 2/9/94

FURTHER: Finance

Date of 5-Day Notice: 2/24/94  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/1/94

L&C Committee considered SB 289

"~~An Act~~ making appropriations to satisfy the agreed-upon monetary terms of certain collective bargaining agreements for certain public employees; and providing for an effective date."

and recommends:

*+ rpts it back as follows:*

replace with \_\_\_\_\_ CS \_\_\_\_\_

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

attaches amendment(s)

adopts \_\_\_\_\_ Letter of Intent

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

do pass

do not pass

no recommendation

*APP NO FN*

individual recommendations

**FISCAL NOTE INFORMATION**

Department	Date	Zero	Fiscal

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

**DO PASS:**

**OTHER RECOMMENDATIONS:**

Judith R. Salo  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Bob Whaley NR  
Alvin R. ...  
Lincoln ... NR

Tom Kelly - Do Pass  
Chair: Signature and Recommendation

ALASKA STATE LEGISLATURE  
SENATE BILL NO. 289

HISTORY IN THE SENATE

1994  
2/9

Read first time and referred to:  
L&C, FIN

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9/2 L&C RPT( ) CS 2DP 3 NR \_\_\_ DNP \_\_\_ AM  
 \_\_\_ New Title \_\_\_ Same Title \_\_\_ Previous FN  
 \_\_\_ FN \_\_\_ OFN To 2/27

\_\_\_ RPT( ) CS \_\_\_ DP \_\_\_ NR \_\_\_ DNP \_\_\_ AM  
 \_\_\_ New Title \_\_\_ Same Title \_\_\_ Previous FN  
 \_\_\_ FN \_\_\_ OFN To \_\_\_

\_\_\_ RPT( ) CS \_\_\_ DP \_\_\_ NR \_\_\_ DNP \_\_\_ AM  
 \_\_\_ New Title \_\_\_ Same Title \_\_\_ Previous FN  
 \_\_\_ FN \_\_\_ OFN To \_\_\_

\_\_\_ Rules Calendar( ) CS \_\_\_ AM \_\_\_ Other  
 \_\_\_ New Title \_\_\_ Same Title \_\_\_ Previous FN  
 \_\_\_ FN \_\_\_ OFN

Read second time

\_\_\_ CS Adopted ( ) \_\_\_ New Title  
 \_\_\_ Amended \_\_\_ Advanced

Read third time

\_\_\_ Letter of Intent adopted  
 \_\_\_ Return to second for specific amendment

PASSED EFD Same \_\_\_ or  
 Yeas Yeas  
 Nays Nays  
 Excused Excused  
 Absent Absent

Reconsideration  
 Reconsideration not taken up

PASSED EFD Same \_\_\_ or  
 Yeas Yeas  
 Nays Nays  
 Excused Excused  
 Absent Absent

Reported correctly engrossed  
 Signed by President, to House

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Secretary of the Senate

HISTORY IN THE HOUSE

19

Read first time and referred to:

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\_\_\_ RPT CS( ) \_\_\_ New Title  
 \_\_\_ DP \_\_\_ DNP \_\_\_ NR \_\_\_ AM  
 \_\_\_ FN \_\_\_ OFN \_\_\_ Previous FN

\_\_\_ RPT CS( ) \_\_\_ New Title  
 \_\_\_ DP \_\_\_ DNP \_\_\_ NR \_\_\_ AM  
 \_\_\_ FN \_\_\_ OFN \_\_\_ Previous FN

\_\_\_ RPT CS( ) \_\_\_ New Title  
 \_\_\_ DP \_\_\_ DNP \_\_\_ NR \_\_\_ AM  
 \_\_\_ FN \_\_\_ OFN \_\_\_ Previous FN

Read second time  
 CS( ) Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED EFD Same \_\_\_ or  
 Yeas Yeas  
 Nays Nays  
 Excused Excused  
 Absent Absent

\_\_\_ Intent adopted

Reconsideration  
 Reconsideration not taken up

PASSED ON RECON. EFD Same \_\_\_ or  
 Yeas Yeas  
 Nays Nays  
 Excused Excused  
 Absent Absent

\_\_\_ Intent adopted

Reported correctly engrossed, signed by the Speaker  
 and returned to the Senate

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Chief Clerk of the House

SENATE-HOUSE HISTORY Continued

19

Received from the House

Version: \_\_\_\_\_

Concur in House amendment

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

\_\_\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

Failed to concur in House amendment, ask House recede

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

House failed to / receded from amendment

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

CC appointed by Senate \_\_\_\_\_ Chair

CC appointed by House \_\_\_\_\_ Chair

(S) Granted Limited Powers of Free Conference

(H) Granted Limited Powers of Free Conference

19

(S) Adopted CC Rpt \_\_\_\_\_

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

\_\_\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

(H) Adopted CC Rpt \_\_\_\_\_

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

\_\_\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

To enrolling

Received from enrolling

Sent to Governor

\_\_\_\_\_ By Governor

Chapter Number \_\_\_\_\_

Filed with Lieutenant Governor

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

March 27, 1994

The Honorable Drue Pearce  
The Honorable Steve Frank  
Co-Chair, Senate Finance Committee  
State Capitol  
Juneau, AK 99801-1182

**SENATE FINANCE  
COMMITTEE**  
Amendment Number: 1  
Bill Number: SB 289  
Sponsor: \_\_\_\_\_ Date: 3/27/94  
Logged In By: Em

Dear Representatives Pearce and Frank:

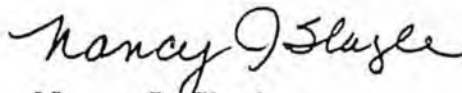
As the Senate Finance Committee begins its work on SB 289, relating to monetary terms of certain collective bargaining agreements, I would appreciate your consideration of the following amendment. The amendment is to appropriate funding to satisfy the terms of the recently agreed to contract with the Confidential Employees' Association.

**The sum of \$9,463 is appropriated to the Office of the Governor, Office of Management and Budget, to satisfy the monetary terms of the collective bargaining agreement with the Confidential Employees Association for the fiscal year ending June 30, 1995, from the following sources:**

<b>Federal Receipts</b>	<b>\$263</b>
<b>General Fund Match</b>	<b>141</b>
<b>General Fund</b>	<b>6,642</b>
<b>General Fund/Program Receipts</b>	<b>22</b>
<b>General Fund/Mental Health Trust</b>	<b>63</b>
<b>Inter-Agency Receipts</b>	<b>1,074</b>
<b>Fish and Game Fund</b>	<b>46</b>
<b>Highway Working Capital Fund</b>	<b>115</b>
<b>International Airports Revenue Fund</b>	<b>129</b>
<b>Oil/Hazardous Material Response Fund</b>	<b>77</b>
<b>CIP Receipts</b>	<b>58</b>
<b>Alaska Marine Highway Fund</b>	<b>822</b>
<b>Storage Tank Assistance Fund</b>	<b>11</b>

Please feel free to call me if you have questions or need further information.

Sincerely,

A handwritten signature in cursive script that reads "Nancy J. Slagle".

Nancy J. Slagle  
Director

cc: Nancy Bear Usera, Commissioner  
Department of Administration

# MEMORANDUM

## STATE OF ALASKA Department of Administration Office of the Commissioner

To: Shelby Stasny  
Director  
Office of Management and Budget  
Office of the Governor

Date: March 22, 1994

From: Nancy Bear Usara  
Commissioner  
Department of Administration

Re: Monetary Terms of Confidential  
Unit Agreement

The State of Alaska has concluded negotiations with the Confidential Employees Association (CEA) representing the Confidential Unit and the union membership has ratified the agreement. The following monetary terms are provided so that budget amendment requests may be made to the legislature. I am also providing the legislature with the monetary terms as required by AS 23.40.215(b).

### Monetary Terms

Monetary terms of an agreement are defined in AS 23.40.250(4) as changes that will 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 productive work hours for state employees.

#### I. Require Appropriation.

- A. Effective July 1, 1994, the State will pay the full cost of health insurance contributions for full-time employees. This change will require an increase of \$4.70 in the monthly contribution rate for each eligible employee.
- B. Effective July 1, 1995, the wage and salary rates for all employees will be increased by 2.5%. This is the only increase in the pay rates for the life of this agreement which expires on June 30, 1996. The last time employees in this bargaining unit received an increase in pay rates was January 1, 1992.

#### II. State Revenue.

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

#### III. Productive Work Hours

There are no provisions in the agreement that would change productive work hours.

Shelby Stastny  
March 22, 1994  
Page Two

### **Other Terms**

There are other terms of the collective bargaining agreement which will not require an appropriation but may have a budgetary impact.

- Overtime provisions have been modified to match the requirements of the Fair Labor Standards Act. This change is expected to result in an overall savings.
- Family leave provisions have been added to conform with the Alaska Family Leave Act (AS 23.10.500 - 23.10.550) and the federal Family Medical Leave Act.

### **Conclusion**

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

STATE OF ALASKA BARGAINING UNITS

ALASKA VOCATIONAL TECHNICAL CENTER TEACHERS (AVTEC)

Description: Exempt, non supervisory, teachers in the Department of Education, employed by the Alaska Vocational Technical Center.

Size: 36 employees, as of December 31, 1993

Exclusive Representation: Alaska Vocational Technical Teachers Association (AVTECA)  
President - Ben Ikerd

Affiliation: National Education Association - Alaska (NEA). NEA has an advisory role.

Established: By mutual recognition of AVTECA under AS 23.40 (PERA) on September 19, 1991.

First Agreement Effective: Under PERA, July 1, 1993.

Prior Agreement Expired: June 30, 1992 (negotiated with Board of Education, DOE)

Average Monthly Salary (as of December 31, 1993): \$4,068.54

Average Yearly Salary (as of December 31, 1993): \$48,822.48

Note: Employees normally work 10 1/2 months in each calendar year.

Total Overtime for BU (for year ended December 31, 1993): \$2,878.91

Average Monthly Employer Benefits (as of December 31, 1993): \$987.64

Average Yearly Employer Benefits (as of December 31, 1993): \$11,851.68

Average Years of Service (as of December 31, 1993): 8.73

Notes: Size: Number of employees is based on permanent, probationary and provisional full time employees as of 12/31/93.

Ave. Mo. Salary Source: Ave. Semi-monthly pay for last pay run of the Quarter. 1/31/93. Includes only Permanent, Probationary, and provisional full time employees. Salary includes Regular compensation, Leave, Differential, Standby, Hazard and Leadman Pay. Overtime is not included in the monthly or yearly averages.

Ave. Employer Benefits Source: Payroll calculation sheet/ effective 1/1/94. Includes only Health Ins, Retirement, and SBS. Workers' Comp, leave cash-in, Medicare and Unemployment insurance are excluded.

Yearly OT by BU Source: RH092592 Calendar YTD Pay types by BU as of 12/31/93. Includes total overtime pay for the calendar year for the entire bargaining unit without regard to employee status.

**- AVTEC AGREEMENT -**

AVTECTA AGREEMENT  
JULY 1993-JUNE 1996

Management Goals:

- \* Increase management flexibility to respond effectively to the changing economic conditions of the State while maximizing the quality of government services to the public.
  1. Management Rights - Added management rights clause to contract.
  2. Layoff - Clarified layoff procedure specific to facility.
  3. Sabbaticals - Added, at employer discretion, after seven years continuous service.
  
- \* Improve productivity, accountability, consistency, and efficiency of State government operations.
  1. Leave - FY95 annual leave cashed out and eliminated.
  2. Dispute Resolution - Added complaint procedure for disputes other than interpretation of contract.
  
- \* Realign the cost of personal services, moderating the State's relative position as a provider of wages and benefits so as to reflect the current and foreseeable economic environment.
  1. Education based Wage Rates - FY95 additional credits must be job-related.
  2. Wages - FY94 and FY95 no COLA. FY95 schedule changes result in some increases. FY96 COLA up to 2%. Eliminated automatic 3% longevity increments.
  3. Health Insurance - FY94-95 on employer sponsored plan. FY96 may convert to trust at \$450.

LICENSED ALASKA MARINE HIGHWAY ENGINE ROOM EMPLOYEES (MEBA)

Description: Exempt, licensed engineers responsible for mechanical and electrical functions on ferries, supervise unlicensed engine room personnel.

Size: 75 employees, as of February 15, 1994.

Exclusive Representation: District No. 1 – Pacific Coast District, MEBA.  
Business Agent: Mark Austin - Seattle

Affiliation: AFL-CIO

Established: 1962.

First Agreement Effective: November 30, 1962.

Prior Agreement Expired: March 31, 1993.

Average Monthly Salary (as of 6/30/93): \$6,071.33

Average Yearly Salary (as of 6/30/93): \$72,856

Total Overtime for BU (for year ended December 31, 1993): \$431,338.49

Average Monthly Employer Benefits (as of 6/30/93): \$2,152.83

Average Yearly Employer Benefits (as of 6/30/93): \$25,834

Average Years of Service (as of December 31, 1993): 15.92

Notes: Averages and employee counts provided by AMHS.

Size: Actual active employee count as of 2/15/94. Includes both full time and part time employees.

Avg. Salary: For FY-93. Total wages excluding employer benefits. Includes Overtime, uniform allowances, leave used, regular wages etc.

Avg. Employer Benefits: For FY-93. Includes all employer benefits (Work. Comp, SBS, Health Ins, Pension Plans, Unempl. Ins., Terminal Leave etc.)

— MEBA AGREEMENT —

MEBA  
1993-1996

Management Goals

Increase management flexibility to respond effectively to the changing economic conditions of the State while maximizing the quality of government services to the public.

1. Conditions Not Specifically Covered: Eliminated management's obligation to negotiate on permissive subjects of bargaining.
2. Free Passage: Negotiated a provision that allows management to charge AMHS employees traveling on annual passes for transporting oversized vehicles.

Improve productivity, accountability, consistency, and efficiency of State government operations.

1. Port Engineers Supplement: Reduced paid holidays from 12 to 11, eliminated penalty pay for early call back from vacation status, and limited overtime to preapproved hours only.
2. Discipline: Negotiated fir . discharge language for employees violating the Employer's drug testing policy.
3. Maintenance & Cure: Negotiated a maintenance rate of \$45.00 per day.
4. Personal Leave: Negotiated leave reopener in the fall of 1994.

Realign the cost of personal services, moderating the State's relative position as a provider of wages and benefits so as to reflect the current and foreseeable economic environment.

1. Health Insurance: Negotiated bargaining unit inclusion in the Employer provided plan or a Union provided trust. Health Insurance reopener in the fall of 1994.
2. Wages: 2.9 % Cost of Living adjustment effective 9/1/94 (based on Anchorage CPI). Wage reopener in the fall of 1994 with wage rates effective 9/1/95.
3. Southwest Supplements: Reduced compensation costs for Southwest System employees while assigned to the shipyard.
4. Port Engineers Supplement: Reduced monthly wages and Cost of Living Differential payments.

SUMMARY OF CHANGES  
MEBA 1993 -1996 AGREEMENT

PROVISION	90 - 93 AGREEMENT	93 - 96 AGREEMENT	MARKET STANDARD
RULE 9 - Maintenance & Cure	Standard Worker's Comp provisions.	Jones Act Maintenance Rate: \$45.00 per day.	Washington State maintenance rate \$30.00 per day.
RULE 12 - Moving Expenses:	State obligated to pay employee's moving expenses at any point he or she relocates to Alaska.	State obligated to pay employee's moving expenses within one year of hire if he or she relocates to Alaska.	N/A
RULE 17 - Pay Plan	COLA increase 4/1/90 of 3.3%. COLA increase 4/1/91 of 5.51% and a COLA increase 4/1/92 of 3.6%.	COLA up to 5% effective 9/1/94. Wage reopener in the fall of 1994 with negotiated changes effective 9/1/95.	AMHS non-resident wages slightly higher than comparable wages in the Washington State and British Columbia Ferry Systems.
RULE 27 - Health Insurance	\$423.50 per month per employee.	Employer provided HI plan with option to go to a Union provided HI trust @ \$450.00 per month per employee	Washington State info not available, British Columbia participates in Canadian system.
RULE 30 - Standard Dress	\$300.00 per annum for each employee. \$400.00 per annum for those employees wearing dress uniforms.	\$400.00 per annum for each employee. \$600.00 per annum for those employees wearing dress uniforms.	Washington State and British Columbia Ferry Systems provide uniforms.
SOUTHWEST AGREEMENT - M/V TUSTEMENA	Employees remain on Southwest pay schedule (guarantee of 56 hrs per week) while the ship is in the yard.	Employees transfer to Southeast pay schedule (guarantee of 42 hours per week) while the ship is in the yard.	N/A
SOUTHWEST AGREEMENT -M/V BARTLETT	Employees remain on Southwest pay schedule (guarantee of 84 hrs per week) while the ship is in the yard.	Employees transfer to Southeast pay schedule (guarantee of 42 hours per week) while the ship is in the yard.	N/A

## Bargaining Unit Summary of Negotiations

Unit	Size	Expires	Status
1. Labor, Trades and Crafts (LTC)	1,600	12/31/94	FY 94 funding approved. Negotiations begin in October 1994 for successor. FY95: Additional \$24 per month for health insurance required.
2. Correspondence Teachers (ACSEA)	24	12/31/95	FY 94 funding approved. FY 95 Funding approval required for COLA
3. Confidential (K)	200	12/31/92	Tentative agreement reached for two year agreement. Awaiting ratification.
4. Masters, Mates & Pilots (MM&P)	61	03/31/94	Bargaining scheduled to begin in February 1994.
5. Mt. Edgecumbe Teachers	15	06/30/93	Contract expired. Bargaining ongoing.
6. Marine Engineers (MEBA)	75	10/31/96	New contract; monetary terms not yet approved by the legislature. Funding required FY 95 COLA
7. Supervisory (SU)	1,060	06/30/94	New contract effective 07/01/93. No changes in monetary terms. Tentative agreement reached for successor.
8. General Government (GGU)			
Class 1 (can not strike)	2,000	04/30/93	Contract expired. Bargaining in process.
Class 2 & 3 (can strike)	6,400	12/31/92	Contract expired. Bargaining in process.
9. Public Safety (PSEA)	430	12/31/91	Arbitrator's award received. Monetary terms submitted to the legislature. Terms retroactive to 01/01/92, expire 12/31/94.
10. Inlandboatmen (IBU)	625	03/31/93	Contract expired. Tentative agreement reached, rejected by membership. Bargaining resumed in February 1994.
11. Alaska Vocational Technical Center (AVTEC)	36	06/30/96	New contract; monetary terms not yet approved by the legislature.

Note: Negotiations generally commence 90-120 days prior to contract expiration and may extend beyond termination date. Interest arbitration is possible if impasse is reached with the GGU.

BARGAINING UNIT SUMMARY OF  
NEGOTIATIONS / SALARY & BENEFIT AVERAGES

02/24/94

## BARGAINING UNIT SUMMARY

February 23, 1994

	Size	Average Monthly Salary	Average Yearly Salary	Average Monthly Employer Benefits	Average Yearly Employer Benefits	Average Years of Service
GGU Class 1(GC)	729	3,705	44,460	891	10,696	7.25
Class 1(GY)	134	3,389	40,667	823	9,874	6.20
Class 2 & 3	6804	3,149	37,785	792	9,503	7.42
SU	1,011	4,814	57,762	1,006	12,074	13.01
LTC	1,381	3,526	42,317	956	11,471	9.18
CEA	149	2,912	34,943	761	9,136	7.29
PSEA AA	350	4,309	51,703	974	11,688	11.55
AP	79	4,254	51,051	967	11,599	10.53
IBU	600	2,817	33,814	1,134	13,610	8.90
MEBA	75	6,071	72,856	2,153	25,834	15.71
MM&P	68	5,925	71,110	1,903	22,833	14.97
AVTECA	36	4,069	48,822	988	11,852	8.73
TEAME	16	4,249	50,986	1,014	12,171	5.27
ACSEA	20	4,206	50,473	1,008	12,096	7.8

WALTER J. HICKEL  
GOVERNOR



P. O. Box 110001  
Juneau, Alaska 99811-0001  
(907) 465-3500

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

SB 289

February 9, 1994

*The Honorable Rick Halford  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182*

*Dear Mr. President:*

*Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making appropriations to satisfy the monetary terms of collective bargaining agreements for certain public employees.*

*This bill, if enacted into law, would make a total appropriation of \$368,630 to satisfy the monetary terms of collective bargaining agreements with the Alaska Vocational Technical Center Teachers' Association and the Marine Engineers' Beneficial Association. The appropriations are necessary to satisfy agreed-upon obligations under those agreements.*

*I urge your prompt consideration and passage of the bill.*

*Sincerely,*

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel  
Governor