

Contract

Negotiation

**HFIN**

**FILE**

Attachment #1  
3/5/96

# Alaska State Legislature



**Mark Hanley**  
Co-Chair  
(907) 465-4939

INTERIM ADDRESS  
716 W. 4th Ave., Suite 300  
Anchorage, Alaska 99501-2133  
(907) 258-8192

**Richard Foster**  
Co-Chair  
(907) 465-3789

INTERIM ADDRESS  
P.O. Box 1630  
Nome, Alaska 99762-1630  
(907) 443-5036

**House of Representatives**  
Committee on Finance  
State Capitol, Juneau, Alaska 99801-1182

## HOUSE FINANCE COMMITTEE

**COLLECTIVE BARGAINING UNIT AGREEMENTS AND OTHER NON-  
COVERED EMPLOYEE COMPENSATION HEARINGS  
MARCH 5TH AND 6TH**

### Committee Handout

- Approximate costs of bargaining unit contracts spreadsheet - prepared by Legislative Finance.
- Summary of changes/proposed changes by bargaining unit (MM&P, IBU, LTC, GGU, SU, FSEA and ACSEA) for wages, leave, holidays, and health insurance from 1984 forward - prepared by DOA by request. (ACSEA is only for new contract)
- March 5, 1996 Memorandum from University - FY97 Salary Adjustments
- December 22, 1995 Memorandum from Department of Administration - Merit Increases.

APPROXIMATE COST OF BARGAINING UNIT CONTRACTS & OTHER NON-COVERED EMPLOYEE COMPENSATION										
OMB-DJR 2/23/96										
Legislative Finance Modifications										
ANNUAL TOTALS										
BARGAINING UNIT										
	Note	FY 97			FY98			FY99		
		GF	OTHER	TOTAL	GF	OTHER	TOTAL	GF	OTHER	TOTAL
G			139.5	139.5		166.9	166.9		252.3	252.3
G			1,210.2	1,210.2		948.5	948.5		1,433.5	1,433.5
G		724.9	588.4	1,313.3	1,460.7	1,185.6	2,646.3	2,207.5	1,791.8	3,999.3
G		3,621.5	2,717.7	6,339.2	7,297.3	5,476.2	12,773.5	11,028.3	8,276.0	19,304.3
G		702.8	503.6	1,206.4	1,416.1	1,014.8	2,430.9	2,140.2	1,533.6	3,673.8
LFD		497.8	127.0	624.8	1,003.1	255.9	1,259.0	1,515.9	386.7	1,902.7
G		764.2	661.2	1,425.4	1,539.9	1,332.3	2,872.2	2,327.2	2,013.5	4,340.7
LFD		1,750.0		1,750.0	1,750.0		1,750.0	1,750.0		1,750.0
LFD		810.0		810.0	669.2		669.2	1,011.5		1,011.5
LFD		342.9		342.9	686.0		686.0	1,028.9		1,028.9
LFD		517.7		517.7	1,043.2		1,043.2	1,576.5		1,576.5
		<del>517.7</del>								
		590.								
		<b>9,731.8</b>	<b>5,947.6</b>	<b>15,679.4</b>	<b>16,865.5</b>	<b>10,380.2</b>	<b>27,245.6</b>	<b>24,585.9</b>	<b>15,687.4</b>	<b>40,273.4</b>
LFD		<b>2,148.7</b>	<b>1,688.3</b>	<b>3,837.0</b>	<b>2,148.7</b>	<b>1,688.3</b>	<b>3,837.0</b>	<b>2,148.7</b>	<b>1,688.3</b>	<b>3,837.0</b>
LFD		?	?	?	?	?	?	?	?	?
<b>CUMULATIVE TOTALS</b>										
			139.5	139.5		306.4	306.4		558.7	558.7
			1,210.2	1,210.2		2,158.7	2,158.7		3,592.2	3,592.2
		724.9	588.4	1,313.3	2,185.6	1,774.0	3,959.6	4,393.1	3,565.8	7,958.9
		3,621.5	2,717.7	6,339.2	10,918.8	8,193.9	19,112.7	21,947.1	16,469.9	38,417.0
		702.8	503.6	1,206.4	2,118.9	1,518.4	3,637.3	4,259.1	3,051.9	7,311.1
		497.8	127.0	624.8	1,500.9	382.9	1,883.8	3,016.8	769.6	3,786.4
		764.2	661.2	1,425.4	2,304.1	1,993.5	4,297.6	4,631.2	4,007.0	8,638.2
		1,750.0		1,750.0	3,500.0		3,500.0	5,250.0		5,250.0
		810.0		810.0	1,479.2		1,479.2	2,490.7		2,490.7
LFD		342.9		342.9	1,028.9		1,028.9	2,057.8		2,057.8
LFD		517.7		517.7	1,560.9		1,560.9	3,137.4		3,137.4
		<b>9,731.8</b>	<b>5,947.6</b>	<b>15,679.4</b>	<b>26,597.3</b>	<b>16,327.8</b>	<b>42,925.0</b>	<b>51,183.2</b>	<b>32,015.2</b>	<b>83,198.4</b>
		<b>11,880.5</b>	<b>7,635.9</b>	<b>19,516.4</b>	<b>30,894.7</b>	<b>19,704.3</b>	<b>50,599.0</b>	<b>57,629.4</b>	<b>37,080.0</b>	<b>94,709.4</b>
		?	?	?	?	?	?	?	?	?
<b>CUMULATIVE WITH HEALTH</b>										

**INTERNATIONAL ORDER OF MASTERS, MATES & PILOTS**  
**MM&P**

	<b>WAGES</b> % increase	<b>LEAVE</b> Hrs per year	<b>HOLIDAYS</b> Days per year	<b>HEALTH INSURANCE</b> Premium contribution
1984 (A)	No increase	180 hrs sick leave	11 holidays	N/A
		Annual leave:		
		1 - 2 yrs 84.00		
		2 - 3 yrs 168.00		
		3 - 4 yrs 252.00		
		4 - 5 yrs 336.00		
		5 - 7 yrs 420.00		
		7 - 10 yrs 504.00		
		10+ yrs 588.00		
1985 (B)	7/1/85 2% wage increase.	180 hrs sick leave	Same as above	\$237.75
		Annual leave:		
		(Pre 85 hires)		
		1 - 2 yrs 84.00		
		2 - 3 yrs 168.00		
		3 - 4 yrs 252.00		
		4 - 5 yrs 336.00		
		5 - 7 yrs 420.00		
		7 - 10 yrs 504.00		
		10+ yrs 588.00		
		(Post 85 hires)		
		1 - 2 yrs 84.00		
		2 - 3 yrs 168.00		
		3 - 4 yrs 252.00		
		4 - 5 yrs 336.00		
		5 + yrs 420.00		
1986 (B)	No increase.	Same as above	Same as above	\$256.80
1987 (C)	7/1/87 2% wage increase <b>not funded</b> by the legislature.	Same as above	Same as above	\$320.64
1988 (D)	No increase	Same as above	Same as above	\$427.41
1989 (D)	No increase	Same as above	Same as above	\$384.59
1990 (D)	4/1/90 3.3% wage increase	Same as above	12 holidays	Same as above

	<b>WAGES</b> % increase	<b>LEAVE</b> Hours per year	<b>HOLIDAYS</b> Days per year	<b>HEALTH INSURANCE</b> Premium contribution
1991 (E)	4/1/91 5.6% wage increase	Same as above	Same as above	Same as above
1992 (E)	4/1/92 3.6% wage increase	Same as above	Same as above	Same as above
1993 (E)	no wage increase	Same as above	Same as above	\$423.50
1994 (F)	4/1/94 4.4% wage increase for a limited group of employees.	Same as above	Same as above	Same as above
1995 (G)	No wage increase	Same as above	Same as above	Same as above
1996 (G)	7/1/96 1/2 CPI capped at 1.5%  7/1/96 \$950.00 bonus	Same as above	11 regular holidays, 1 floating holiday.	Employer provided plan
1997 (H)	7/1/97 1/2 CPI capped at 1.5%	Same as above	Same as above	Same as above
1998 (H)	7/1/98 1/2 CPI capped at 1.5%	Same as above	Same as above	Same as above
1999 (H)		Same as above	Same as above	Same as above

**Contract Terms:**

- (A) LOA to extend terms of 7/1/80 - 3/31/83 contract
- (B) 4/1/85 - 3/31/88
- (C) 4/1/88 - 3/31/89
- (D) 4/1/89 - 3/31/91
- (E) 4/1/91 - 3/31/93
- (F) 4/1/93 - 3/31/94
- (G) 4/1/94 - 5/31/96
- (H) 6/1/96 - 5/31/99

**NOTE:** All wage and leave provisions are for employees working in the Southeast System. Employees working in the Southwest System have a different pay and leave scale. The majority of AMHS vessel employees work in the Southeast System.

INLANDBOATMENT'S UNION OF THE PACIFIC  
IBU

	<b>WAGES</b> % increase	<b>LEAVE</b> Hours per year	<b>HOLIDAYS</b> Days per year	<b>HEALTH INSURANCE</b> Premium contribution
1984 (A)	No wage increase	180 hrs sick leave  Annual Leave:  1 - 2 yrs     84.00 2 - 3 yrs     168.00 3 - 4 yrs     252.00 4 - 5 yrs     336.00 5 - 7 yrs     420.00 7 - 10 yrs    504.00 10+ yrs     588.00	11 holidays	\$184.57
1985 (B)	4/1/85 2.0% wage increase.  \$500.00 signing bonus.	180 hrs sick leave  Annual Leave:  (Pre 85 hires) 1 - 2 yrs     84.00 2 - 3 yrs     168.00 3 - 4 yrs     252.00 4 - 5 yrs     336.00 5 - 7 yrs     420.00 7 - 10 yrs    504.00 10+ yrs     588.00  (Post 85 hires) 1 - 2 yrs     84.00 2 - 3 yrs     168.00 3 - 4 yrs     252.00 4 - 5 yrs     336.00 5 + yrs     420.00	Same as above.	\$224.20
1986 (B)	4/1/86 2.1% wage increase which was <b>not funded</b> by the legislature.	Same as above	Same as above.	\$242.25
1987 (B)	4/1/87 2.0% wage increase which was <b>not funded</b> by the legislature.	Same as above	Same as above.	\$308.45
1988 (C)	4/1/88 2.1% wage increase.	Same as above	Same as above.	\$411.16
1989 (C)	No wage increase	Same as above	Same as above.	\$384.59

	<b>WAGES</b> % increase	<b>LEAVE</b> Hours per year	<b>HOLIDAYS</b> Days per year	<b>HEALTH INSURANCE</b> Premium contribution
1990 (D)	4/1/90 3.3% wage increase	Same as above	12 holidays	Same as above.
1991 (D)	4/1/91 5.0% wage increase	Same as above	Same as above.	Same as above.
1992 (D)	4/1/92 3.6% wage increase	Same as above	Same as above.	Same as above.
1993 (D)	no wage increase	Same as above	Same as above.	\$423.50
1994 (E)	no wage increase	Same as above	Same as above.	Same as above.
1995 (E)	no wage increase	Same as above	Same as above.	Same as above.
1996 (F)	7/1/96 1/2 CPI capped at 1.5%  7/1/96 \$950.00 bonus	Same as above	Same as above.	Cost of the employer provided plan.
1997 (F)	7/1/97 1/2 CPI capped at 1.5%	Same as above	Same as above.	Same as above.
1998 (F)	7/1/98 1/2 CPI capped at 1.5%	Same as above	Same as above.	Same as above.
1999 (F)		Same as above	Same as above.	Same as above.

**Contract Terms**

- (A) 4/1/80 - 3/31/83
- (B) 4/1/85 - 3/31/88
- (C) 4/1/88 - 3/31/91 (wage reopener scheduled for last year of contract resulted in a new three year contract beginning 4/1/90)
- (D) 4/1/90 - 3/31/93
- (E) 10/10/94 - 5/31/96
- (F) 6/1/96 - 5/31/99

NOTE: All wage and leave provisions are for employees working in the Southeast System. Employees working in the Southwest System have a different pay and leave scale. The majority of AMHS vessel employees work in the Southeast System.

**PUBLIC EMPLOYEES LOCAL 71**  
**LTC**

	<b>WAGES</b> % increase to base	<b>LEAVE</b> Days per year	<b>HOLIDAYS</b> Days per year	<b>HEALTH INSURANCE</b> Premium contribution
1984 (A)	\$900.00 lump sum payment.	Sick leave: 15 days  Annual leave:  0 - 2 yrs      15 2 - 5 yrs      21 5 - 10 yrs     24 10+             30	10 regular, 1 floating	\$230.84
1985 (A)	7/1/85 5% wage increase.	Same as above.	Same as above.	\$237.75
1986 (A)	7/1/86 3.8% wage increase <b>not funded</b> by the legislature.	Same as above.	Same as above.	\$256.80
1987 (B)	No wage increase.	Same as above.	Same as above.	\$316.39
1988 (C)	No wage increase.	Same as above.	Same as above.	\$421.75
1989 (C)	No wage increase.  \$675.00 lump sum payment awarded retroactively per arbitrator's award for class 1 employees.	Same as above.	Same as above.	\$384.59
1990 (D)	1/1/90 3.3% wage increase (class 2 & 3) 4.6% wage increase (class 1)	Same as above.	11 regular, 1 floating	Same as above.
1991 (D)	1/1/91 4.5% wage increase.	Same as above.	Same as above.	Same as above.
1992 (E)	7/1/92 3.6% wage increase.	Same as above.	Same as above.	Same as above.

	<b>WAGES</b> % increase to base	<b>LEAVE</b> Days per year	<b>HOLIDAYS</b> Days per year	<b>HEALTH INSURANCE</b> Premium contribution
1993 (E)	No wage increase	Same as above.	Same as above.	\$500.00 Union provided Health trust, higher contribution offset by delay in general wage increase in the previous year.
1994 (E)	No wage increase.	Same as above.	11 regular holidays.	\$500.00, state and employer equally share increases in premium costs. Employer's share capped at \$25.00.
1995 (F)	No wage increase.	Personal Leave: 0 - 2 yrs      24 2 - 5 yrs      27 5 - 10 yrs     30 10+ yrs        36	Same as above.	Same as above.
1996 (G)	7/1/96 1/2 the CPI capped at 1.5%.	Same as above.	Same as above.	State and employer equally share increases in premium costs. Employer's share capped at \$26.00.
1997 (G)	7/1/97 1/2 the CPI capped at 1.5%.	Same as above.	Same as above.	Same as above.
1998 (G)	7/1/98 1/2 the CPI capped at 1.5%.	Same as above.	Same as above.	Same as above.
1999 (G)		Same as above.	Same as above.	Same as above.

**CONTRACT TERMS**

- (A) 1/1/84 - 12/31/86
- (B) 1/1/87 - 12/31/87
- (C) 1/1/88 - 12/31/90
- (D) 1/1/90 - 12/31/91
- (E) 1/1/92 - 12/31/94
- (F) 1/1/95 - 6/30/96
- (G) 7/1/96 - 6/30/99

**ALASKA STATE EMPLOYEES ASSOCIATION**  
**GGU**

	<b>WAGES</b> % increase to base	<b>LEAVE</b> Days per year	<b>HOLIDAYS</b> Days per year	<b>HEALTH INSURANCE</b> Premium contribution
1984 (A)	No wage increase	Sick leave: 15 days  Annual leave:  0 - 2 yrs      15 2 - 5 yrs      21 5 - 10 yrs     24 10+             30	10 regular, 2 floating.	\$217.65
1985 (A)	7/1/85 5% wage increase	Same as above	10 regular, 2 floating.	\$224.20
1986 (A)	7/1/86 3.8% wage increase not funded by the legislature.	Same as above	10 regular, 2 floating.	\$242.15
1987 (B)	No wage increase	Same as above	10 regular, 2 floating.	\$308.45
1988 (B)	No wage increase	Same as above	10 regular, 2 floating.	\$411.16
1989 (B)	No wage increase	Same as above	10 regular, 2 floating.	\$384.59
1990 (C)	1/1/90 3.3 % wage increase (class 2&3)  1/1/90 4.25% wage increase (class 1)	Same as above	11 regular, 2 floating  Class 1 employees only receive 10 regular, 2 floating.	Same as above
1991 (C)	1/1/91 5% wage increase.	Same as above	Same as above	Same as above
1992 (C)	1/1/92 3.6% wage increase.	Same as above	Same as above	Same as above
1993 (D)	No wage increase	Same as above	Same as above	\$423.50
1994 (D)	No wage increase	Same as above	Same as above	Same as above
1995 (E)	No wage increase	Same as above	Same as above	Same as above

	<b>WAGES</b> % increase to base	<b>LEAVE</b> Days per year	<b>HOLIDAYS</b> Days per year	<b>HEALTH INSURANCE</b> Premium contribution
1996 (F)	1/2 the CPI capped at 1.5%	Same as above	11 regular, all employees.	\$423.50 Any increase will be equally matched by the employer and employee, except that the employer's contribution will not exceed more than an additional \$50.00.
1997 (F)	1/2 the CPI capped at 1.5%	Same as above	Same as above	Same as above.
1998 (F)	1/2 the CPI capped at 1.5%	Same as above	Same as above	Same as above.
1999 (F)		Same as above	Same as above	Same as above

**Contract Terms:**

- (A) 1/1/84 - 12/31/86
- (B) no contract in place, working under terms of A above
- (C) 1/1/90 - 12/31/93
- (D) no contract in place, working under terms of C above
- (E) 7/1/95 - 6/30/96
- (F) 7/1/96 - 6/30/99

**ALASKA PUBLIC EMPLOYEES ASSOCIATION**

**S U**

	<b>WAGES</b> % increase to base	<b>LEAVE</b> Days per year	<b>HOLIDAYS</b> Days per year	<b>HEALTH INSURANCE</b> Premium contribution
1984 (A)	No wage increase	Sick leave: 15 days  Annual leave:  0 - 2 yrs      15 2 - 5 yrs      21 5 - 10 yrs     24 10+             30	10 regular, 1 floating	\$230.84
1985 (A)	1/1/85 3.5% wage increase.	Same as above	Same as above	\$237.75
1986 (A)	7/1/86 3.8% wage increase not funded legislature.	Same as above	Same as above	\$256.80
1987 (B)	No wage increase	Same as above	Same as above	\$320.64
1988 (B)	No wage increase	Same as above	Same as above	\$427.41
1989 (B)	No wage increase	Same as above	Same as above	\$384.59
1990 (C)	1/1/90 3.3% wage increase.	Personal Leave:  0 - 2 yrs      24 2 - 5 yrs      27 5 - 10 yrs     30 10+ yrs       36	11 regular, 1 floating	Same as above
1991 (C)	1/1/91 5% wage increase.	Same as above	Same as above	Same as above
1992 (C)	1/1/92 3.6% wage increase.	Same as above	Same as above	Same as above
1993 (D)	No wage increase	Same as above	Same as above	\$418.80
1994 (E)	No wage increase	Same as above	Same as above	Same as above
1995 (F)	No wage increase	Same as above	Same as above	Same as above
1996 (G)	7/1/96 1/2 the CPI capped at 1.5%.	Same as above	Same as above	\$423.50

	<b>WAGES</b> % increase to base	<b>LEAVE</b> Days per year	<b>HOLIDAYS</b> Days per year	<b>HEALTH INSURANCE</b> Premium contribution
1997 (G)	7/1/97 1/2 the CPI capped at 1.5%.	Same as above	Same as above	\$450.00
1998 (G)	7/1/98 1/2 the CPI capped at 1.5%.	Same as above	Same as above	Same as above
1999(G)		Same as above	11 regular	

**Contract Terms**

- (A) 1/1/84 - 12/31/86
- (B) 1/1/87 - 12/31/89
- (C) 1/1/90 - 12/31/92
- (D) 1/1/93 - 6/30/94
- (E) 7/1/94 - 6/30/95
- (F) 7/1/95 - 6/30/96
- (G) 7/1/96 - 6/30/99

**PUBLIC SAFETY EMPLOYEE ASSOCIATION**  
**PSEA**

	<b>WAGES</b> % increase to base	<b>LEAVE</b> Days per year	<b>HOLIDAYS</b> Days per year	<b>HEALTH INSURANCE</b> Premium contribution
1984 (A)	7/16/84 3.0% wage increase.	Personal Leave: 0 - 2 yrs 24 2 - 5 yrs 27 5 - 10 yrs 30 10+ yrs 36	10 regular, 1 floating	\$216.12
1985 (A)	3/16/85 5.0% wage increase.	Same as above.	Same as above.	\$222.60
1986 (B)	No wage increase.	Same as above.	Same as above.	\$240.90
1987 (C)	No wage increase.	Same as above.	Same as above.	\$308.45
1988 (C)	1/1/88 24.72% increase in limited classes of employees as a result of an interest arbitration award.	Same as above.	Same as above.	\$411.16
1989 (C)	No wage increase.	Same as above.	Same as above.	\$384.59
1990 (D)	1/1/90 3.3% wage increase.	Same as above.	11 regular, 1 floating.	Same as above.
1991 (D)	1/1/91 5.0% wage increase.	Same as above.	Same as above.	Same as above.
1992 (D)	1/1/92 3.6% wage increase (paid retroactively by an interest arbitration award)	Same as above.	Same as above.	Same as above.
1993 (E)	No wage increase.	Same as above.	Same as above.	\$386.72

PUBLIC SAFETY EMPLOYEES ASSOCIATION 2

1994 (E)	1/1/94 1.6% wage increase awarded by interest arbitration, not funded by the legislature.	Same as above.	Same as above.	\$450.00 + a \$250,000 lump sum payment to the health trust.
1995 (E)	No wage increase.	Same as above.	Same as above.	Same as above.
1996 (F)	7/1/96 1.5% general wage increase.	Same as above.	Same as above.	Effective 7/1/96 employer contribution to the union health trust will increase to \$495.00
1997 (F)	7/1/97 1.5% General wage increase.	Same as above.	Same as above.	Effective 7/1/97, employer contribution to the union health trust will increase to \$520.00
1998 (F)	7/1/98 1.5 % general wage increase.	Same as above.	Same as above.	Same as above.

**Contract Terms:**

- (A) 1/1/84 - 12/31/85
- (B) 1/1/86 - 12/31/86
- (C) 1/1/87 - 12/31/89
- (D) 1/1/90 - 12/31/91
- (E) 1/1/92 - 12/31/95
- (F) 1/1/96 - 12/31/98

SUMMARY OF CHANGES  
ACSEA AGREEMENT  
July 1, 1996 - June 30, 1999

PROVISION	93 - 96	96 - 99	MARKET STANDARD
Wages	FY95: salary grid units revised, some increases 2.5% COLA on 1-1-95	One half the CPI capped at 1.5% each year of the contract	Teacher contracts
Holidays	11 holidays: dropped Lincoln's Birthday in FY95	11 holidays	Average all states: 11
Health Insurance	\$423.50	Commissioner's Plan with \$423.50 premium contribution or \$423.50 to go to a Union provided trust. If premium costs increase, employee and state will split costs up to a total of \$50.00.	Varies from Unit to unit, but consistent with the overall direction of Health Insurance Benefits
Leave	- Capped accrual rate - increase at 5 years - Reduced 1/8 day per employee per month effective 5-1-93	Dropped leave accrual cap, and reduced overall leave accrual at the upper tiers.	Leave accrual rates below that for other units on annual/sick leave.

Marylou Burton  
Director  
Statewide Budget Development  
211B Butrovich Building  
P.O. Box 755380  
Fairbanks, Alaska 99775-5380  
(907) 474-6490  
(907) 474-5140 FAX



University of Alaska  
Statewide System of Higher Education

## Memorandum

DATE: March 5, 1996

TO: Dave Tonkovich  
Divn. of Legislative Finance

FROM: *mb*  
Marylou Burton

RE: FY97 Salary Adjustments

You have requested information on the university's various compensation plans (both bargaining unit and non-bargaining unit) and how those plans relate to the base adjustment for COLA that is included in the Governor's FY97 budget. That information is summarized on the attached spreadsheets and discussed in more detail below:

- Classified/Professional Staff (non-bargaining unit): This group includes approximately 2,100 budgeted positions and makes up over half of the university's full-time employees. In FY95 the Board of Regents adopted a step/range salary plan for these employees similar to that used by the State, which provides for annual increases ranging from 1% to 3% depending on longevity and imposes a maximum salary for any given grade. A comparison of certain benchmark positions with comparable positions in state agencies indicates that the university's hourly wages in the new schedule are lower than State hourly wages currently in use. In addition, approximately 20% of employees are at the top salary step for their grade and are no longer eligible for step increases.

This plan has not been implemented except for minor adjustments to bring salaries in line with appropriate steps, and employees have received no merit or COLA increase since January, 1994 when a 3% increase was granted to all employees (excluding CEA members because that contract was under negotiation - see below). The Board of Regents' FY97 request includes an increment to fully implement the new salary plan beginning July 1, 1996, which means that employees will receive appropriate step increases on their respective anniversary dates. There is no COLA built into either the salary schedule or this request.

Total FY97 incremental costs of these salary adjustments are estimated to be \$1,872.0. The Governor's FY97 budget does not directly fund this increment, but does include a \$1,750.0 base adjustment for salary increases related to all full-time employees. The proportional amount of that adjustment attributable to this group of employees is \$915.7.

- Faculty (non-bargaining unit): This group includes approximately 1,000 budgeted positions and makes up almost 80% of the university's full-time faculty. In August of 1995 the Board of Regents adopted a performance-based compensation plan that sets aside an annual amount equal to 2.6% of base salaries to be used for promotions, equity adjustments, and objectively measured performance. The plan does not include any "automatic" increases for longevity.

This plan has not yet been implemented and faculty have received no performance or COLA increase since January, 1994 when a 3% increase was granted to all employees (excluding CEA members because that contract was under negotiation - see below). The Board of Regents' FY97 request includes an increment to fully fund the new compensation plan in FY97. Total FY97 incremental costs of these salary adjustments are estimated to be \$1,559.0. The proportional amount of the Governor's FY97 salary base adjustment attributable to this group of employees is \$473.9.

- **Classified Employees Association (CEA):** This group includes approximately 270 budgeted positions and is covered under a collective bargaining agreement. This contract, which was newly implemented in FY95, has two basic monetary provisions: First, it grants a one-time payment to each CEA member employed as of the date of the signing. Second, it places CEA employees on the same salary schedule as other non-faculty university employees, effective January 1, 1995, and thereafter provides for movement along that schedule as appropriate beginning January 1, 1996.

Similarly to the ACCFT contract, the CEA contract stipulates that the monetary terms of the contract shall not become effective until the legislature has provided funding. The university requested funds to cover the FY95 and FY96 costs of the contract during the 1995 session, and this request was subsequently forwarded by the Governor as HB 305. To date the legislature has not approved this legislation. As a result, CEA members employed at the date of the contract have not been "placed" on the salary schedule, nor have they received the one-time payment. Moreover, because the CEA contract was under negotiation during FY94 when other university employees last received a salary increase, CEA members have not received a merit or COLA increase since FY93.

Because the CEA contract is being newly implemented and provides for certain one-time items and initial placement on the salary schedule, it is difficult to estimate FY97 costs without knowing the eventual outcome of HB 305. The assumption, however, is that if HB 305 is not approved then all of those costs will necessarily roll to FY97.

The proportional amount of the Governor's FY97 base adjustment attributable to CEA is currently \$144.9. The university has requested a budget amendment to (1) transfer this amount to a separate section or bill to clearly identify these funds as being appropriated to CEA, and (2) increase the amount from \$144.9 to \$224.1 to fully fund movement along the salary schedule. This request assumes that HB 305 is approved. If in fact that is not the case then the request will be revised accordingly.

- **Alaska Community College Federation of Teachers (ACCFT):** This group includes approximately 270 budgeted positions and is covered under a collective bargaining agreement. At the time that agreement was negotiated Board of Regents' policy provided for an annual 3% increase for all employees. That policy has since been suspended but essentially remains in effect for ACCFT employees until such time as a new agreement is signed.

The ACCFT contract also stipulates that "compensation increases shall be subject to legislative appropriation ... and shall be requested separately from compensation increases requested for other employees", and includes a provision making the request for "additional funds" subject to legislative approval. Funds to cover the FY95 COLA were requested from but not approved by the 1995 Legislature. Funds to cover the FY96 COLA have been requested as an FY96 supplemental, and as of this date have

been rejected by the House and not yet acted upon by the Senate. As a result, ACCFT employees - like all other university employees - have received no COLA increase since January, 1994 when a 3% increase was granted to all employees excluding CEA members. The additional funds to cover the January 1994 ACCFT increase were appropriated separately as required by the terms of the contract.

Total FY97 incremental costs to fund a stand alone 3% salary increase for all ACCFT employees is estimated to be \$499.1. This assumes that the Legislature does not reconsider previously unfunded requests for FY95 or FY96 incremental funding. Should the Legislature reconsider its previous actions, then the FY97 incremental costs would necessarily increase to cover the "base adjustments" from the previous years. That is, incremental costs in FY97 would be the sum of the incremental amounts resulting from a 3% increase in FY95, a 3% increase in FY96 and a 3% increase in FY97 - for a total of \$1,542.7. These various scenarios are illustrated on the attached worksheet.

The proportional amount of the Governor's FY97 COLA base adjustment attributable to ACCFT is currently \$215.5. The university has requested a budget amendment to (1) transfer this amount to a separate section or bill to clearly identify these funds as being appropriated for ACCFT salary increases, and (2) increase the amount from \$215.5 to \$499.1 to fully cover a stand alone 3% salary increase for all ACCFT employees in FY97 per the terms of the contract. If the Legislature takes further action that affects FY95 or FY96 then that request will be revised accordingly.

Attachments

**FY97 Costs of UA Compensation Plans  
(Non-Bargaining Units)**

	<b>Total FY97 Increases</b>	<b>Governor's FY97 Base Adjustment*</b>
Classified/Professional (1)	1,872.0	915.7
Faculty (2)	1,559.0	473.9
<b>Total</b>	<b>3,431.0</b>	<b>1,389.6</b>

- (1) Movement of employees along salary schedule on their anniversary dates, beginning July 1, 1996. Does not include a COLA increase.
- (2) 2.6% of base salaries based on authorized budgets in FY96 PACS, to be used for promotions, equity adjustments, and objectively measured performance. Does not include any "automatic" increases for longevity.

\* The Governor's FY97 budget for the University of Alaska includes a base adjustment for salary increases related to all full-time employees. The proportional amount of this adjustment attributable to non-bargaining unit employees is \$1,389.6, or approximately 40% of the amount needed to fully fund the FY97 costs of implementing the new compensation plans.

## FY95-FY97 Cost of Implementing New UA/CEA Collective Bargaining Agreement

(Revised 3/1/96 to reflect current budgeted positions in PACS)

This projection of FY97 costs assumes that the Legislature approves HB305 as revised (See Note below).

	FY97 Base Adjustment (3) and (4) below	FY97 Step Increases	Total FY97 Increase*
Salaries	282,569	157,407	439,976
Benefits	119,809	66,740	186,549
Total Salaries & Benefits	402,378	224,147	626,525
Funding: (1)			
Federal Receipts	2,243	1,249	3,492
General Fund/GFM	396,532	220,890	617,423
Dorm, Foods, Aux. Serv	1,350	752	2,101
Student Fees	1,035	576	1,611
University Receipts.	1,219	679	1,898
Total	402,378	224,147	626,525

\* The Governor's FY97 budget for the University of Alaska includes a base adjustment for salary increases related to all full-time employees. The proportional amount of this adjustment attributable to CEA is \$144.9, or approximately 23% of the amount needed to fully fund the FY97 costs of the CEA contract assuming HB 305 is approved as revised.

NOTE: The University of Alaska has updated its cost estimate of implementing the new CEA contract as shown below. This revision reduces the original cost estimate from \$889.4 to \$864.7. The difference is due to slight variations between FY95 and FY96 authorized position budgets as reflected in PACS.

	FY96 Base (1)	FY96 Retro (2)	FY96 Base Adjustment (3)	FY96 Salary Adjustment (4)	One-Time Payment (5)	One-Time Required Funding Items (6)	Total FY96-98 Increase
Salaries	8,056,130	120,842	241,684	40,885	141,600	148,600	893,611
Benefits	3,415,790	51,237	102,474	17,335	0	0	171,046
Total Salaries & Benefits	11,471,920	172,079	344,158	58,220	141,600	148,600	864,657
Funding: (1)							
Federal Receipts	63,945	959	1,918	325	789	828	4,819
General Fund/GFM	11,305,251	169,579	339,158	57,374	139,543	146,441	652,095
Dorm, Foods, Aux. Serv	38,475	577	1,154	195	475	498	2,899
Student Fees	29,495	443	888	150	364	382	2,225
University Receipts.	34,754	521	1,042	176	429	451	2,619
Total	11,471,920	172,079	344,158	58,220	141,600	148,600	864,657

- (1) Based on FY96 authorized budgeted positions as reflected in PACS.
- (2) Placement of employees on new salary schedule effective January 1, 1995, per contract provisions; effective increase of 1.5%.
- (3) FY96 base adjustment is equal to twice the FY95 six-month retro.
- (4) Movement of employees along salary schedule on their anniversary date, beginning January 1, 1996.
- (5) One-time payment of \$600 for each member employed as of the date of signing, per contract provisions.
- (6) Other required one-time items include mandatory alternative dispute resolution training. Total Quality Management work teams, benefits task force and development of a flexible benefits plan.

## FY95-FY97 Costs of UA/ACCFT COLA Adjustments

(Revised 3/1/96 to reflect current budgeted positions in PACS)

Scenario 1: Legislature does not take further action on previously unfunded FY95 Retro, FY96 Supplemental

	FY95 Base (1)	FY97 3% Increase (2)*
Salaries	12,797,632	383,929
Benefits	3,839,290	115,179
<b>Total Salaries &amp; Benefits</b>	<b>16,636,922</b>	<b>499,108</b>
Funding: (1)		
Federal Receipts	69,951	2,099
General Fund/GFM	15,540,239	466,207
Student Fees	876,741	26,302
University Receipts	149,992	4,500
<b>Total</b>	<b>16,636,922</b>	<b>499,108</b>

\* The Governor's FY97 budget for the University of Alaska includes a base adjustment for salary increases related to all full-time employees. The proportional amount of the adjustment attributable to ACCFT is \$215.5, or approximately 43% of the amount needed to fully fund a 3% COLA for ACCFT per the terms of the contract.

- (1) Based on FY95 authorized budgeted positions as reflected in PACS.  
 (2) 3% increase for all ACCFT members, effective July 1, 1996.

Scenario 2: Legislature reconsiders previously disapproved FY96 Supplemental

	FY95 Base (1)	FY96 3% Increase (2)	FY97 Base Adjustment (3)	FY97 3% Increase (4)	Total FY97 Increase (3) + (4)	Total FY96- FY97 Increase
Salaries	12,797,632	383,929	383,929	395,447	779,376	1,163,305
Benefits	3,839,290	115,179	115,179	118,634	233,813	348,992
<b>Total Salaries &amp; Benefits</b>	<b>16,636,922</b>	<b>499,108</b>	<b>499,108</b>	<b>514,081</b>	<b>1,013,189</b>	<b>1,512,297</b>
Funding: (1)						
Federal Receipts	69,951	2,099	2,099	2,162	4,261	6,360
General Fund/GFM	15,540,239	466,207	466,207	480,193	946,400	1,412,607
Student Fees	876,741	26,302	26,302	27,091	53,393	79,695
University Receipts	149,992	4,500	4,500	4,835	9,335	13,835
<b>Total</b>	<b>16,636,922</b>	<b>499,108</b>	<b>499,108</b>	<b>514,081</b>	<b>1,013,189</b>	<b>1,512,297</b>

- (1) Based on FY95 authorized budgeted positions as reflected in PACS.  
 (2) 3% increase for all ACCFT members, retroactive to July 1, 1995.  
 (3) FY97 base adjustment to reflect FY96 increases.  
 (4) 3% increase for all ACCFT members calculated on salaries increased by 3% in FY96.

Scenario 3: Legislature reconsiders previously unfunded FY95 Retro, FY96 Supplemental

	FY95 Base (1)	FY95 3% Increase (2)	FY96 Base Adjustment (3)	FY96 3% Increase (4)	Total FY95-96 Increase (2) + (4)	FY97 Base Adjustment (3) + (4)	FY97 3% Increase (5)	Total FY97 Increase	Total FY95 - FY97
Salaries	12,797,632	383,929	383,929	395,447	1,163,305	779,376	407,310	1,186,686	2,349,991
Benefits	3,839,290	115,179	115,179	118,634	348,992	233,813	122,193	356,005	704,997
<b>Total Salaries &amp; Benefits</b>	<b>16,636,922</b>	<b>499,108</b>	<b>499,108</b>	<b>514,081</b>	<b>1,512,297</b>	<b>1,013,189</b>	<b>529,503</b>	<b>1,542,692</b>	<b>3,054,988</b>
Funding: (1)									
Federal Receipts	69,951	2,099	2,099	2,162	6,360	4,260	2,226	6,486	12,846
General Fund/GFM	15,540,239	466,207	466,207	480,193	1,412,607	946,401	494,599	1,441,000	2,853,607
Student Fees	876,741	26,302	26,302	27,091	79,695	53,394	27,904	81,298	169,993
University Receipts	149,992	4,500	4,500	4,835	13,835	9,335	4,774	13,608	27,543
<b>Total</b>	<b>16,636,922</b>	<b>499,108</b>	<b>499,108</b>	<b>514,081</b>	<b>1,512,297</b>	<b>1,013,189</b>	<b>529,503</b>	<b>1,542,692</b>	<b>3,054,988</b>

- (1) Based on FY95 authorized budgeted positions as reflected in PACS.  
 (2) 3% increase for all ACCFT members, retroactive to July 1, 1994.  
 (3) FY96 base adjustment to reflect FY95 increases.  
 (4) 3% increase for all ACCFT members, retroactive to July 1, 1995, calculated on salaries increased by 3% in FY95.  
 (5) 3% increase for all ACCFT members calculated on salaries increased by 3% in FY95 and FY96.

**NOTE:**

On April 26, 1995, the university submitted a request to the Office of Management and Budget to introduce legislation on its behalf to fund the FY95 and FY96 monetary terms of the UA/ACCFT contract. Total FY95-FY96 costs per this request were \$1,535,925. The slight differences between this revised request and that original request are due to variations between FY95 and FY96 authorized positions budgets as reflected in PACS.

**PROPOSED REVISION TO HB 305:**

**"An Act making appropriations to satisfy the agreed upon monetary terms of a collective bargaining agreement for certain employees of the University of Alaska; and providing for an effective date."**

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

**\*Section 1.** The sum of \$864,657 is appropriated to the University of Alaska to satisfy the FY95 and FY96 monetary terms of the collective bargaining agreement entered into with the University of Alaska Classified Employees Association bargaining unit for the period January 1, 1995 through June 30, 1996, from the following sources in the amount listed:

<b>SOURCE</b>	<b>AMOUNT</b>
Federal receipts	\$ 4,819
General fund	852,095
Auxiliary receipts	2,899
Student fees	2,225
University receipts	2,619

**\*Section 2.** The unexpended and unobligated balance of the appropriation made by sec. 1 of this Act lapses into the funds from which it was appropriated June 30, 1996.

**\*Section 3.** This Act takes effect immediately under AS 01.10.070(c).

## FY95-FY96 Cost of Implementing New UA/CEA Collective Bargaining Agreer

(Revised 3/1/96 to reflect current budgeted positions in PACS)

**NOTE:** The University of Alaska has updated its cost estimate of implementing the new CEA contract as shown below.

This revision reduces the original cost estimate from \$889.4 to \$864.7. The difference is due to slight variations between FY95 and FY96 authorized position budgets as reflected in PACS.

	FY96 Base (1)	FY95 Retro (2)	FY96 Base Adjustment (3)	FY96 Salary Adjustment (4)	One-Time Payment (5)	One-Time Required Funding Items (6)	Total FY95-96 Increase
Salaries	8,056,130	120,842	241,684	40,885	141,600	148,600	693,611
Benefits	3,415,790	51,237	102,474	17,335	0	0	171,046
<b>Total Salaries &amp; Benefits</b>	<b>11,471,920</b>	<b>172,079</b>	<b>344,158</b>	<b>58,220</b>	<b>141,600</b>	<b>148,600</b>	<b>864,657</b>
<b>Funding: (1)</b>							
Federal Receipts	63,945	959	1,918	325	789	828	4,819
General Fund/GFM	11,305,251	169,579	339,158	57,374	139,543	146,441	852,095
Dorm, Foods, Aux. Servi	38,475	577	1,154	195	475	498	2,899
Student Fees	29,495	443	886	150	364	382	2,225
University Receipts.	34,754	521	1,042	176	429	451	2,619
<b>Total</b>	<b>11,471,920</b>	<b>172,079</b>	<b>344,158</b>	<b>58,220</b>	<b>141,600</b>	<b>148,600</b>	<b>864,657</b>

(1) Based on FY96 authorized budgeted positions as reflected in PACS.

(2) Placement of employees on new salary schedule effective January 1, 1995, per contract provisions; effective increase of 1.5%.

(3) FY96 base adjustment is equal to twice the FY95 six-month retro.

(4) Movement of employees along salary schedule on their anniversary date, beginning January 1, 1996.

(5) One-time payment of \$600 for each member employed as of the date of signing, per contract provisions.

(6) Other required one-time items include mandatory alternative dispute resolution training, Total Quality Management work teams, benefits task force and development of a flexible benefits plan.

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110200  
JUNEAU, ALASKA 99811-0200  
PHONE: (907) 465-2200  
FAX: (907) 465-2135

December 22, 1995

The Honorable Mark Hanley  
Co-Chair  
Committee on Finance  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

#1 = copies of contracts - existing  
#2 = copies of new contracts  
#3 = 1994 Salary Survey by DOA

Dear Representative Hanley:

I am pleased to provide the following information in response to your request regarding collective bargaining agreements and merit increases. The printed material requested in items 1, 2, and 3 were delivered to your staff by Assistant Commissioner David Koivuniemi on December 19. I appreciate your patience while we researched the technical details for the responses to questions 4 and 5 below.

4). There is a general intertwining of the terms "merit system" and "merit increases" found in Alaska's constitution, laws and regulations, and certainly in the popular understanding, so that a careful reading is necessary to appreciate the differences. A merit system includes pay, but merit increases are a feature of a specific kind of pay system. In Alaska, the merit system is required by the State Constitution. Article XII, Section 6 is labeled "Merit System." It provides, "The legislature shall establish a system under which the merit principle will govern the employment of persons by the state." The legislature established such a system by the enactment of the State Personnel Act, AS 39.25. The merit principles are described in AS 39.25.010, as follows:

- (a). It is the purpose of this chapter to establish a system of personnel administration based upon the merit principle and adapted to the requirements of the state to the end that persons best qualified to perform the functions of the state will be employed, and that an effective career service will be encouraged, developed and maintained.
- (b). The merit principle of employment includes the following:
  - (1) recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge, and skills, including open consideration of qualified applicants for initial appointment;
  - (2) regular integrated salary programs based on the nature of work performed;
  - (3) retention of employees with permanent status on the basis of the adequacy of their performance, reasonable efforts of temporary duration for correction in inadequate performance, and separation for cause;

- (4) equal treatment of applicants and employees with regard only to consideration within the merit principles of employment; and
- (5) selection and retention of an employee's position secure from political influences. (Emphasis added.)

Significant statutory provisions are AS 39.25.150, which lists the subjects to be covered by the Personnel Rules (2 AAC 07), AS 39.27.011, the statutory salary schedule, and AS 39.27.022, longevity increments. The statutes require the Personnel Rules to provide for a classification plan, a pay plan, performance records, 21 other specific topics, and a catch all "other rules and administrative regulations." The statutes also provide a six step pay plan with four additional longevity increments.

The Personnel Rules and interpretative memoranda of the Director of Personnel provide the "rules" for merit increases. As discussed further below, employees in four of five bargaining units covering employees in the classified service, as well as employees in the classified service not covered by a collective bargaining agreement and employees in the partially exempt service who are therefore covered by the Personnel Rules, follow these rules. They provide for consideration of a merit increase at the end of the probationary period, and annually thereafter for up to four years (potentially advancing from step A to step F). The basic criteria is an overall performance evaluation of "acceptable" or better and demonstration of satisfactory service of a progressively greater value to the State. See 2 AAC 07.365(b). The fuller interpretation of these provisions is contained in a 1979 memorandum which is included as an appendix in the General Government and Supervisory Bargaining Units collective bargaining agreements. The memorandum and 16 years of subsequent third-party decisions that are binding on these respective bargaining units generally apply to merit increases in two other bargaining units and classified and partially exempt service employees covered by the Personnel Rules as well.

The criteria for longevity increments, other than the duration requirements, is "that the current annual rating by the employee's supervisors is designated as 'good' or higher." (AS 39.27.022(a)) In application, "good" is interpreted as "acceptable," including low acceptable, on the State's Performance Evaluation Report.

The State's pay plan had its beginnings in the federal system. During territorial days, territorial employees were federal employees. At statehood, the pay system adopted by the legislature was a continuation of that system. It was familiar. It remained in use, of course, for federal employees in Alaska who were an obvious source of comparison for State employees. It reflected two precepts of public pay administration: a public employer should not be a leader nor a follower in the labor market; and a public employee's pay should start below the average in the labor market, but can be advanced to above the average based on years of satisfactory experience. The rates assigned to pay ranges were designed so that the entry step was at the 25th percentile and the top step was at the 75th

percentile of rates in the labor market. The entire pay plan would be moved up (or theoretically down) to maintain this relationship to the competition.

The State's pay plan is also intertwined with the classification plan. Therefore, the "rules" provide that an employee taking on a more responsible job is rewarded with a pay increase upon promotion. Further, ranges for supervisory positions were set so that there was a differential of about 15% over the pay of subordinates. This differential came from high volume surveys of employers (mostly manufacturing) in the late 1940's and early 1950's of pay differentials between supervisors and subordinates.

Over the years, a number of influences impinge on the theoretical system and pressure it to depart from the pure ideal. The TAPS construction period raised competitive rates farther and faster than the State was willing to follow. (State employee turnover reached 30% annually during this period.) However, public employees have also been generally less impacted by actual wage reductions that occurred post-construction. Further, passage of the Public Employment Relations Act (PERA) in 1972 brought collective bargaining to the classified service. The collective bargaining process does not necessarily adhere to the "never be a wage leader" concept and has been an influence on the theoretical system, particularly as a damper in Alaska to wage reductions. Different bargaining unit interests and strengths also provide a pressure to distort the theoretical ideal, and results in Alaska in bargained schedules that depart from the statutory schedule and its underlying pay policy. In addition, the adoption of longevity increments by the legislature and their inclusion in various forms in collective bargaining agreements erodes both the 75th percentile and "never be a leader" concepts.

5) Within the above theoretical framework the question of how many employees receive merit increases in a year, and the costs of the increases can be addressed. Of employees eligible (further analyzed below) for consideration for a merit increase (or longevity increase based on satisfactory performance), over 99% are awarded an increase. A high percentage would be expected based on the competitive recruitment, examining, and selection processes, the probationary period, and constructive and progressive discipline to deal with performance deficiencies of permanent employees. Anecdotally, we estimate that only about 20 employees per year are denied a merit increase when eligible for consideration. (There are no central records of denials, but appeals average only about seven per year and we guess that twice as many are denied and not appealed.)

The number eligible for consideration (a major factor in determining the cost) is limited by a number of facts. The executive branch (excluding the quasi-public corporations) has eleven bargaining units, and a group of employees not covered by collective bargaining. Strictly speaking, employees in the exempt service are not subject to merit increases. However, the predominant practice is to treat them similarly to the partially exempt service and follow the statutory pay schedule. As you know from your legislative staffer days, this is the LAA practice. Thus, in general, they receive annual step increases and are included in the

analysis that follows. A significant exception to the predominant practice in the exempt service is emergency firefighters in the Department of Natural Resources who receive only a single rate of pay.

Members of the Alaska National Guard are excluded from the analysis below.

Six of the eleven bargaining units do not have merit increases in the collective bargaining agreement. The three marine units have a single rate for each job class (with only a few entry job classes with a lower rate for initial hire). The three teacher units have pay schedules that provide additional pay based on years of service or advanced education. Performance (or merit) need only result in not being fired for cause in the preceding year. Four of the other five bargaining units (covering employees in the classified service) have the same pay schedule structure as the statutory schedule. The fifth unit (Labor, Trades, and Crafts) has a truncated schedule of two pay steps and two longevity steps. For this unit also, advancement from one step to another is a function of time provided the employee has not been separated for cause.

Assuming that no other employment events were occurring, the above limitations would result in approximately 11,050 executive branch employees on pay schedules with multiple steps, out of a total work force of approximately 16,700. Approximately 820, or 7% of the employees on multi-step schedules, are at the final longevity step of their ranges and will not receive further step increases. An additional 5,760 are at steps that require a period of two to seven years before another increase can be considered. Approximately 1,920 of these employees would be eligible for consideration in a given year, and 3,840 (35% of those on multi-step schedules) would not. The maximum theoretical number that would receive a step increase in a given year is, therefore, less than 6,400 executive branch employees.

The real number is significantly less than the theoretical number because other employment events do occur. In a typical year, about 2,000 employees on multi-step salary schedules separate from state employment, and 2,000 other employees are hired to replace them. Additionally, about 3,000 employees on multi-step salary schedules move internally in a typical year. All promotions and some demotions and lateral movements start a new probationary period and a new "clock" before a merit increase can be considered. The Division of Finance has compared year end computer files for successive years and finds only about 3,000 employees for whom a merit increase is the only event in a year. Combinations of actions, such as promotion and merit increase, or merit increase and promotion, are excluded by this method. So are longevity increments. The result is a "best estimate" of 5,500 employees (50% of employees on multi-step schedules, or 33% of all employees) receiving a merit or longevity increment in a given year.

While individual steps range from about 3.1% to nearly 20%, the weighted average value of a salary step on all schedules is slightly less than 3.5%. In the theoretical model therefore,

December 22, 1995

for employees on salary schedules subject to step increases, the change in the rate of pay from one year to the next would be about 1.75% (3.5% times .50). For the entire executive branch, the annual change in the rate would be about 1.17% (3.5% times .33). Because the increases are awarded throughout the year, the annual theoretical cost would be one-half of the change in the annual rate, or .875% and .585% respectively.

For calendar year 1994, the executive branch paid \$610,310.2 thousand in gross pay. Therefore, the estimated cost of merit increases would be \$3,570.3 thousand. Benefits costs that are directly related to wages and salaries (excluding health insurance) would also increase by .585%

You may be aware that proposals to "freeze" merit increases for a period of time have been discussed in prior years. One significant barrier to doing so is the fact that for employees in collective bargaining units, merit increases and longevity increments are subject to bargaining. The agreements currently in place and the agreements I will be forwarding under AS 23.40.215 that have already been negotiated contain such provisions. The further give and take of negotiations would be necessary to change the tentative agreements.

I hope the above material is useful and responsive to your inquiry. I would be happy to provide any additional information that may be available.

Sincerely,



Mark Boyer  
Commissioner

BM/mpm  
hanley.ltr

**December 22, 1995**

' bcc: **Don Wanie, Director**  
**Division of Finance**

**Dianne Corso, Director**  
**Labor Relations Office**

**Beverly Reaume, Director**  
**Division of Personnel**

DIVISION OF LEGAL SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

Attachment #1  
3/6/96

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101


130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

MEMORANDUM

February 5, 1995

SUBJECT: Legislative action with respect to the monetary terms of collective bargaining contracts

TO: Representative Mark Hanley, Co-chair  
House Finance Committee

FROM: Teresa B. Cramer   
Legislative Counsel

You have asked for an explanation of the legislature's powers with respect to the monetary terms of a collective bargaining contract for state employees.

**Short answer:** If the legislature states in legislation that it declines to fund the monetary terms, the terms do not take effect. If the legislature appropriates money that can, under the terms of the appropriation, be used to fund the monetary terms of the contract, then the terms do take effect whether or not the legislature states that it intends them to.

Discussion

1. The legislature may decline to fund the monetary terms of a collective bargaining contract.

Under AS 23.40.215(a), the monetary terms of a collective bargaining contract "are subject to funding through legislative appropriation." This language has been held to mean that if the legislature declines to fund a contract term, the monetary terms of the contract do not take effect. Public Employees' Local 71 v. State, 775 P.2d 1062 (Alaska 1989).<sup>4</sup> In 1984, the state and Local 71 entered into a three-year collective bargaining contract. The contract did not call for a salary increase for the first year. In 1985, the legislature appropriated sufficient money to fund the negotiated pay increase for the second year but also adopted a resolution indicating that it would not fund the monetary terms in the following year. In 1986, the

<sup>4</sup> In the Local 71 case, the court relied on the terms of the statute in reaching this result but also suggested that the state constitution would require the result. In a footnote in Municipality of Anchorage v. Anchorage Police Dep't Employees Ass'n, P.2d, (Alaska Supreme Court Opinion No. 3893, October 23, 1992), the Supreme Court disapproved this suggestion. (See footnote 28, page 28 of the slip opinion.) The Anchorage Police Dep't case involved consideration of a municipal collective bargaining contract entered into under a municipal ordinance rather than the state statutes.

Representative Mark Hanley

February 6, 1995

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legislature refused to fund the third-year salary increase, stating in the operating budget that failure to adopt a separate appropriation item for the pay raise constituted rejection of the monetary terms of the collective bargaining agreements in accordance with AS 23.40.215.<sup>2</sup> The court held that under AS 23.40.215 the monetary terms for the third year did not take effect, and stated

it is clear that the monetary terms of a collective bargaining agreement are not effective until the funds are appropriated by the legislature. Each year the monetary terms of a collective bargaining agreement are subject to independent legislative approval."

Id. at 1064. (Footnote omitted.)

From the holding in Local 71, it is clear that if the legislature states in the operating budget that it is declining to appropriate money to implement a contract term, the monetary terms do not become part of the contract.

2. Disapproval of the monetary terms by resolution is probably not effective by itself to invalidate the monetary terms of the contracts.

You have asked about the effect of AS 23.40.215(b) which reads:

The Department of Administration shall submit the monetary terms of an agreement to the legislature within 10 legislative days after the agreement of the parties, if the legislature is in session, or within 10 legislative days after the convening of the next regular session. The legislature shall advise the parties by concurrent resolution if it approves or disapproves of the monetary terms within 60 legislative days after the agreement is submitted to the legislature. The approval of the monetary terms of an agreement under this subsection is a nonbinding, advisory expression of legislative intent. If within 60 legislative days after the agreement is submitted the legislature advises the parties by concurrent resolution that it disapproves the monetary terms of the agreement, the parties may resume negotiations.

This subsection addresses one method by which the legislature can indicate to the executive branch and employee unions its response to the monetary terms of a collective bargaining

---

<sup>2</sup>The section read, in full:

Failure of the legislature to adopt a separate appropriation item for the pay raise constitutes rejection of the monetary terms of the collective bargaining agreements in accordance with AS 23.40.215. Money appropriated for personal services in this Act may not be used for implementation of the negotiated pay raise. Negotiation of future collective bargaining agreements will consider the definition of merit pay as recommended by the joint special committee on state employee compensation established under House Concurrent Resolution 47.

Representative Mark Hanley

February 6, 1995

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contract. The subsection states that a resolution adopted by the legislature **approving** the contracts is "a nonbinding, advisory expression of legislative intent." Under this language the legislature is not bound by a resolution approving the monetary terms: the legislature may subsequently (but in the same legislative session) decline to fund the monetary terms.

The statute is silent about what happens if the legislature adopts a concurrent resolution **disapproving** the monetary terms but then appropriates money for personal services without, in the appropriation bill, limiting the use of the appropriation. In my opinion, in that case, the appropriation serves as "funding through legislative appropriation" and the monetary terms take effect.

Under the state's constitutional system, a bill is subject to procedural requirements that a concurrent resolution is not subject to, and, unlike a resolution, a bill is subject to veto by the governor. Under State v. A.L.I.V.E. Voluntary, 606 P.2d 769, 773, (Alaska 1980), when the legislature wishes to act in an advisory capacity, it may do so by resolution. When it intends its action to have a binding effect on people outside the legislature, it may do so only by following the enactment procedures for bills. A resolution disapproving the monetary terms of a collective bargaining contract serves to advise the parties of the legislature's intention with regard to funding. The resolution cannot take the place of a bill. If there is subsequent action to appropriate money for personal services without prohibiting the state from spending the money to implement the monetary terms of a collective bargaining contract, the resolution must give way to the bill and the monetary terms take effect.

### **3. Failure to adopt a resolution either approving or disapproving monetary terms within the 60-day period set by statute.**

The provisions in AS 23.40.215(b) suggest that the legislature must adopt a resolution within 60 days of submission of the monetary terms to the legislature. The statute is not clear as to what happens if the legislature fails to meet the 60-day deadline. The requirement for funding by the legislature in subsection (a) does not state that if the legislature fails to act within a 60-day period, the money is considered to have been appropriated. And, since a resolution can only be viewed as a nonbinding statement, failure to make such a statement should not be given more weight than the making of the statement would hold. Therefore, I believe that the 60-day time period should be viewed as a goal, not a legal requirement. Failure to adopt a resolution within the 60 days does not preclude the legislature from acting later.



### **4. What happens if the legislature does nothing?**

This situation is less likely to occur than may appear at first glance. By definition, monetary terms of a contract require that the state spend money to implement them. (See

Representative Mark Hanley

February 6, 1995

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AS 23-40.250(4).) Before the state may spend money, the legislature must appropriate it. Therefore, it is probable that the legislature will act on some aspect of a monetary term of a state employee contract, as part of a general budget item, even though the legislature has not specifically addressed the particular contract term. For example, as happened in the facts in the Local 71 case, a collective bargaining contract may call for a salary increase. By appropriating money for personal services for positions in that bargaining unit, the legislature is acting on that contract term. Unless the legislature also states its disapproval of the salary increase, the increase will take effect, even if the amount appropriated is insufficient to fully fund all of the positions in the department at the increased salary levels. The agency to which the money was appropriated must make other reductions (perhaps by reducing the number of its employees) in order to live within its budget but must comply with the contract terms.

If there were a monetary term of a contract that required a separate appropriation, unrelated to other budget items, then, given the language in AS 23-40.215, that monetary term would be considered to have failed unless the legislature made an appropriation for that purpose. However, I believe that this is an unlikely factual situation. The safer course for the legislature, if it wishes to disapprove a monetary term, is to state its disapproval specifically.

Please let me know if I can be of further assistance.

TC:pi

95-031.plm

## PUBLIC EMPLOYEES' LOCAL

71, Appellant.

v.

STATE of Alaska, Appellee.

No. S-2725.

Supreme Court of Alaska.

June 9, 1989.

Unions appealed decision of Superior Court, Third Judicial District, Anchorage, Martha Beckwith, J. pro tem., affirming decision of State Labor Relations Agency which dismissed unfair labor practice charges filed against State. The Supreme Court, Burke, J., held that collective bargaining agreement to which State is party is subject to legislative approval of its monetary terms.

Affirmed.

### 1. Administrative Law and Procedure ⇨300

"Rational basis" test is standard applied on appeal of agency decision involving question of statutory interpretation, when issue involves agency expertise or the determination of fundamental policies within agency's statutory function.

### 2. Administrative Law and Procedure ⇨300

Reviewing court can independently review decision of agency and substitute its own judgment when statutory interpretation does not involve agency expertise, or the agency's specialized knowledge and experience would not be particularly probative.

### 3. Labor Relations ⇨246

Collective bargaining agreement to which State is a party is subject to legislative approval of its monetary terms. AS 23.40.215.

1. CEA also entered into a collective bargaining agreement with the state providing for salary

### 4. Labor Relations ⇨179

State did not violate its duty to bargain in good faith with employees' unions when governor sought budget cuts, where bargained for pay raise was not among the reductions sought.

Kevin Dougherty, Anchorage, for appellant.

Virginia B. Ragle and Susan D. Con. Asst. Atty. Gen., and Grdge Berg Schaeble, Atty. Gen., Juneau, for appellee.

### OPINION

Before MATTHEWS, J., and  
RABINOWITZ, BURKE, COMPTON  
and MOORE, JJ.

BURKE, Justice.

### I. INTRODUCTION

Public Employees Local 71 (Local 71) and Confidential Employees Association (CEA) appeal the decision of the superior court, affirming the decision of the State Labor Relations Agency (Agency), which dismissed the unfair labor practice charges filed against the state. The first issue on appeal is whether a collective bargaining agreement is subject to legislative approval of its monetary terms. The second issue is whether the state violated its duty to bargain in good faith.

### II. FACTS

On June 4, 1984, Local 71 entered into a collective bargaining agreement with the state, which was in effect from January 1, 1984, through December 31, 1986. The terms of the contract called for salary increases of 0% during the first fiscal year of the contract (July 16, 1984—July 16, 1985), 5% during the second fiscal year (July 16, 1985—July 16, 1986), and 3.8% during the third fiscal year (July 16, 1986—July 16, 1987).<sup>1</sup>

In 1985, the legislature appropriated the necessary funds for the 5% salary increase. However, the legislature also adopted Leg-

increases. CEA joins in Local 71's arguments.

lative Resolution No. 19, which stated "that the Alaska State Legislature will not fund the monetary terms of the existing contracts for future years" and directed the parties to renegotiate the monetary terms proposed for fiscal year 1987. The state and unions were unable to renegotiate the salary increases.

At the beginning of the 1985 legislative session, the governor requested funding for the 3.3% salary increase in House Bill 500. Subsequently, after a projected revenue decline, the governor submitted to the legislature a revised operating budget consisting of \$120,000,000 in proposed reductions. The reductions did not refer to the 3.3% pay increase. In 1986, the legislature refused to fund the 3.3% salary increase.<sup>1</sup>

On April 17, 1986, Local 71 filed an unfair labor practice charge against the State of Alaska. A hearing was held on July 13, 1987. On October 21, 1986, the agency issued its order dismissing the unfair labor practice charge. Local 71 appealed. The superior court affirmed the agency's dismissal of the unfair labor practice charge. This appeal followed.

### III. STANDARD OF REVIEW

[1] When an appeal of an agency decision involves a question of statutory interpretation one of two standards will apply. *Tesoro Alaska Petroleum Co. v. Kenai*

2. The legislature stated in section 20 of the budget act:

Failure of the legislature to adopt a separate appropriation item for the pay raise constitutes rejection of the monetary terms of the collective bargaining agreements in accordance with AS 23.40.215.

AS 23.40.215 is set forth in full at note 3.

3. AS 23.40.215 provides:

(a) The monetary terms of any agreement entered into under the Public Employment Relations Act are subject to funding through legislative appropriation.

(b) The Department of Administration shall submit the monetary terms of an agreement to the legislature within 10 legislative days after the agreement of the parties, if the legislature is in session, or within 10 legislative days after the convening of the next regular session. The legislature shall advise the parties by concurrent resolution if it approves or disapproves of the monetary terms within 60

*Pipe Line Co.*, 746 P.2d 394 (Alaska 1987). The "rational basis" test is used when the issue involves agency expertise or the determination of fundamental policies within the agency's statutory function. *Id.* at 903. If the agency's decision is supported by the facts and has a reasonable basis in the law, the decision will be upheld. *Id.*

[2] However, when the statutory interpretation does not involve agency expertise, or the agency's specialized knowledge and experience would not be particularly probative, the reviewing court can independently review the decision and substitute its own judgment. *Id.*

### IV. DISCUSSION

#### A. Legislative Approval

[3] The first issue is whether a collective bargaining agreement is subject to legislative approval of its monetary terms. This issue is a question of statutory interpretation and should be reviewed under the independent judgment standard. Alaska Statute 23.40.215(a) provides that the "monetary terms of any agreement entered into under the Public Employment Relations Act are subject to funding through legislative appropriation."<sup>2</sup> The initial approval of the monetary terms of any agreement is a "nonbinding, advisory expression of legislative intent."<sup>4</sup> AS 23.40.215(b).

legislative days after the agreement is submitted to the legislature. The approval of the monetary terms of an agreement under this subsection is a nonbinding, advisory expression of legislative intent. If within 60 legislative days after the agreement is submitted the legislature advises the parties by concurrent resolution that it disapproves the monetary terms of the agreement, the parties may resume negotiations.

4. In its brief, Local 71 relied solely on *Boston Teachers Union, Local 66 v. School Committee of Boston*, 386 Mass. 197, 434 N.E.2d 1258 (1982). In *Boston Teachers*, the teachers' union sought declaratory and injunctive relief to compel the mayor to submit a budget to the city council which would provide appropriations for the salary increases in the second year of a collective bargaining agreement. The Massachusetts court held that approval by the legislature of the monetary terms of the contract was statutorily required throughout the contract's three-year term:

Additionally, under Alaska's constitutional system funding of an agreement is constitutionally relegated to the legislature. Alaska Const. art. III, § 13. The Public Employment Relations Act recognizes this constitutional requirement in AS 23.40.215(a).

From our independent review of the statute, it is clear that the monetary terms of a collective bargaining agreement are not effective until the funds are appropriated by the legislature.<sup>5</sup> Each year the monetary terms of a collective bargaining agreement are subject to independent legislative approval.

### B. Duty to Bargain in Good Faith

(4) The second issue is whether the state violated its duty to bargain in good

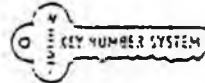
We think that the requirement in § 7(b), that the employer submit a request to the appropriate legislative body for an appropriation sufficient to fund the cost items of the agreement, applies only to the funds needed in the first year of the agreement, and that an appropriation funding the first year of the contract constitutes an approval by the legislative body of the entire agreement. The context of this provision suggests that this is the proper interpretation. . . . In order for § 7(b) to be construed consistently with § 7(a), authorizing contracts of three years' duration, the statute must be read as contemplating an initial approval of the contract by the legislative body, followed by appropriations as a matter of course in the succeeding years of the contract.

*Id.* at 1263. See Mass.G.L. c. 150E § 7.

The Massachusetts court also found support for its position in the legislative history of the statute, which provided that if there is a conflict between the terms of a collective bargaining agreement and the statute, the terms of the agreement prevail. *Id.* at 1263. Based on *Bos-*

*ton Teachers*, Local 71 asserts that once the legislature approves the monetary terms of the first year of a collective bargaining agreement, the legislature must fund the subsequent years. However, *Boston Teachers* is distinguishable from the case at hand because the governing statutes in the two states are clearly different. Therefore, *Boston Teachers* is not persuasive.

The decision is **AFFIRMED**.



*ton Teachers*, Local 71 asserts that once the legislature approves the monetary terms of the first year of a collective bargaining agreement, the legislature must fund the subsequent years. However, *Boston Teachers* is distinguishable from the case at hand because the governing statutes in the two states are clearly different. Therefore, *Boston Teachers* is not persuasive.

5. The superior court for the first judicial district has also held that the monetary terms of an agreement are not enforceable until the legislature appropriates the required funding. *Alaska Public Employees Ass'n v. State*, No. 1JU 79 536 Civ. and *Public Employees' Local 71, AFL-CIO v. State*, No. 1JU 79 983 Civ. (Alaska Super., Ct. Dec. 24, 1979).

6. Additionally, Local 71 and CEA assert that the agency's decision is not supported by substantial evidence and that the agency failed to properly review whether the state supported the pay raise throughout the entire legislative session. Both of these arguments are without merit.

terms are  
not only not effective, but not enforceable

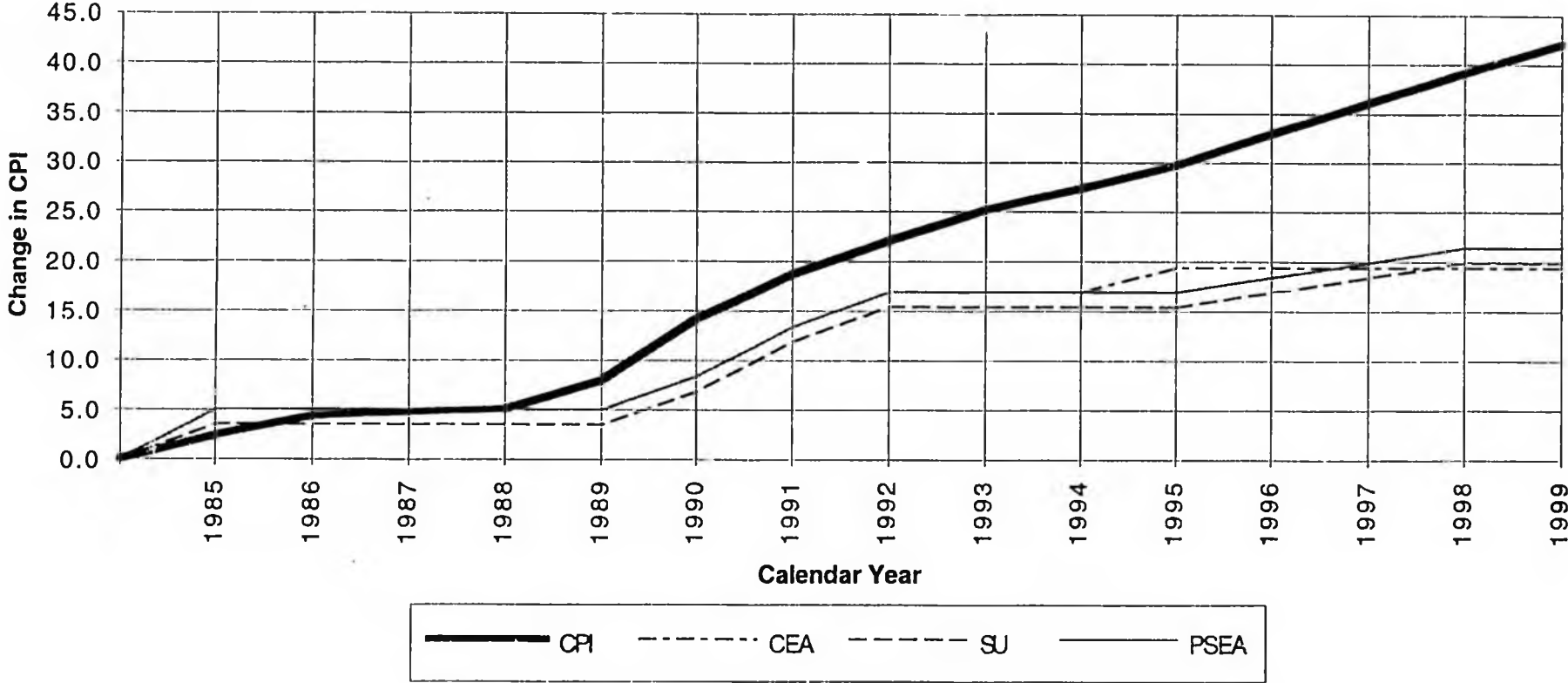
**Increases in the Anchorage CPI-U  
Compared to  
Funded and Projected Salary Increases**

% CPI Change	Cumulative Change	Year	Yr. Avg. CPI-U	Wage Incr Statutory		Negotiated Wage Incr Court System	Negotiated Wage Incr GGU 2&3	Negotiated Wage Incr GGU 1	Negotiated Wage Incr SU	Negotiated Wage Incr LTC	Negotiated Wage Incr CEA	Negotiated Wage Incr PSEA	Negotiated Wage Incr IBU	Negotiated Wage Incr MM&P	Negotiated Wage Incr MEBA
0.00%	0.00%	1984	103.25									3.0			
2.43%	2.43%	1985	105.76	5.0		5.0	5.0	5.0	3.5	5.0	5.0	5.0	2.0	2.0	2.0
1.96%	4.39%	1986	107.83												
0.38%	4.77%	1987	108.24												
0.33%	5.10%	1988	108.60										2.1		
2.85%	7.96%	1989	111.70												
6.18%	14.13%	1990	118.60	3.3		3.3	3.3	4.25	3.3	3.3	3.3	3.3	3.3	3.3	3.3
4.55%	18.69%	1991	124.00	5.0		5.0	5.0	5.0	5.0	4.5	5.0	5.0	5.0	5.6	5.51
3.39%	22.07%	1992	128.20				3.6	3.6	3.6	3.6	3.6	3.6	3	3.6	3.6
3.12%	25.19%	1993	132.20												
2.12%	27.31%	1994	135.00												3.1
2.89%	30.20%	1995	138.90								2.5				
2 3.06%	33.26%	1996	143.15	1.5	4		1.5	1.5	1.5	1.5		1.5	1.5	1.5	
2 3.00%	36.26%	1997	147.45	1.5	4		1.5	1.5	1.5	1.5		1.5	1.5	1.5	
2 3.02%	39.28%	1998	151.90	1.5	4		1.5	1.5	1.5	1.5		1.5	1.5	1.5	
2 3.03%	42.31%	1999	156.50												
* = Projection		Total thru 95		13.3		13.3	16.9	17.9	15.4	16.4	19.4	19.9	16.0	14.5	17.5
		Projected to 99		17.8		13.3	21.4	22.4	19.9	20.9	19.4	24.4	20.5	19.0	17.5

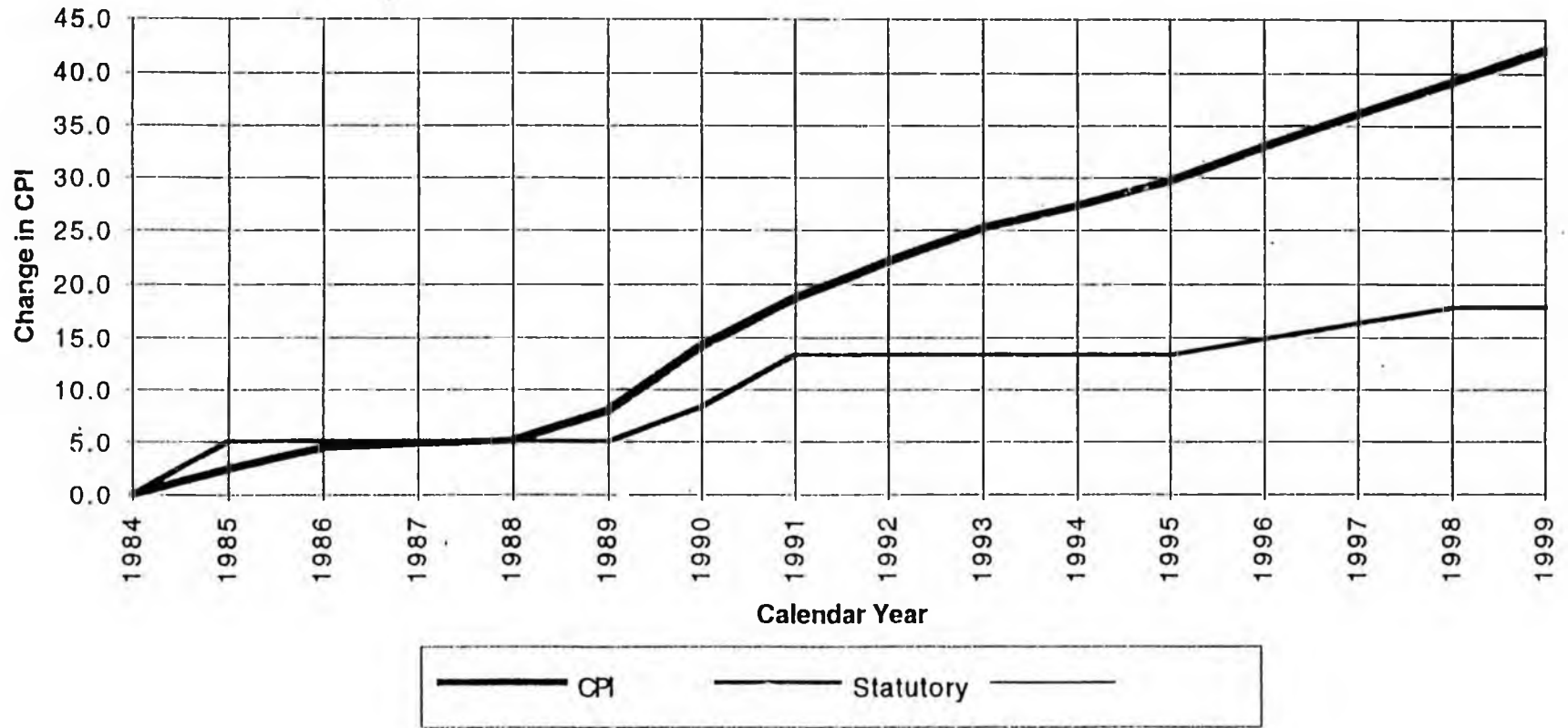
Notes: CPI-U is Yearly Average as taken from BLS data

- GGU, SU, LTC, PSEA, IBU, and MM&P have negotiated 1/2 of the CPI cost of living increases capped at 1.5% for '96,'97, '98.
- Projections attempt to show an approximate 3% per year increase in the CPI
- Last PSEA wage increase formally effective 7/1/94; lump sum paid equal to 3.6% retroactive to 1992
- Administration proposes increase capped at 1.5% for Statutory Employees

### CEA, SU & PSEA Funded Wage Increases Compared to Anchorage CPI-U



### Statutory Wage Increases compared to CPI



APPROXIMATE COST OF BARGAINING UNIT CONTRACTS & OTHER NON-COVERED EMPLOYEE COMPENSATION											
G OMB-DHR 2/23/96											
LFD Legislative Finance Modifications											
ANNUAL TOTALS											
BARGAINING											
UNIT											
Note											
FY 97											
FY98											
FY99											
GF OTHER TOTAL											
GF OTHER TOTAL											
GF OTHER TOTAL											
G	Masters, Mates & Pilots (MMP)	1		139.5	139.5		166.9	166.9		252.3	252.3
G	Inland Boatmen's Union (IBU)	1		1,210.2	1,210.2		948.5	948.5		1,433.5	1,433.5
G	Labor, Trades, and Crafts (LTC)		724.9	588.4	1,313.3	1,460.7	1,185.6	2,646.3	2,207.5	1,791.8	3,999.3
G	General Government Unit (GGU)		3,621.5	2,717.7	6,339.2	7,297.3	5,476.2	12,773.5	11,028.3	8,276.0	19,304.3
G	Supervisory Unit (SU)	2	702.8	503.6	1,206.4	1,416.1	1,014.8	2,430.9	2,140.2	1,533.6	3,673.8
LFD	Public Safety Employees Assn (PSEA)		497.8	127.0	624.8	1,003.1	255.9	1,259.0	1,515.9	386.7	1,902.7
G	Exempt Employees (XE)		764.2	661.2	1,425.4	1,539.9	1,332.3	2,872.2	2,327.2	2,013.5	4,340.7
LFD	University - ACCFT	3	466.2	32.9	499.1	946.4	66.8	1,013.2	1,441.0	101.7	1,542.7
LFD	University - CIA	3	220.9	3.2	224.1	220.9	3.2	224.1	220.9	3.2	224.1
LFD	University - Classified/Professional, Non-uni	3	1,384.0	488.0	1,872.0	1,384.0	488.0	1,872.0	1,384.0	488.0	1,872.0
LFD	University - Faculty, Non-union	3	969.0	590.0	1,559.0	1,954.0	1,189.7	3,143.7	2,964.6	1,805.0	4,769.6
LFD	AMHS Fund	1	810.0		810.0	669.2		669.2	1,011.5		1,011.5
LFD	Legislature		342.9		342.9	686.0		686.0	1,028.9		1,028.9
LFD	Court: Covered	4	592.1		592.1	771.6		771.6	953.9		953.9
LFD	Court: Non-Covered	4	1,202.3		1,202.3	1,566.9		1,566.9	1,937.0		1,937.0
ANNUAL SUBTOTAL			12,298.6	7,061.7	19,360.3	20,916.1	12,127.9	33,044.0	30,160.8	18,085.3	48,246.1
LFD	MERIT INCREASE	5	2,148.7	1,688.3	3,837.0	2,148.7	1,688.3	3,837.0	2,148.7	1,688.3	3,837.0
LFD	HEALTH BENEFITS	6	137.9	103.4	241.3	1,061.0	810.9	1,871.9	1,543.6	1,173.2	2,716.8
LFD	Non-Add: SBS Incremental Costs	7	320.0	213.3	533.3	360.0	222.5	582.5	361.7	226.8	588.5
CUMULATIVE TOTALS											
	Masters, Mates & Pilots (MMP)			139.5	139.5		306.4	306.4		558.7	558.7
	Inland Boatmen's Union (IBU)			1,210.2	1,210.2		2,158.7	2,158.7		3,592.2	3,592.2
	Labor, Trades, and Crafts (LTC)		724.9	588.4	1,313.3	2,185.6	1,774.0	3,959.6	4,393.1	3,565.8	7,958.9
	General Government Unit (GGU)		3,621.5	2,717.7	6,339.2	10,918.8	8,193.9	19,112.7	21,947.1	16,469.9	38,417.0
	Supervisory Unit (SU)		702.8	503.6	1,206.4	2,118.9	1,518.4	3,637.3	4,259.1	3,051.9	7,311.1
	Public Safety Employees Assn (PSEA)		497.8	127.0	624.8	1,500.9	382.9	1,883.8	3,016.8	769.6	3,786.4
	Exempt Employees (XE)		764.2	661.2	1,425.4	2,304.1	1,993.5	4,297.6	4,631.2	4,007.0	8,638.2
	University of Alaska (Covered & Non-covered)		3,040.1	1,114.1	4,154.2	7,545.4	2,861.8	10,407.2	13,555.9	5,259.7	18,815.6
	AMHS Fund		810.0		810.0	1,479.2		1,479.2	2,490.7		2,490.7
LFD	Legislature		342.9		342.9	1,028.9		1,028.9	2,057.8		2,057.8
LFD	Court: Covered & Non-Covered		1,794.4		1,794.4	4,132.9		4,132.9	7,023.8		7,023.8
CUMULATIVE SUBTOTAL			12,298.6	7,061.7	19,360.3	33,214.7	19,189.6	52,404.3	63,375.5	37,274.9	100,650.4
CUMULATIVE With MERIT			14,447.3	8,750.0	23,197.3	37,512.1	22,566.1	60,078.3	69,821.7	42,339.7	112,161.4
CUMULATIVE w/MERIT & HEALTH			14,585.2	8,853.4	23,438.6	38,711.0	23,480.4	62,191.5	72,564.2	44,427.2	116,991.4
Non-Add: Cumulative SBS Costs			320.0	213.3	533.3	680.0	435.8	1,115.8	1,041.7	662.6	1,704.3

3/6/96  
 Attachment 1

**NOTES: COST OF BARGAINING UNIT CONTRACTS & OTHER NON-COVERED EMPLOYEE COMPENSATION**

- 1 **IMPORTANT NOTE:** The appropriation from the General Fund to the Alaska Marine Hwy System fund includes \$810.0 GF related to salary adjustments. This is the GF portion of lump sum payments and 1.5% salary adjustments for the IBU and MMP bargaining units. This appropriation duplicates money already included in the back section components as other funds. (Ak Marine Hwy Sys Fund). Estimated actual outlays would, accordingly, be \$810 less than the table totals.  
 Estimate for FY98 and FY99 assumes the same ratio of general to total funds (60%) as applied in FY97.
- 2 Adds Front Section DOA-supervisory
- 3 The salary adjustments in the Governor's FY97 budget include \$1750.0 for the University of Alaska. The attached spreadsheet prepared by the University shows the additional costs associated with funding increases for covered (ACCF and CEA) and non-covered employees.
- 4 Estimates for FY97-99 were provided by the Court System.
- 5 Merit increase figures were provided by the Department of Administration. Figures are based on CY95 total gross payroll. Gross payroll (wages only) figures were \$612,540,000 for the Executive, \$25,838,000 for the Courts, and \$17,668,000 for the Legislature. The analysis applies a factor calculated for the Executive Branch, .585% of wages, to all branches. See attached sheet on methodology.
- 6 Health insurance increase figures were provided by the Department of Administration, Division of Retirement and Benefits. The health insurance increases for the Supervisory and Public Safety Employees Association are included in the bargaining unit costs. The increase shown here is for the General Government Unit and the Labor, Trades, and Crafts bargaining units. Premiums for other employees assume no increase or that benefits will be reduced to stay within the current premium. See attached sheet on methodology.
- 7 The FY97 figures used as a basis for this analysis represents changes in both salary and benefit costs associated with the various agreements. The Division believes that the method used to generate the numbers for the out years already incorporates the benefit increases associated with higher salaries. To avoid possible double counting the SBS figure is not added into annual or cumulative totals.

### Projected FY97-FY99 Costs of UA Compensation Plans

The Governor's FY97 budget for the University of Alaska includes a \$1,760.0 general fund base adjustment for salary increases. This number was calculated by OMB and is intended to represent 1.6% of the general fund salary cost for all permanent university employees. The effective percentage is in fact slightly lower due to variations in staff benefit rates and general fund ratios of different employee groups.

The distribution of the Governor's FY97 general fund base adjustment among the university's various employee groups, based on authorized budgeted positions as documented in PACB, is shown below. Also shown are the full incremental salary costs (including benefits) estimated for each employee group for FY97-FY99, and a brief description of how those costs were derived.

#### ANNUAL TOTALS

UNIVERSITY EMPLOYEE GROUP	Governor's FY97 Base Adjustment (All GF)	Estimated Full FY97 Cost			Estimated Full FY98 Cost			Estimated Full FY99 Cost		
		GF	Other	Total	GF	Other	Total	GF	Other	Total
<b>Covered</b>										
ACCFT (1)	216.6	486.2	32.9	499.1	946.4	86.8	1,013.2	1,441.0	101.7	1,642.7
CEA (2)	144.9	220.9	3.2	224.1	220.9	3.2	224.1	220.9	3.2	224.1
<b>Non-Covered</b>										
Classified/Professional, Non-union (3)	916.7	1,384.0	488.0	1,872.0	1,384.0	488.0	1,872.0	1,384.0	488.0	1,872.0
Faculty, Non-union (4)	473.9	889.0	690.0	1,559.0	1,954.0	1,189.7	3,143.7	2,964.6	1,605.0	4,769.6
<b>Total University of Alaska</b>	<b>1,760.0</b>	<b>3,040.1</b>	<b>1,114.1</b>	<b>4,164.2</b>	<b>4,805.3</b>	<b>1,747.7</b>	<b>6,263.0</b>	<b>6,010.5</b>	<b>2,397.9</b>	<b>8,408.4</b>
		Governor's FY97 Base Adjustment:		1,760.0						
		Full FY97 GF Cost over Governor's FY97 Base Adjustment:		1,290.1						

#### CUMULATIVE TOTALS

UNIVERSITY EMPLOYEE GROUP	Governor's FY97 Base Adjustment (All GF)	Estimated Full FY97 Cost			Estimated Full FY98 Cost			Estimated Full FY99 Cost		
		GF	Other	Total	GF	Other	Total	GF	Other	Total
<b>Covered</b>										
ACCFT (1)	216.6	486.2	32.9	499.1	1,412.6	99.7	1,512.3	2,853.6	201.4	3,055.0
CEA (2)	144.9	220.9	3.2	224.1	441.6	6.4	448.2	662.7	9.6	672.3
<b>Non-Covered</b>										
Classified/Professional, Non-union (3)	916.7	1,384.0	488.0	1,872.0	2,766.0	976.0	3,744.0	4,152.0	1,464.0	5,616.0
Faculty, Non-union (4)	473.9	889.0	690.0	1,559.0	2,923.0	1,779.7	4,702.7	5,687.6	3,584.7	9,472.3
<b>Total University of Alaska</b>	<b>1,760.0</b>	<b>3,040.1</b>	<b>1,114.1</b>	<b>4,164.2</b>	<b>7,645.4</b>	<b>2,861.8</b>	<b>10,407.2</b>	<b>13,555.9</b>	<b>5,259.7</b>	<b>18,815.6</b>
		Governor's FY97 Base Adjustment:		1,760.0						
		Full FY97 GF Cost over Governor's FY97 Base Adjustment:		1,290.1						

- (1) 3% COLA per year per terms of current contract. Contract is currently being renegotiated. The university has requested a budget amendment to separate out and fully fund the FY97 costs of this contract (increment request of \$250.7 GF, \$283.6 total funds).
- (2) Movement of employees along salary schedule, estimated to average 2% per year. Does not include a COLA increase. DOES assume approval of funding to cover implementation costs of the new contract as requested in the proposed revision to HB305. The university has requested a budget amendment to separate out and fully fund the FY97 costs of this contract (increment request of \$78.0 GF, \$79.2 total funds).
- (3) Movement of employees along salary schedule, estimated to average 2% per year. Does not include a COLA increase.
- (4) 2.8% per year to be used for promotions, equity adjustments, and objectively measured performance. Does not include any "automatic" increases.

Alaska Court System

Appropriated Cost of Bargaining Unit Contracts  
& Other Non-Covered Employees Compensation

Please deliver to Rep. Hanley's office

*Corrections to Schedule*

**Annual Totals**

Bargaining Unit	FY 87			FY 88			FY 89		
	GF	Other	Total	GF	Other	Total	GF	Other	Total
Court: Covered	592.1		592.1	771.6		771.6	953.9		953.9
Court: Non-Covered	1,202.3		1,202.3	1,566.9		1,566.9	1,937.0		1,937.0
<b>Total</b>	<b>1,794.4</b>		<b>1,794.4</b>	<b>2,338.6</b>		<b>2,338.6</b>	<b>2,890.9</b>		<b>2,890.9</b>
<b>Cumulative Totals</b>									
Court: Covered	592.1		592.1	1,363.7		1,363.7	2,317.6		2,317.6
Court: Non-Covered	1,202.3		1,202.3	2,769.2		2,769.2	4,706.2		4,706.2
<b>Total</b>	<b>1,794.4</b>		<b>1,794.4</b>	<b>4,132.9</b>		<b>4,132.9</b>	<b>7,023.8</b>		<b>7,023.8</b>

	Current	No. of	FY 97	FY 98 /ee/mo	FY 98		FY 99
	Premium	Employees	Premium		Premium		Premium
		1/1/96	Increase (ER)		Increase (ER)		Increase (ER)
GGU	\$ 423.50	7,800	\$ 241,300	\$ 462.38	\$ 1,435,108	\$ 490.10	\$ 2,280,000
SU	\$ 418.80	1,100	\$ 236,940	\$ 450.00	\$ 411,840	\$ 450.00	\$ 411,840
LTC	\$ 524.00	1,400	\$ -	\$ 550.00	\$ 436,800	\$ 550.00	\$ 436,800
PSEA	\$ 470.00	400	\$ 120,000	\$ 520.00	\$ 240,000	\$ 520.00	\$ 240,000
MMP	\$ 423.50	70	\$ -	\$ 423.50	\$ -	\$ 423.50	\$ -
MEBA	\$ 423.50	70	\$ -	\$ 423.50	\$ -	\$ 423.50	\$ -
IBU	\$ 423.50	500	\$ -	\$ 423.50	\$ -	\$ 423.50	\$ -
CEA	\$ 423.50	180	\$ -	\$ 423.50	\$ -	\$ 423.50	\$ -
TEAME	\$ 423.50	16	\$ -	\$ 423.50	\$ -	\$ 423.50	\$ -
AVTEC	\$ 423.50	29	\$ -	\$ 423.50	\$ -	\$ 423.50	\$ -
ACSEA	\$ 423.50	24	\$ -	\$ 423.50	\$ -	\$ 423.50	\$ -
NON-COV	\$ 423.50	2,000	\$ -	\$ 423.50	\$ -	\$ 423.50	\$ -
		13,389	\$ 598,240		\$ 2,523,748		\$ 3,368,640
Su			236,940		411,840		411,840
PSEA			120,000		240,000		240,000
			241,300		1,871,908		2,716,800
Assumptions:							
For the Commissioner's Plan it is assumed that premiums will not increase and benefits will be reduced to stay within the current premium.							
The SU contract requires an increase in contributions to \$423.50 effective 7/1/96 and to \$450 effective 1/1/97							
The GGU contract allows for increases in the employer contribution as premiums increase. The increase is shared equally by the employer and employee and is capped at \$50 each. Premiums are expected to increase 3% for the last 5 months of FY 97 and 6% in FY 98 & 99							
LTC premium rates are expected to increase 10% per year. Increases are shared equally by employer and employee and are capped at \$26 each.							
PSEA premiums increase to \$495 effective 7/1/96 and increase to \$520 effective 7/1/97							

According to OMB staff, SU and PSEA health insurance increases are included in the Governor's budget request.

Funding source was estimated based on proportion of GF and Other funds to total funds for each contract.

	FY 97			FY 98			FY 99		
	GF	Other	Total	GF	Other	Total	GF	Other	Total
GGU	137.9	103.4	241.3	819.9	615.2	1435.1	1302.5	977.5	2,280.0
	57%	43%		57%	43%		57%	43%	
LTC				241.1	195.7	436.8	241.1	195.7	436.8
				55%	45%		55%	45%	
	137.9	103.4	241.3	1061.0	810.9	1871.9	1543.6	1,173.2	2,716.8

APPROXIMATE COST OF BARGAINING UNIT CONTRACTS & OTHER NON-COVERED EMPLOYEE COMPENSATION										
OMB-DBR 2/23/96 Legislative Finance Modifications										
ANNUAL TOTALS										
BARGAINING UNIT										
	Note	FY 97			FY98			FY99		
		GF	OTHER	TOTAL	GF	OTHER	TOTAL	GF	OTHER	TOTAL
G	Masters, Mates & Pilots (MMP)		139.5	139.5		166.9	166.9		252.3	252.3
G	Inland Boatmen's Union (IBU)		1,210.2	1,210.2		948.5	948.5		1,433.5	1,433.5
G	Labor, Trades, and Crafts (LTC)	724.9	588.4	1,313.3	1,460.7	1,185.6	2,646.3	2,207.5	1,791.8	3,999.3
G	General Government Unit (GGU)	3,621.5	2,717.7	6,339.2	7,297.3	5,476.2	12,773.5	11,028.3	8,276.0	19,304.3
G	Supervisory Unit (SU)	702.8	503.6	1,206.4	1,416.1	1,014.8	2,430.9	2,140.2	1,533.6	3,673.8
LFD	Public Safety Employees Assn (PSEA)	497.8	127.0	624.8	1,003.1	255.9	1,259.0	1,515.9	386.7	1,902.7
G	Exempt Employees (XE)	764.2	661.2	1,425.4	1,539.9	1,332.3	2,872.2	2,327.2	2,013.5	4,340.7
LFD	University of Alaska	1,750.0		1,750.0	1,750.0		1,750.0	1,750.0		1,750.0
LFD	AMHS Fund	810.0		810.0	669.2		669.2	1,011.5		1,011.5
LFD	Legislature	342.9		342.9	686.0		686.0	1,028.9		1,028.9
LFD	Court: Covered & Non-Covered	517.7		517.7	1,043.2		1,043.2	1,576.5		1,576.5
<b>ANNUAL SUBTOTAL</b>		<b>9,731.8</b>	<b>5,947.6</b>	<b>15,679.4</b>	<b>16,865.5</b>	<b>10,380.2</b>	<b>27,245.6</b>	<b>24,585.9</b>	<b>15,687.4</b>	<b>40,273.4</b>
LFD	<b>MERIT INCREASE</b>	<b>2,148.7</b>	<b>1,688.3</b>	<b>3,837.0</b>	<b>2,148.7</b>	<b>1,688.3</b>	<b>3,837.0</b>	<b>2,148.7</b>	<b>1,688.3</b>	<b>3,837.0</b>
LFD	<b>HEALTH BENEFITS (requested from DOA)</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>
<b>CUMULATIVE TOTALS</b>										
	Masters, Mates & Pilots (MMP)		139.5	139.5		306.4	306.4		558.7	558.7
	Inland Boatmen's Union (IBU)		1,210.2	1,210.2		2,158.7	2,158.7		3,592.2	3,592.2
	Labor, Trades, and Crafts (LTC)	724.9	588.4	1,313.3	2,185.6	1,774.0	3,959.6	4,393.1	3,565.8	7,958.9
	General Government Unit (GGU)	3,621.5	2,717.7	6,339.2	10,918.8	8,193.9	19,112.7	21,947.1	16,469.9	38,417.0
	Supervisory Unit (SU)	702.8	503.6	1,206.4	2,118.9	1,518.4	3,637.3	4,259.1	3,051.9	7,311.1
	Public Safety Employees Assn (PSEA)	497.8	127.0	624.8	1,500.9	382.9	1,883.8	3,016.8	769.6	3,786.4
	Exempt Employees (Xe)	764.2	661.2	1,425.4	2,304.1	1,993.5	4,297.6	4,631.2	4,007.0	8,638.2
	University of Alaska	1,750.0		1,750.0	3,500.0		3,500.0	5,250.0		5,250.0
	AMHS Fund	810.0		810.0	1,479.2		1,479.2	2,490.7		2,490.7
LFD	Legislature	342.9		342.9	1,028.9		1,028.9	2,057.8		2,057.8
LFD	Court: Covered & Non-Covered	517.7		517.7	1,560.9		1,560.9	3,137.4		3,137.4
<b>CUMULATIVE SUBTOTAL</b>		<b>9,731.8</b>	<b>5,947.6</b>	<b>15,679.4</b>	<b>26,597.3</b>	<b>16,327.8</b>	<b>42,925.0</b>	<b>51,183.2</b>	<b>32,015.2</b>	<b>83,198.4</b>
<b>CUMULATIVE With MERIT</b>		<b>11,880.5</b>	<b>7,635.9</b>	<b>19,516.4</b>	<b>30,894.7</b>	<b>19,704.3</b>	<b>50,599.0</b>	<b>57,629.4</b>	<b>37,080.0</b>	<b>94,709.4</b>
<b>CUMULATIVE WITH HEALTH</b>		<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>	<b>?</b>

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**ACCFT TESTIMONY TO HOUSE FINANCE COMMITTEE**

Tuesday, March 05, 1996

Committee on Finance  
Alaska State Legislature  
House of Representatives

Dear Co-Chairs Hanley and Foster and Committee members:

The ACCFT issue before you today is unlike the other Collective Bargaining Agreements you have reviewed in that its terms are in place today. We seek Legislative support to secure and honor this existing Agreement.

The ACCFT Collective Bargaining Agreement was negotiated and agreed to in May, 1992 by the University of Alaska Board of Regents, the ACCFT and the Department of Administration. Its terms and conditions were submitted to and approved by the State Legislature that same year. You are today addressing the implementation and funding of an arbitrated award under the terms of the existing Collective Bargaining Agreement between the ACCFT, the University of Alaska Board of Regents and the Department of Administration.

The ACCFT CBA terms provide for annual cost-of-living-allowances pursuant to University of Alaska Board of Regents policy. In June, 1993 the UA Board of Regents acted in violation of the Agreement's terms when it suspended that policy and then refused to pay ACCFT faculty members the entitled compensation due beginning with FY95 (July 1, 1994--June 30, 1995). ACCFT grieved this action, and in April, 1995 the Arbitrator upheld the CBA terms and found that ". . . the Union prevails . . . Therefore, the University shall pay the bargaining unit members the pay increase provided by the collective agreement". In further breach of the Agreement the University failed to request the appropriate funds in FY94. Only after the arbitrator's decision in April of 1995 did the University finally request of the legislature what it should have sought for FY94 to meet its agreed upon contractual terms.

The written request made by the University and the Office of Management & Budget in April, 1995 sought funding for both FY95 and FY96 years and was considered and discussed by House and Senate Finance Committees. To our knowledge no bills were introduced by the Legislature and no Committee hearings were scheduled on these funding requests. When the 1995 Legislative session ended the University would claim that: "As you know, funding to cover the FY95 and FY96 costs of these contracts was requested during the 1995 legislative session . . . but was not approved by the legislature". Based on this the University refused to pay the faculty members the pay increase owed them on July 1, 1994 (FY95) and the pay increase due on July 1, 1995 (FY96). In the current Legislative session the University has decided not to request FY95

ATTACH 2  
3/05/96

as the "legislature rejected that" but would request an FY96 "supplemental". The FY96 entitlement was one of the topics of the recent February 16 meeting of the House Finance Committee to address amendments to HB468. The HFC voted 7-3 not to amend HB468 with the ACCFT FY96 supplemental costs. The University now maintains that non-inclusion of the ACCFT FY96 amendment to HB468 is rejection "as of this date . . . by the House . . .".

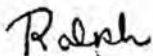
It is our position that the entitlements of FY95 and FY96 are issues of equity and fairness. These issues are unresolved today only because the University chose to breach its contract with the faculty. We maintain that these costs would not have been at issue today had the University complied with the Collective Bargaining Agreement and the Public Employee Relations Act. While we are supportive of additional funds to relieve the University of doing harm to students, programs and faculty and meet its contractual obligation we maintain that legislative funding of the University's personnel services budget provides the required funds.

The FY95 and FY96 contractual obligations represent the extension of an arbitration award to implement a previously agreed upon and approved Collective Bargaining Agreement that was sanctioned by the Board of Regents, the State Department of Administration and the Legislature. We would not be here before you today had its terms been honored by the University .

The University's FY 97 obligation is already addressed in the Governors FY97 budgeted personnel services request and does not require a separate appropriation or bill as the University seeks. The University originally had stated that it was making no request for FY97 funds and made no submission to the Legislature for these costs. However, when the Governor's FY97 Request was submitted it included "personnel services" funds that would cover the ACCFT bargaining unit. Now the University seeks to remove those funds and requests additional amounts to meet the University's contractual obligation to faculty members for FY97. ACCFT believes that the Governor's FY97 Request is the appropriate venue to address our FY97 entitlement.

As of today ACCFT faculty members have been deprived of a contract for 22 1/2 months; entitled compensation owed from July 1, 1994 to June 30, 1995; and entitled compensation owed from July 1, 1995 to March 5, 1996.

Sincerely,



Ralph McGrath, President  
Alaska Community Colleges' Federation of Teachers

**FY95-FY97 Costs of UA/ACCFT COLA Adjustments**  
(Revised 3/1/96 to reflect current budgeted positions in PACS)

Scenario 1: Legislature does not take further action on previously unfunded FY95 Retro, FY96 Supplemental

	FY96 Base (1)	FY97 3% Increase (2)*
Salaries	12,797,632	383,929
Benefits	3,839,290	115,179
<b>Total Salaries &amp; Benefits</b>	<b>16,636,922</b>	<b>499,108</b>
Funding: (1)		
Federal Receipts	69,951	2,099
General Fund/GFM	15,540,239	466,207
Student Fees	876,741	26,302
University Receipts	149,992	4,500
<b>Total</b>	<b>16,636,922</b>	<b>499,108</b>

\* The Governor's FY97 budget for the University of Alaska includes a base adjustment for salary increases related to all full-time employees. The proportional amount of this adjustment attributable to ACCFT is \$215.5, or approximately 43% of the amount needed to fully fund a 3% COLA for ACCFT per the terms of the contract.

- (1) Based on FY96 authorized budgeted positions as reflected in PACS.  
(2) 3% increase for all ACCFT members, effective July 1, 1996.

Scenario 2: Legislature reconsiders previously disapproved FY96 Supplemental

	FY96 Base (1)	FY96 3% Increase (2)	FY97 Base Adjustment (3)	FY97 3% Increase (4)	Total FY97 Increase (3) + (4)	Total FY96- FY97 Increase
Salaries	12,797,632	383,929	383,929	395,447	779,376	1,163,305
Benefits	3,839,290	115,179	115,179	118,634	233,813	348,893
<b>Total Salaries &amp; Benefits</b>	<b>16,636,922</b>	<b>499,108</b>	<b>499,108</b>	<b>514,081</b>	<b>1,013,189</b>	<b>1,512,297</b>
Funding: (1)						
Federal Receipts	69,951	2,099	2,099	2,162	4,261	6,360
General Fund/GFM	15,540,239	466,207	466,207	480,193	946,400	1,412,607
Student Fees	876,741	26,302	26,302	27,091	53,393	79,695
University Receipts	149,992	4,500	4,500	4,635	9,135	13,635
<b>Total</b>	<b>16,636,922</b>	<b>499,108</b>	<b>499,108</b>	<b>514,081</b>	<b>1,013,189</b>	<b>1,512,297</b>

- (1) Based on FY96 authorized budgeted positions as reflected in PACS.  
(2) 3% increase for all ACCFT members, retroactive to July 1, 1995.  
(3) FY97 base adjustment to reflect FY96 increases.  
(4) 3% increase for all ACCFT members calculated on salaries increased by 3% in FY96.

Scenario 3: Legislature reconsiders previously unfunded FY95 Retro, FY96 Supplemental

	FY95 Base (1)	FY95 3% Increase (2)	FY96 Base Adjustment (3)	FY96 3% Increase (4)	Total FY95-96 Increase (3) + (4)	FY97 Base Adjustment (5) + (4)	FY97 3% Increase (6)	Total FY97 Increase	Total FY95 - FY97
Salaries	12,797,632	383,929	383,929	395,447	1,163,305	779,376	407,310	1,186,686	2,349,991
Benefits	3,839,290	115,179	115,179	118,634	348,992	233,813	122,193	356,006	704,998
<b>Total Salaries &amp; Benefits</b>	<b>16,636,922</b>	<b>499,108</b>	<b>499,108</b>	<b>514,081</b>	<b>1,512,297</b>	<b>1,013,189</b>	<b>529,503</b>	<b>1,542,692</b>	<b>3,054,989</b>
Funding: (1)									
Federal Receipts	69,951	2,099	2,099	2,162	6,360	4,260	2,228	6,488	12,848
General Fund/GFM	15,540,239	466,207	466,207	480,193	1,412,607	946,401	494,599	1,441,000	2,853,607
Student Fees	876,741	26,302	26,302	27,091	79,695	53,394	27,904	81,298	160,993
University Receipts	149,992	4,500	4,500	4,635	13,635	9,135	4,774	13,909	27,543
<b>Total</b>	<b>16,636,922</b>	<b>499,108</b>	<b>499,108</b>	<b>514,081</b>	<b>1,512,297</b>	<b>1,013,189</b>	<b>529,503</b>	<b>1,542,692</b>	<b>3,054,989</b>

- (1) Based on FY96 authorized budgeted positions as reflected in PACS.  
(2) 3% increase for all ACCFT members, retroactive to July 1, 1994.  
(3) FY96 base adjustment to reflect FY95 increases.  
(4) 3% increase for all ACCFT members, retroactive to July 1, 1995, calculated on salaries increased by 3% in FY96.  
(5) 3% increase for all ACCFT members calculated on salaries increased by 3% in FY95 and FY96.

**NOTE:**

On April 26, 1995, the university submitted a request to the Office of Management and Budget to introduce legislation on its behalf to fund the FY95 and FY96 monetary terms of the UA/ACCFT contract. Total FY95-FY96 costs per this request were \$1,535,925. The slight differences between this revised request and that original request are due to variations between FY95 and FY96 authorized positions budgets as reflected in PACS.

ATT 3  
3/15/96pm

# Bargaining Unit Summary of Negotiations

Attachment #2  
3/5/96

Unit	Expires	Status
1. General Government (GGU)	6/30/96	Current agreement extends the terms of the prior contract with no change in monetary terms.
	6/30/99	Tentative agreement effective July 1, 1996, through June 30, 1999. Includes salary schedule adjustment equal to one half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5%, for each year of the contract. The State's monthly health insurance contribution may increase up to \$50 for each eligible employee per month, with future increases matched by employee payroll deduction. Martin Luther King, Jr. Day will be observed by Class One employees. January 1, 1997, the employee's birthday will no longer be observed. February 1999, Lincoln's Birthday will no longer be observed. Correctional Officers will convert to a system of personal leave, with a 60% conversion of sick leave to personal leave. Overtime after 37.5 hours of work in a workweek, versus 37.5 in pay status. Monetary terms submitted for legislative approval.
2. Inlandboatmen (IBU)	5/31/96	Current agreement includes a lump sum payment of \$950.00 payable no later than July 15, 1996. Monetary terms submitted for legislative approval.
	5/31/99	Tentative agreement effective June 1, 1996, through May 31, 1999. Includes salary schedule adjustment equal to one half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5%, for each year of the contract. A 4.5% increase is guaranteed if the CPI should exceed 9% over the term of the agreement. Monetary terms submitted for legislative approval.
3. Labor, Trades and Crafts (LTC)	6/30/96	Current agreement includes the conversion to a system of personal leave. 50% of sick leave converted to personal leave with the remainder retained as sick leave. Contracting out provisions are changed to require a cost efficiency study in all cases.
	6/30/99	Tentative agreement effective July 1, 1996, through June 30, 1999. Includes wage schedule adjustment equal to one half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5%, for each year of the contract. A 4.5% increase is guaranteed if the CPI should exceed 9% over the term of the agreement. Tool allowance will increase by ten dollars (\$10) per month. State's monthly contribution to the Public Employees Local 71 Health and Welfare Trust may increase by up to \$26 to be matched by employee payroll deduction. Current employees will receive a one time addition of two days of personal leave. Holidays proclaimed by the president will no longer be observed. Monetary terms submitted for legislative approval.

**Note:** Negotiations generally commence 90-120 days prior to contract expiration and may extend beyond termination date. Interest arbitration is possible in all units with Class 1 employees: GGU, SU, PSEA, LTC OEA.

## Bargaining Unit Summary of Negotiations

Unit	Expires	Status
4. Marine Engineers (MEBA)	10/31/96	Negotiations have not formally commenced.
5. Masters, Mates & Pilots (MM&P)	6/30/96	Current agreement effective April 1, 1994, through June 30, 1996, includes a lump sum payment of \$950.00 payable no later than July 15, 1996. Monetary terms submitted for legislative approval.
	5/31/99	Tentative Agreement effective June 1, 1996, through May 31, 1999. Includes salary schedule adjustment equal to one half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5%, for each year of the contract. A 4.5% increase is guaranteed if the CPI should exceed 9% over the term of the agreement. Southwest Deck Officers shall be paid for the 31st day of the month if worked. Lincoln's birthday shall be treated as a floating holiday. Monetary terms submitted for legislative approval.
6. Supervisory (SU)	06/30/96	Current agreement extends the prior agreement. Includes conversion of 20% of existing medical leave balances to personal leave effective December 16, 1995.
	6/30/99	Tentative Agreement effective July 1, 1996, through June 30, 1999. Includes salary schedule adjustment for overtime eligible employees equal to one half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5%, for each year of the contract. A 4.5% increase is guaranteed if the CPI should exceed 9% over the term of the agreement. The salary schedule for overtime ineligible bargaining unit members will increase 1.5% each year of the agreement. \$50,000 will be allocated for supervisory training each year of the agreement. The standby rate of pay for overtime ineligible employees is increased from .75 hours pay per standby day to 1.25. Monetary terms submitted for legislative approval.
7. Public Safety (PSEA)	12/31/95	Current agreement. Arbitrator's award for 1992-94 received and amended. Extended one year by agreement.
	12/31/98	Tentative agreement. Effective January 1, 1996, to December 31, 1998. The salary schedule will increase by 1.5% each year of the agreement. Effective July 1, 1996, the State's health insurance contribution will increase to \$495. Effective July 1, 1997, the State's health insurance contribution will increase to \$520. Monetary terms submitted for legislative approval.

**Note:** Negotiations generally commence 90-120 days prior to contract expiration and may extend beyond termination date. Interest arbitration is possible in all units with Class 1 employees: GGU, SU, PSEA, LTC, CEA.

## Bargaining Unit Summary of Negotiations

Unit	Expires	Status
8. Correspondence Teachers (ACSEA)	6/30/96	Current agreement extends the terms of the prior contract.
	6/30/99	Tentative agreement effective July 1, 1996, through June 30, 1999. Includes salary schedule adjustment equal to one half of the increase in the Anchorage Consumer Price Index (CPI-U), not to exceed 1.5%, for each year of the contract. Monetary terms submitted for legislative approval.
9. Confidential (K)	06/30/96	Negotiations in progress.
10. Alaska Vocational Technical Center (AVTEC)	06/30/96	Negotiations in progress.
11. Mt. Edgecumbe Teachers	06/30/97	Negotiations begin Spring 1996.

Note: Negotiations generally commence 90-120 days prior to contract expiration and may extend beyond termination date. Interest arbitration is possible in all units with Class 1 employees: GGU, SU, PSEA, LTC CEA.

March 1, 1996

BARGAINING UNIT SUMMARY REPORTS

# BARGAINING UNIT MATRIX

AS OF 12/31/95

BARG. UNIT	SIZE	Average Mo Salary	Average Yrly Salary	Average Mo Employer Benefits	Average Yrly Employer Benefits	Average Yrs of Service	Avg. Yrly leave Accumulation in Dollars
GGU Class 1(GC)	731	3,743	44,910	1,220	14,642	8.13	6,416
GGU Class 1(GY)	133	3,503	42,042	1,169	14,032	7.48	6,306
GGU Class 1(GG)	1,201	2,899	34,784	1,011	12,132	7.98	5,218
GGU Class 2 & 3	5,560	3,337	40,044	1,100	13,196	7.98	6,007
SJ	1,121	4,939	59,271	1,419	17,025	13.68	8,207
LTC	1,379	3,536	42,437	1,240	14,885	9.95	6,366
CEA	187	3,439	41,268	1,120	13,443	8.50	4,764
PSEA AA	323	5,730	68,766	1,689	20,266	11.57	8,926
PSEA AP	78	4,367	52,406	1,399	16,792	11.15	6,803
IBU (MM)	486	3,339	40,065	1,100	13,200	9.12	11,007
MEBA (BB)	72	6,247	74,970	1,192	14,298	16.59	21,901
MM&P (CC)	70	6,157	73,879	1,669	20,034	16.02	25,979
AVTECA	31	4,233	50,800	1,193	14,313	9.31	4,164
TEAME	17	4,311	51,730	1,207	14,481	7.33	8,255
ACSEA	24	4,522	54,258	1,245	14,940	9.46	7,826

Notes: Reference all Bargaining Units

Size: \_\_\_\_\_ Number of permanent employees is based on count from "Avg. Semi-Monthly Pay Report" as of 12/31/95

Avg. Mo. Salary: \_\_\_\_\_ Source: Avg. Semi-monthly pay for last pay run of the quarter. 12/31/95. 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 month or yearly averages.

Avg. Emplr. Ben.: \_\_\_\_\_ source: Payroll calculation sheet effective 7/1/95. Includes only Health Ins, Retirement, and SBS. Work Comp, Leave Cash in, Medicare and UI are excluded.

## AVERAGE BENEFITS BY BARGAINING UNIT

for use with Bargaining Unit Matrix  
as of 12/31/95

Barg. Unit	Health Ins.	Avg Yr Sal	Retirement % of Gross	SBS	Annual Benefit Totals	Avg. Mo. Benefits
CC	425.22	44,910	0.1511	0.0613	14,641.63	1,220.14
GY	425.22	42,042	0.1511	0.0613	14,032.26	1,169.35
GG Class 1	425.22	34,784	0.1408	0.0613	12,132.42	1,011.04
GG Class 2&3	425.22	40,044	0.1408	0.0613	13,195.53	1,099.63
SJ	420.52	59,271	0.1408	0.0613	17,024.88	1,418.74
LTC	525.72	42,437	0.1408	0.0613	14,885.12	1,240.43
CEA	425.22	41,268	0.1408	0.0613	13,442.91	1,120.24
PSEA AA	471.72	68,766	0.1511	0.0613	20,266.44	1,688.87
PSEA AP	471.72	52,406	0.1511	0.0613	16,791.66	1,399.30
IBU	425.22	40,065	0.1408	0.0613	13,199.87	1,099.99
MEBA	425.22	74,970	383.33	0.0613	14,298.26	1,191.52
MM&P	425.22	73,879	0.1408	0.0613	20,033.59	1,669.47
AVTECTA	425.22	50,800	0.1200	0.0613	14,312.69	1,192.72
TEAME	425.22	51,730	0.1200	0.0613	14,481.30	1,206.78
ACSEA	425.22	54,258	0.1200	0.0613	14,939.62	1,244.97

NOTE: MEBA retirement = 6.50/day for each day in pay status (based on 240 days/year = 1,360/yr)  
 MEBA Money Purchase Benefit = \$13.50/day x 240 days/yr = 3,240/yr  
 Avg. Monthly retirement benefit for MEBA = 383.33/ mo

## Health Insurance Provisions for Employees Covered by Collective Bargaining

Bargaining Unit	Insurance Type	FY97	FY98	FY99
General Government Unit	Defined Contribution with defined benefit.	State rate of \$423.50. State and employees share increase equally to a maximum of \$50 each; state rate capped at \$473.50 per month.	State rate of \$423.50. State and employees share increase equally to a maximum of \$50 each; state rate capped at \$473.50 per month.	State rate of \$423.50. State and employees share increase equally to a maximum of \$50 each; state rate capped at \$473.50 per month.
Supervisory Unit	Defined Contribution with defined benefit. Convert to flexible benefit plan on January 1, 1997. LMC has recommended a conversion date of July 1, 1997.	State rate of \$423.50. State rate will increase to \$450 on January 1, 1997. Employees pay the difference between state rate and rate for options selected.	State rate of \$450. Employees pay the difference between the state rate and rate for options selected.	State rate of \$450. Employees pay the difference between the state rate and rate for options selected.
Labor, Trades and Crafts	Union Trust.	State rate of \$524 per month. Employees pay \$24 monthly.	State rate of \$524 per month. Employees pay \$24 monthly. If the monthly contribution rate increases, state and employees equally share the increase to a maximum of \$26 each; state rate capped at \$550 per month.	State rate of \$524 per month. Employees pay \$24 monthly. If the monthly contribution rate increases, state and employees equally share the increase to a maximum of \$26 each; state rate capped at \$550 per month.
Public Safety Employees	Union Trust.	07/01/96. State contribution of \$495 per month. Employee contribution of \$75.	07/01/97. State contribution of \$520 per month. Employee contribution of \$75.	State contribution of \$520 per month. Employee contribution of \$75.
Masters, Mates & Pilots	Commissioner's Plan	Benefits determined by Commissioner of Administration. State pays full premium. Must notify union before implementing changes. Union may elect a union trust with a state rate of \$423.50.		
Marine Engineers	Commissioner's Plan	Benefits determined by Commissioner of Administration. State pays full premium. Must notify union before implementing changes. Union may elect a union trust with a state rate of \$450. Current agreement expires October 31, 1996. Negotiations commence soon for a successor.		
Inlandboatmen	Commissioner's Plan	Benefits determined by Commissioner of Administration. State pays full premium. Must notify union before implementing changes. Union may elect a union trust with a state rate of \$423.50.		

Bargaining Unit	Insurance Type	FY97	FY98	FY99
Confidential Employees	Commissioner's Plan	Benefits determined by Commissioner of Administration. State pays full premium. Must notify the union at least 60 days before enacting changes. Current agreement expires June 30, 1996. Negotiations in progress for successor agreement.		
Mt. Edgecumbe Teachers	Commissioner's Plan	Benefits determined by Commissioner of Administration. State pays full premium. Must meet and confer with union before enacting plan changes. Current agreement expires June 30, 1997. Negotiations expected to commence in the Spring of 1996 for a successor agreement.		
AVTEC Teachers	Commissioner's Plan	Benefits determined by Commissioner of Administration. State pays full premium. Must meet and confer with union before enacting plan changes. Current agreement expires June 30, 1996. Negotiations in progress for a successor agreement.		
Correspondence Teachers	Commissioner's Plan	Benefits determined by Commissioner of Administration. State pays full premium of \$423.50; if premium exceeds \$423.50 the state and employees share increase equally to a combined maximum of \$25 per month. Must meet and confer with union before enacting plan changes.		

## SUMMARY OF CONTRACTING OUT LANGUAGE

General Government (GGU)	Article 13 Contracting Out	Current language proposed for 1996-1999
Supervisory (SU)	Article 6 Contracting Out	One change to 1996-1999 contract. In the 1995 one-year agreement, the State would pay for two audits. In the three-year agreement, the State would pay for six audits (as in agreement prior to 1995).
Confidential (CEA)	No contract language	
Labor Trades and Craft (LTC)	Article 7.04 Contracting Out	Current language proposed for 1996-1999.
Public Safety (PSEA)	Article 32 Contracting Out	Current language proposed for 1996-1999.
Unlicensed Alaska Marine Highway, Vessel (IBU)	No contract language	
Licensed Alaska Marine Highway Engine Room Employees (MEBA)	No contract language	
Licensed Deck Employees, Alaska Marine Highway System (MM&P)	No contract language	
Correspondence School Bargaining Unit (ACSEA)	Article 6 Contracting Out	Current language proposed for 1996-1999.
Mount Edgecumbe Teachers (TEAME)	No contract language	
Alaska Vocational Technical Center Teachers (AVTEC)	Article 27, Section 4 Feasibility Study	Current contract in effect through June 1996. Negotiations for successor agreement have not been completed.

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110200  
JUNEAU, ALASKA 99811-0200  
PHONE: (907) 465-2200  
FAX: (907) 465-2135

January 30, 1996

The Honorable Jeannette James, Chair  
House State Affairs Committee  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

Dear Madame Chair:

I would request that you schedule a hearing on HB 304, "An act relating to geographic differentials for the salaries of certain state employees who are not members of a collective bargaining unit . . ." as soon as possible.

The House State Affairs Committee scheduled a hearing on this proposed legislation during the closing days of last session. Unfortunately, hearings were postponed due to the limited time and other constraints. The fiscal note accompanying HB 304 reports that savings attributable to the non-covered employees is estimated to be approximately \$1.2 million, with additional savings potential as a result of a negotiated agreements with the General Government bargaining unit (ASEA) that would allow reopening for negotiation specifically of the geographic differential applicable to that bargaining unit, as well as similar agreements with the Supervisors bargaining unit (APEA) and the Labor/Trades/Crafts bargaining unit (Local 71-AFL/CIO). The language in each contract is slightly different:

**General Government unit contract:**

"In the event AS 39.27.020. "Pay step differentials by election district and in other states" is amended, modified, or abolished, either party may give written notice of its desire to negotiate modifications to this section. Such notice shall be timely after the signature of the governor or the effective date of the legislation, whichever shall be first. The parties agree to meet within forty-five (45) days of receipt of such notice. Negotiations shall be conducted subject to AS23.40. "The Public Employment Relations Act" except, in the event the parties have not reached tentative agreement within forth-five (45) days of the initial meeting, the parties agree that they shall be at impasse. Nothing shall prevent mutual agreement to extend these time frames."

**Supervisors unit contract:**

"In the event AS39.27.020 "Pay step differentials by election district and in other states" is amended, modified, or abolished, the provisions of AS 39.27 regarding pay step differentials as so amended, modified or abolished shall replace Article 24.2 Geographic Differentials on the effective date of the changes with the following exceptions.

In those instances in which a geographic differential of a current Bargaining Unit member is lowered by incorporation of the provisions of AS39.27 under this section, the salaries of affected Bargaining Unit members

January 30, 1996

(except in cases of demotion) shall be frozen for the life of the Agreement so long as they remain in their current geographic differential area, or until salary increases or changes in the bargaining Unit Member's position result in the Member receiving a higher salary than the frozen amount., In the case of a demotion the Member's geographic differential shall be frozen for the life of the Agreement at the rate in effect prior to the incorporation of the provisions of AS 39.27 into this Agreement"


**LTC unit:**

"In the event AS39.27.020 "Pay step differentials by election district and in other states" is amended, modified, or abolished in 1996, either party may give written notice of its desire to negotiate modifications to this section. Such notice shall be timely after the signature of the Governor or the effective date of the legislation, whichever shall be first. The parties agree to meet within 45 days of receipt of such note. Negotiations shall be conducted subject to AS23.40 "The Public Employment Relations Act" except, in the event the parties have not reached tentative agreement within 45 days of the initial meeting, the parties agree that they shall be at impasse. Nothing shall prevent mutual agreement to extend these time frames.

Application of the geographic differential pay scheme, as constructed in HB 304, to these three employee groups is estimated to save in excess of \$6 million in addition to that saved by the non-covered employees once fully implemented for all employees in the units. However, immediate savings will begin to accrue with turnover of employees in positions impacted by the geographic differential changes. These savings are not incorporated into the FY 97 budget, due to the proposed one year freeze of salaries following the effective date of the legislation. However, passage this session would allow a full reflection of savings in the FY 98 budget.

HB 304 needs some modification to reflect the delayed implementation necessary with a 1996 effective date as opposed to the 1995 effective date as introduced. We will be happy to work with you in developing the necessary amendments. If you have any questions or need additional information, please contact Alison Elgee at 465-5668.

Sincerely,

  
Mark Boyer  
Commissioner

MB/nn

cc: Alison Elgee  
Deputy Commissioner  
Department of Administration

Pat Pourchot  
Legislative Liaison  
Office of the Governor

Annalee McConnell  
Director  
Office of Management and Budget

ANCHORAGE CPI COMPARISON REPORTS

**ANCHORAGE CPI PERCENTAGE OF INDEXED SALARY INCREASES**

DATE	CCJ	CCJ	Statutory	SU	LTC	CEA	PSEA	UUU	Anch. CPI	Anch. CPI-U	ANCH CPI
(U)	R13A = \$870 %mo.sal.	Class One	A\$39.27 R13A = \$876	R20A=\$1,466 %mo.sal.	WG54A=\$6.01/hr(C) %hr.wage	R13A=\$876 %mo.sal.	R16A=\$1092 %mo.sal.		113.0	1980	% Inc. (A)
7/16/73	6.0=\$928				6.0=\$6.37		6.0=\$1,158		120.4		6.55%
1/16/74	7.8=\$1,001		13.0=\$1001 *	13.0=\$1,669(D)	19.3=\$7.60	13.0=\$1,001(D)	7.0=\$1,243		125.6		4.32%
8/16/74	4.0=\$1,041		4.0=\$1,041	4.0=\$1,726(D)	---	4.0=\$1,041	4.0=\$1,293		134.0		6.69%
11/16/74	---			14.98=\$1,996	---	---	---		---		---
1/1/75	---		3.5=\$1180 *	---	4.8=\$7.97	---	---		142.9		6.64%
					(AL)						
2/16/75	4.0 - \$1,082			4.0 - \$2,076		4.0=\$1,082	4.0 - \$1,314				
4/16/75	9.0 - \$1,180			---	---	---	9.0=\$1,466		150.0		4.97%
7/16/75	---		2.0=\$1204 *	---	4.8=\$8.35	9.0=\$1,180(E)	---		153.8		2.53%
8/1/75	---			1.0 - \$2,097	---	---	---		---		---
10/1/75	2.0=\$1,206			---	---	---	2.0=\$1,590		157.4		2.34%
1/1/76	9.0=\$1,312		7.0=\$1312 *	4.3=\$2,187	0.0=\$8.35(F)	11.2=\$1,312	9.0=\$1,630		158.8		0.89%
1/1/77	5.0=\$1,378		5.0=\$1378 *	5.0 = \$2,296	6.1=\$8.86	5.0=\$1,378	8.0=\$1,838(G)		169.4		6.68%
5/16/77	---			---	---	---	4.0=\$1,922		---		---
1/1/78	5.0=\$1,447		5.0=\$1447 *	5.0=\$2,411	9.2=\$9.60	5.0=\$1,447	5.0=\$2,018(H)		179.2		5.79%
7/1/78	5.0=\$1,519			---	---	---	5.0=\$2,119(I)		188.5		5.19%
1/1/79	5.0=\$1,595		7.0=\$1548 *	3.5=\$2,495	4.5=\$10.11	7.0=\$1,474	5.0=\$2,225(I)		198.1		5.09%
7/1/79	---			3.5=\$2,502	---	3.0=\$1,510	---		207.4		4.69%
1/1/80	---		11.8=\$1731 *	---	---	---	10.1=\$2,450		218.2		5.21%
3/16/80	8.0=\$1,731			12.35=\$2,901(I)	11.37=\$11.26	13.96=\$1,731	---		223.5		2.43%
1/1/81	8.0=\$1,870		8.0=\$1870	6.7=\$3,095	8.9=\$12.27	8.0=\$1,870	8.0=\$2,665		240.1		7.43%
1/1/82	---			---	9.0=\$13.48	7.1=\$2,002	7.1=\$2,855		253.0		5.37%
3/16/82	7.1=\$2,002		7.5=\$2010 * (AJ)	6.9=\$3,300	---	---	---		260.0		2.77%
1/1/83	4.9=\$2100(J)		5.0=\$2111 *	4.85=\$3,469	5.2=\$14.18	5.4=\$2,111	5.0=\$2,997(I)		257.6		-0.92%
1/1/84	-0-			-0-	-0-(K)	-0-	---		271.5		5.40%
7/1/84	-0-			-0-	-0-	-0-	3.0=\$3,087		275.4		1.44%
3/1/85	---			---	---	---	5.0=\$3,241		280.0		1.67%
7/1/85	5.0=\$2,205	5.0=\$2,205	5.0=\$2217(AK)	3.5=\$3,590(L)	5.0=\$14.89	5.0=\$2,217	---		283.1		1.11%
1/1/86	---			---	---	---	-0-(H)		287.1		1.41%
7/16/86	(M)			(M)	(M)	(M)	---		286.3		-0.28%
4/16/88	---			-0-(I)	---	-0-(I)	---		---		---
7/16/88	---			---	---	---	-0-(N)		209.4 (O)	108.4 (P)	1.00%
12/31/88	---			-0-(L)	---	-0-(L)	---			108.9 (Q)	0.46%
6/30/89	---			---	---	---	---			110.9 (R)	1.84%
12/31/89	3.3=\$2,278	---	3.3=\$2290 *	3.3=\$3,708(T)	3.3=\$15.38(V)	3.3=\$2,290	3.3=\$3,348	3.3%		112.5 (X)	1.44%
6/30/90	---	4.25=\$2,299		---	---	---	---			116.9 (Y)	3.91%
12/31/90	5.0=\$2,392	---	5.0=\$2405 *	5.0=\$3,893	-0-(AA)	5.0=\$2,405	5.0=\$3,515	5%		120.4	2.99%
6/30/91	---	5.0=\$2,414		---	4.5=\$16.07(AC)	---	---			123.3	2.41%
12/31/91	3.6=\$2,478	---		3.6=\$4,033	-0-	3.6=\$2,492	-0-	3.6%		124.7	1.14%
6/30/92	---	3.6=\$2,501		---	3.6=\$16.65(AE)	---	---			127.3	2.09%
12/31/92	---			---	---	---	---			129.1	1.41%
6/30/93	---			---	---	---	---			131.5	1.86%
12/31/93	---			---	---	---	---			132.8	0.99%
6/30/94	---			---	---	(AG)	3.6=\$3642			134.3	1.13%
12/31/94	---			---	---	---	---			135.8	1.12%
6/30/95	---			---	---	2.5=\$2,554	---			138.2	1.77%
12/31/95	---			---	---	---	---				
6/30/96	---			---	---	---	---				
12/31/96	---			---	---	---	---				
<b>Total</b>	<b>182.9%</b>		<b>174.5%</b>	<b>175.1%</b>	<b>187.7%</b>	<b>181.6%</b>	<b>233.5%</b>				<b>226.5%</b>

- A. I from previous listing. For increases covering other periods, divide the index of the end of period by the index at the beginning of the period.
- B. All bases are from July 1971 statutory salary table, AS 39.27.010 (now AS 39.27.011).
- C. 14B equates to Wage Group 54A.
- D. Statutory change.
- E. Retroactive provision makes effective January 1, 1975.
- F. +2.23% added to trust fund, other changes increased cost of contract to 4.77% with no change to 54A.
- G. PSEA part of GGU until January 1977, R16 to R76.
- H. Settlement without arbitrator 1978-79, 1983, and 1986.
- I. To 40-hour workweek.
- J. Additional cost of contract .53% from wages to Correctional Officers step increase, increase in three geographic differential areas, and birthday holiday.
- K. Trust fund deleted.
- L. To 37.5-hour workweek.
- M. 3.8% wage increase not funded.
- N. To 40-hour workweek by including 1/2-hour paid meal period per day.
- O. CPI rebased beginning in 1987; 209.2 = 100.3 for first half 1987.
- P. First half 1988. U.S. Department of Labor has published a series of half-year indices back to the first half of 1984, by weighting the bimonthly data previously published. The earlier indices are not reported here.
- Q. Second half 1988.
- R. First half 1989.
- S. An interest arbitrator awarded Class One employees a \$400 compensatory payment for FY 90.
- T. Class 2 and 3 employees received an additional 1.26 hours of leave per month for calendar year 1990.
- U. Interest arbitrator awarded salary increase.
- V. Class 2 and 3 members received a compensatory leave payment of 39 hours if they were in BU all of 1989.
- W. Interest arbitrator awarded wage increase for calendar year 1990 and a \$675 compensatory payment for 1989. Length of time for moving from Step A to B increased.
- X. Second half 1989.
- Y. First half of 1990.
- Z. Effective January 1, 1991, Class One employees put back on same salary schedule as other SU members. For CY 1991 they received extra 1.26 hours of personal leave each month.
- AA. Received bonus payment of \$780 prorated by pay period for January-June 1991, equivalent of approximately 4.25%; will receive 4.5% increase effective July 1, 1991.
- AB. Received additional 1.05 hours leave per pay period January-June 1991, will go on same schedule as other LTC employees effective July 1, 1991.
- AC. Compensatory payment to employees in unit between 1/1/91 and 6/30/91, \$65 per pay period.
- AD. Received semi-monthly annual leave accrual increase 1.05 hours for each full pay period through 12/31/91.
- AE. Contract signed Feb 93. 3.6% Sal Incr retro to July 1, 1992. WG 54A salary table = 16.65
- AF. Contract=May 1993-June 1996; COLA up to 5% on 1-1-95; III FY94=\$423.50; III FY95=\$457.39 on 2/1/95. 11 holidays; Dropped Lincoln's b'day in FY95
- AG. Contract July 1, 1994-June 30, 1996. 7/1/94 OT eligible employees will be paid hourly wages. Wage increase 2.5% eff. 7/1/95.
- AH contract = 7/1/94 to 6/30/95. Salary Incr = 1.6% 7/1/94; 2% 7/1/95 3% 7/1/96
- AI Statutory employee base equal to range 13A as of 7/16/71
- AJ Retroactive effective dates of statutory amendment
- AK Plus compensatory to equal 1/16/82
- AL Plus compensatory 3.5% 12/16/84 to 6/15/85
- AL LTC EE's received a 9.4% wage increase for 6 months, then wages reverted back to the base

# News

U.S. Department of Labor  
Bureau of Labor Statistics  
P.O. Box 193766  
San Francisco, Calif. 94119-3766



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**CONTACT:**

Donald R. Peterson (415) 975-4403  
Todd H. Johnson (415) 975-4405

BLS 96-11  
FOR RELEASE:  
Wednesday, February 28, 1996

## ANCHORAGE CONSUMER PRICES ROSE 0.9 PERCENT IN THE SECOND HALF OF 1995 -- 2.7 PERCENT ABOVE A YEAR AGO

Consumer prices in the Anchorage metropolitan area rose 0.9 percent in the second half of 1995 according to the U.S. Department of Labor's Bureau of Labor Statistics. Sam Hirabayashi, the Bureau's regional commissioner, said that compared with the same period a year ago, prices increased 2.7 percent. Prices in six of the seven major categories of consumer spending rose in the second half of the year. The area's All Items, Consumer Price Index for All Urban Consumers advanced to 139.5 (1982-84=100) during the second half of 1995. Local area CPI data are not seasonally adjusted.

The cost of food and beverages was 0.1 percent lower between the first half of 1995 and second half of 1995, but 4.5 percent above the level recorded for the second six months of 1994. Grocery prices, represented by the food at home sub-category, also declined 0.1 percent during the second half of 1995. The cost of eating out rose 0.9 percent, and prices paid for alcoholic beverages were up 0.4 percent. Compared to a year ago, grocery prices rose 6.4 percent, the cost of eating out advanced 3.8 percent, and alcoholic beverage prices inched up 0.1 percent.

Housing costs rose 1.0 percent in the second half of 1995. The shelter component of housing was up 1.3 percent, while fuel and other utilities declined 0.8 percent. Housing's sub-component, household furnishings and operation, rose 1.5 percent in this latest six-month period. The overall housing category rose 1.9 percent between the second half of 1994 and the second half of 1995. Also, compared to a year ago, housing's sub-component shelter advanced 2.4 percent, fuel and other utilities decreased by 0.8 percent, and household furnishings and operation advanced 2.8 percent.

The overall transportation index rose 0.1 percent in the second half of 1995 to a level 3.2 percent above the second half of 1994. Private transportation costs were 0.8 percent higher over this latest six month period while public transportation declined 3.1 percent. Between the second half of 1994 and the second half of 1995, private transportation saw a 2.2 percent increase in costs while public transportation, which includes air fares, advanced 9.3 percent.

Apparel and upkeep prices posted a 2.4 percent increase between the first half of 1995 and second half of 1995 but were 0.2 percent lower than a year ago.

The costs of medical care increased 4.0 in the second half of 1995 and were up 8.0 percent from the same period in 1994. Entertainment costs advanced 2.8 percent from the first half of 1995 and were 3.5 percent above the second half of 1994. The miscellaneous other goods and services index increased 0.9 percent in the second six months of 1995 but declined 2.0 percent over the second half of 1994.

Consumer Price Index for All Urban Consumers: Indexes for semiannual averages  
and percent changes for selected periods

(Data are not seasonally adjusted)

Anchorage, AK (1982-84=100, unless otherwise noted)

Expenditure category	Semiannual average index		Percent changes to 2nd half 1995 from:	
	1st half 1995	2nd half 1995	2nd half 1994	1st half 1995
All items .....	138.2	139.5	2.7	0.9
All items (October 1967=100) .....	368.9	372.4	-	-
Food and beverages .....	138.6	138.4	4.5	-.1
Food .....	138.1	137.8	5.2	-.2
Food at home .....	143.9	143.7	6.4	-.1
Cereals and bakery products ....	147.0	147.5	4.2	.3
Meats, poultry, fish, and eggs .	135.8	133.8	2.2	-1.5
Meats, poultry, and fish .....	137.0	133.8	1.9	-2.3
Dairy products .....	130.2	128.7	.8	-1.2
Fruits and vegetables .....	197.5	199.4	20.0	1.0
Other food at home .....	123.0	123.9	3.2	.7
Food away from home .....	129.1	130.2	3.8	.9
Alcoholic beverages .....	140.5	141.1	.1	.4
Housing .....	124.3	125.5	1.9	1.0
Shelter .....	123.9	125.5	2.4	1.3
Renters' costs 1/.....	148.1	148.7	3.4	.4
Rent, residential .....	114.7	115.8	1.5	1.0
Other renters' costs .....	270.0	268.6	7.1	-.5
Homeowners' costs 1/.....	125.0	126.9	2.0	1.5
Owners' equivalent rent 1/.....	124.9	126.8	2.0	1.5
Fuel and other utilities .....	141.6	140.4	-.8	-.8
Fuels .....	139.7	137.4	-3.0	-1.6
Fuel oil and other household fuel commodities .....	92.8	93.1	-	.3
Fuel oil .....	95.5	95.9	-	.4
Other household fuel commodities 2/.....	106.8	106.8	.0	.0
Gas (piped) and electricity ....	156.9	154.1	-3.0	-1.8
Electricity .....	152.9	148.9	-4.7	-2.6
Utility (piped) gas .....	159.5	159.4	.8	-.1
Household furnishings and operation	111.8	113.5	2.9	1.5
Apparel and upkeep .....	128.5	131.6	-.2	2.4
Apparel commodities .....	127.3	130.7	-.4	2.7
Men's and boys' apparel .....	161.5	168.6	1.6	4.4
Women's and girls' apparel .....	120.8	126.7	-.7	4.9
Footwear .....	98.1	93.9	-4.1	-4.3

See footnotes at end of table

Consumer Price Index for All Urban Consumers: Indexes for semiannual averages and percent changes for selected periods

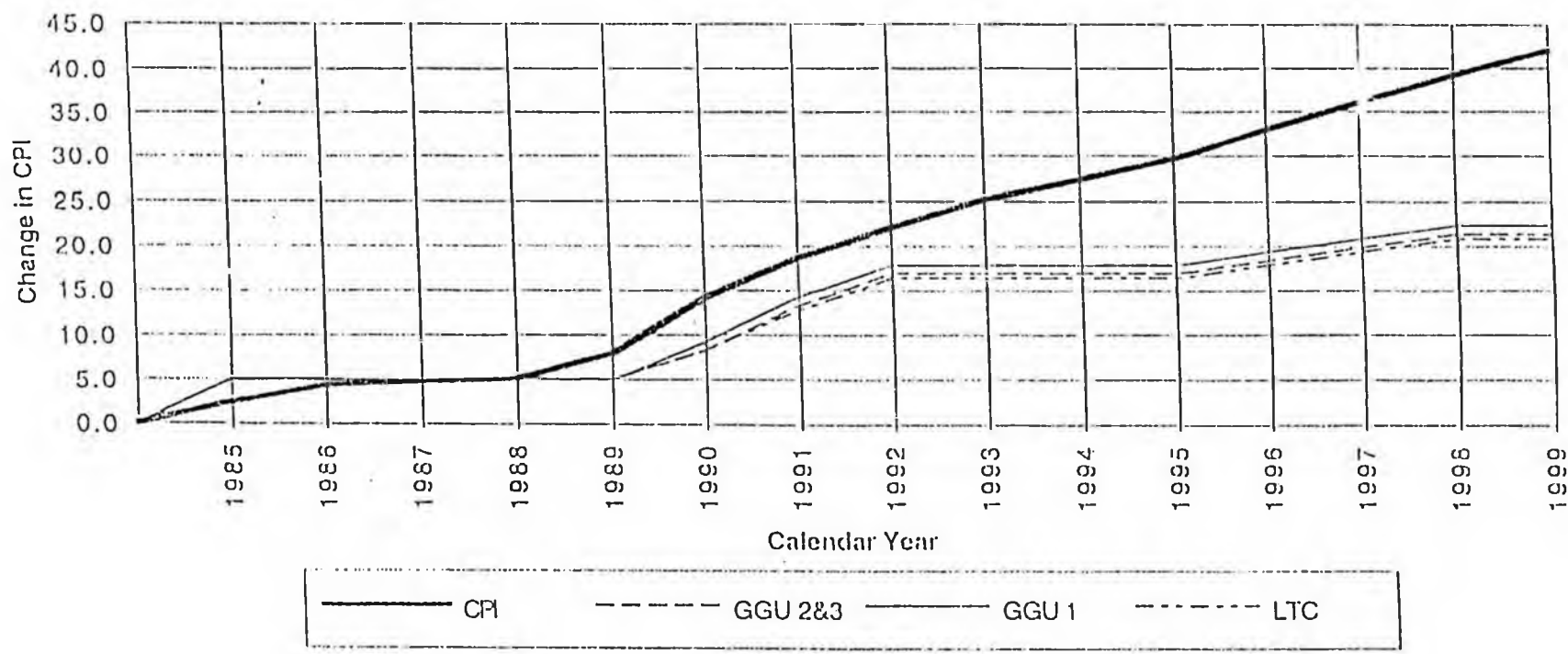
(Data are not seasonally adjusted)

Anchorage, AK (1982-84=100, unless otherwise noted)

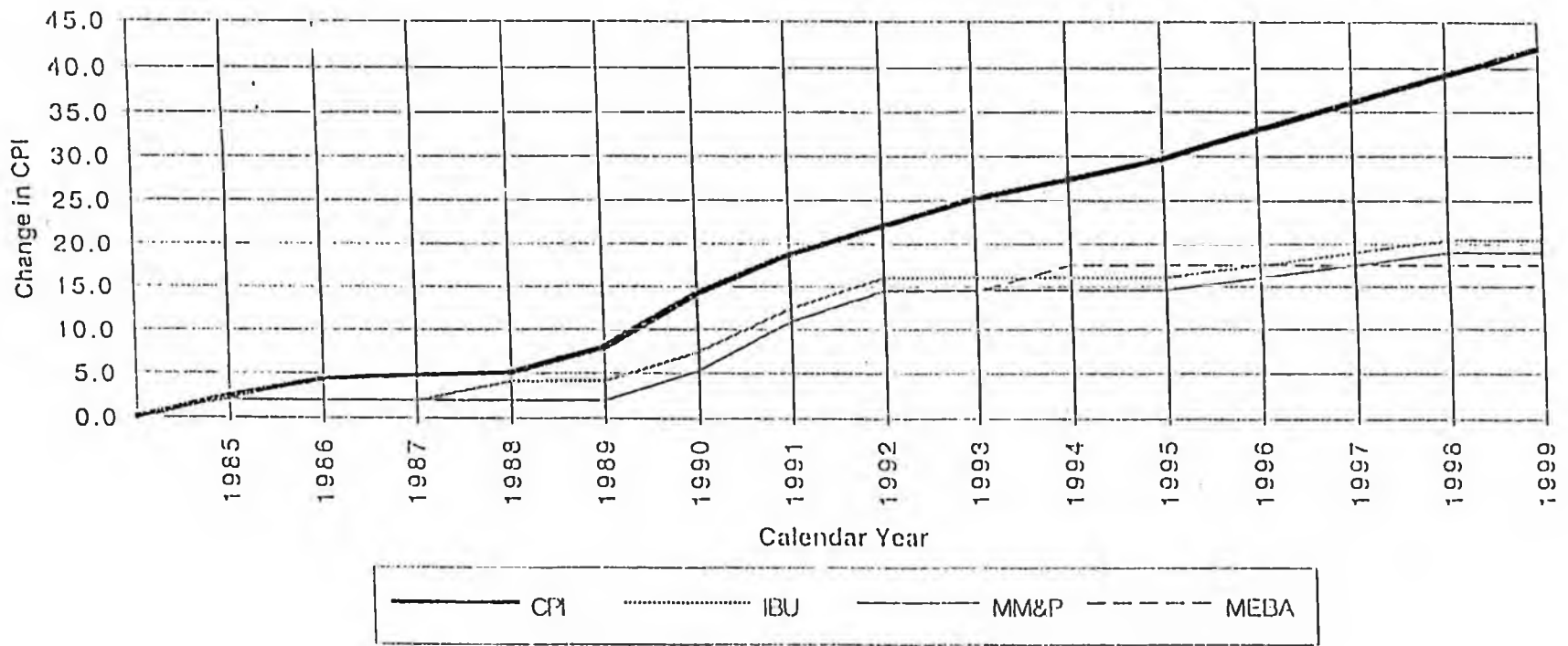
	Percent changes			
	Semiannual average index		to 2nd half 1995 from:	
	1st half 1995	2nd half 1995	2nd half 1994	1st half 1995
Transportation .....	143.7	143.8	3.2	0.1
Private transportation .....	136.5	137.6	2.2	.8
Motor fuel .....	101.1	100.8	.2	-.3
Gasoline .....	101.6	101.1	.0	-.5
Gasoline, unleaded regular ...	99.1	98.1	-.9	-1.0
Gasoline, unleaded midgrade 3/ .....	97.2	98.2	-	1.0
Gasoline, unleaded premium ...	103.3	104.0	2.1	.7
Public transportation .....	189.6	183.8	9.3	-3.1
Medical care .....	207.5	215.7	8.0	4.0
Entertainment .....	169.0	173.7	3.5	2.8
Other goods and services .....	162.6	164.0	-2.0	.9
Personal care .....	132.9	130.0	-3.1	-2.2
Commodity and service group				
All items .....	138.2	139.5	2.7	.9
Commodities .....	132.5	133.5	2.5	.8
Food and beverages .....	138.6	138.4	4.5	-.1
Commodities less food and beverages	128.9	130.5	1.5	1.2
Nondurables less food and beverages .....	123.5	125.5	.2	1.6
Durables .....	136.0	137.2	2.7	.9
Services .....	143.1	144.7	2.8	1.1
Medical care services .....	211.9	221.2	8.6	4.4
Special indexes				
All items less shelter .....	144.0	145.2	2.9	.8
All items less medical care .....	135.2	136.3	2.5	.8
All items less energy .....	140.3	141.8	3.0	1.1
Energy .....	114.9	113.8	-1.5	-1.0
All items less food and energy .....	140.6	142.5	2.6	1.4
Commodities less food .....	129.6	131.2	1.4	1.2
Nondurables less food .....	125.5	127.3	.2	1.4
Nondurables .....	131.4	132.3	2.6	.7
Services less rent of shelter 1/.....	173.1	174.9	3.4	1.0
Services less medical care .....	137.9	139.0	2.3	.8

1/ Indexes on a November 1982=100 base  
 2/ Indexes on a December 1984=100 base  
 3/ Indexes on a December 1993=100 base  
 - Data not available

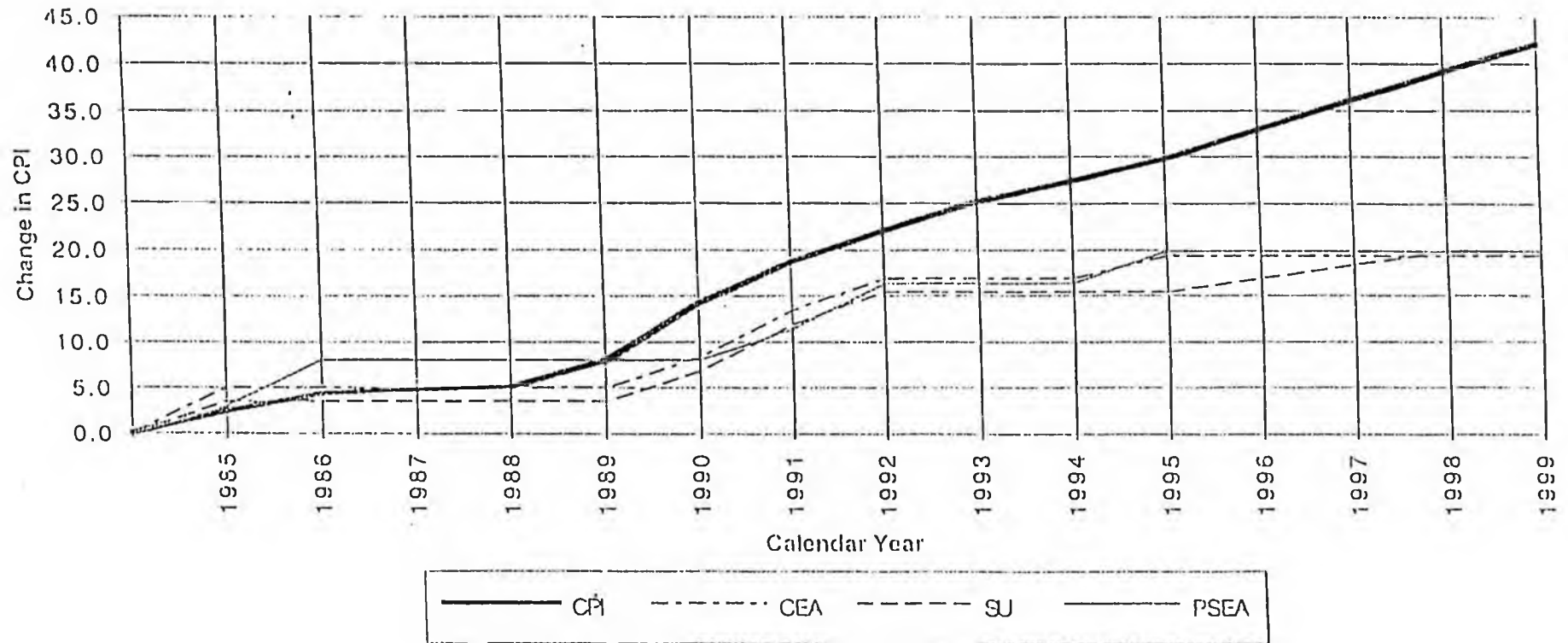
### GGU Class 1 & 2 and LTC Funded Wage increases Compared to Anchorage CPI-U



### IBU, MM&P and MEBA Funded Wage increases Compared to Anchorage CPI-U



### CEA SU & PSEA Funded Wage Increases Compared to Anchorage CPI-U



Wage and Salary Increase  
Samples

Juneau: 7/21/96: 3.0% increase for general government and police units.

7/21/97: 2.0% increase for police unit.

Anchorage: 1/1/95: Full CPI increase, all employees, 2.9%

1/1/97: Full CPI increase, all employees

1/1/99: Full CPI increase, all employees.

U.S. State and Local Governments, first half 1995, 114 settlements covering 352,000 employees.

■ 2.0% increase first year.

■ 2.3% increase second year.

■ 2.5% increase third year.

STATE OF ALASKA BARGAINING UNITS

GENERAL GOVERNMENT UNIT (GGU)

Description: Classified, nonsupervisory employees of the Executive Branch not included in another bargaining unit. A statewide unit that includes technical, professional and clerical personnel.

	<u>PFT</u>	<u>Total</u>	
Size:	731	729	Class 1 Correction Officers (GC)
	133	146	Class 1 Youth Counselors (GY)
	1201		Class 1 General Government Employees (GG)
	5560	7723	Class 2 & 3 General Government Employees (GG)

Exclusive Representative: Alaska State Employees Association, AFSCME Local 52  
Business Manager - Chuck O'Connell.

Affiliation: American Federation of State, County and Municipal Employees, AFL-CIO.

Established: By the Labor Relations Agency in 1973.

First Agreement Effective: February 19, 1974.

Current Agreement Expires: Class 1: June 30, 1996; Class 2 & 3: June 30, 1996.

Average Monthly Base Salary (12/31/95):	Average Yearly Base Salary (12/31/95):
Class 1 (GC): \$3,743	Class 1 (GC): \$44,910
Class 1 (GY): \$3,503	Class 1 (GY): \$42,042
Class 1 (GG): \$2,899	Class 1 (GG): \$34,784
Class 2 & 3: \$3,337	Class 2 & 3: \$40,044

Total Overtime for BU (for year ended 12/31/95):	Class 1 (GC): \$3,113,924.69
	Class 1 (GY): \$742,677.10
	Class 1, 2 & 3: \$3,995,220.14

Average Monthly Employer Benefits (12/31/95):	Class 1 (GC): \$1,220
	Class 1 (GY): \$1,169
	Class 1 (GG): \$1,011
	Class 2 & 3: \$1,100

Average Yearly Employer Benefits (12/31/95):	Class 1 (GC): \$ 14,642
	Class 1 (GY): \$ 14,032
	Class 1 (GG): \$ 12,132
	Class 2 & 3: \$ 13,196

Average Years of Service (12/31/95):	Class 1 (GC) 8.13
	Class 1 (GY) 7.48
	Class 1, 2, 3 (GG) 7.98

Notes:

Size: PFT = Permanent, probationary and provisional full time employees as of 12/31/95.

Total= All employees including Seasonal, Non-Perms, and Full Time and part time employees.

Avg. Mo. Salary Source: Avg. Semi-monthly pay for last pay run of the Quarter, 12/31/95. 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.

Avg. Employer Benefits Source: Payroll calculation sheet effective 07/01/95. 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 12/31/95. Includes total overtime pay for the calendar year for the entire bargaining unit without regard to employee status.

Major Provisions of Current Agreement:

- No increase in wage or salary rates.
- The state's monthly health insurance contribution rate remains unchanged at \$117.50 per employee, any increase will be paid first from the union health insurance reserves and then through employee contributions.
- Travel and per diem entitlements similar to provisions of the administrative manual.
- Established a statewide labor-management committee for corrections.
- The contract for all GGU employees will expire on the same date.
- Holidays declared by presidential proclamation eliminated. (This was accomplished by a letter of agreement voted on at the same time as the interim terms.)

Duration of Current Agreement:

The interim agreement was effective July 1, 1995, and will expire June 30, 1996.

Major Provisions of Tentative Agreement:

- Wage increases effective July 1, 1996, 1997, and 1998, equal to one-half the increase in the Anchorage CPI-U for the previous year.
- Overtime eligibility in accord with the Fair Labor Standards Act. Employees eligible for time and one-half after 37.5 hours of work.
- Employee birthday floating holiday eliminated in 1997.
- Martin Luther King, Jr. Holiday added for Class One employees in 1997.
- Lincoln Birthday floating holiday eliminated in 1999.
- State and employees equally share any increase in the monthly health insurance up to a maximum of \$50 each. State's possible contribution capped at \$473.50.
- If the legislature enacts changes to the statutory geographic differential, the parties may resume negotiations on this subject under a streamlined process.
- Correctional Officers will convert to personal leave from sick and annual.
- Expedited arbitration and grievance mediation procedures added.

Duration of Tentative Agreement:

If approved by the legislature, the agreement will be effective July 1, 1996, through June 30, 1999.

# MEMORANDUM

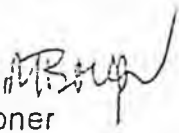
STATE OF ALASKA  
Department of Administration  
Office of the Commissioner

To: Annalee McConnell  
Director  
Office of Management and Budget  
Office of the Governor

Date: October 3, 1995

File No.:

Phone: 465-2200

From: Mark Boyer   
Commissioner  
Department of Administration

Subject: Monetary Terms of 1996/99  
GGU Agreement

The State of Alaska has concluded negotiations with the Alaska State Employees Association representing employees in the General Government Unit which will be effective July 1, 1996, through June 30, 1999. Union members have ratified the agreement. This agreement covers approximately 8,400 employees. I will provide 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, 1996, the salary schedule will be adjusted by one-half the increase in the Anchorage Consumer Price Index (CPI-U) not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1996.
- B. Effective July 1, 1997, the wage schedule will be adjusted by one-half the increase in the Anchorage CPI-U not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1997.
- C. Effective July 1, 1998, the wage schedule will be adjusted by one-half the increase in the Anchorage CPI-U not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1998.
- D. During the life of the agreement, the state's monthly health insurance contribution to maintain current benefits may increase by up to \$50 for each eligible employee. Any increase in state contribution will be matched by payroll deduction from employees.
- E. Effective January 1997, Martin Luther King, Jr. Day will be recognized as a paid holiday for approximately 2,100 Class One employees.

II. State Revenue. There are no provisions in the tentative agreement that would change state revenues.

III. Productive Work Hours.

A. Effective January 1, 1997, the employee's birthday will no longer be observed as a floating holiday; employees will no longer have a day of leave added to their leave account.

B. Effective February 1999, Lincoln's Birthday will no longer be observed as a floating holiday; employees will no longer have a day of leave added to their leave account.

Other Terms. There are other terms of the 1996 - 1999 collective bargaining agreement which will not require an appropriation but may have a budgetary impact.

A. If the legislature enacts changes to AS 39.27.020 "Pay step differentials by election districts and in other states," the parties may resume negotiations regarding the corresponding section of the collective bargaining agreement.

B. Effective July 1, 1996, Correctional Officers will convert from a system of annual and sick leave to a system of personal leave. Accrued annual leave will be converted to personal leave. Sixty percent of accrued sick leave will be converted to personal leave; the remaining balance will be canceled without pay.

C. Overtime provisions have been changed to provide payment at the time and one-half rate after 37.5 hours of work in a workweek. This should result in savings to the state.

Conclusion. Funding of 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.

MB/LP

cc: Sharon Barton  
Director  
Division of Administrative Services

Don Wanie  
Director  
Division of Finance

## STATE OF ALASKA BARGAINING UNITS

### SUPERVISORY UNIT (SU)

Description: Classified, supervisory employees of the Executive Branch. A statewide unit. "Supervisory" employees are defined as those who have authority to act or to recommend action in the interest of the public employer related to employing, promoting, transferring, suspending, discharging, laying off, recalling, assigning, rewarding, disciplining, or directing employees or adjusting grievances of other employees, if the exercise of that authority is not merely routine but requires the exercise of independent judgment.

Size: 1121 PFT employees, as of 12/31/95.  
1135 Total employees

Exclusive Representation: Alaska Public Employees Association  
Business Manager - Bruce Ludwig

Affiliation: American Federation of Teachers, AFL-CIO

Established: By the Labor Relations Agency in 1973.

First Agreement Effective: November 16, 1974.

Current Agreement Expires: June 30, 1995.

Average Monthly Salary (as of 12/31/95): \$4,939

Average Yearly Salary (as of 09/30/95): \$59,271

Total Overtime for BU (for year ended 12/31/95): \$283,863.07

Average Monthly Employer Benefits (as of 12/31/95): \$1,419

Average Yearly Employer Benefits (as of 12/31/95): \$17,025

Average Years of Service (as of 12/31/95): 13.68

#### Notes:

Size: PFT = Permanent, probationary and provisional full time employees as of 12/31/95.  
Total= All employees including Seasonal, Non-Perms, and Full Time employees.

Avg. Mo. Salary: Source: Ave. Semi-monthly pay for last pay run of the Quarter. 12/31/95 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.

Avg. Employer Benefits: Source: Payroll calculation sheet/ effective 7/1/95. Includes only Health Ins, Retirement, and SBS. Workers Comp, leave cash-in, Medicare and Unemployment insurance are excluded.

Yearly OT by BU: Source: RH092690 Calendar YTD Pay types by BU as of 12/31/95. Includes total overtime pay for the calendar year for the entire bargaining unit without regard to employee status.

Current Contract Settlement Includes:

- No increase in salary or wage rates in FY96
- No increase in health insurance contributions in FY96  
Agreed to develop recommendations for adoption of a flexible benefits scheme to replace current health insurance system
- Overtime eligibility to be determined in accord with FLSA
- --Eliminated provision allowing for holidays by presidential proclamation
- Clarified travel and per diem provisions
- Revised leave conversion rules and requirements for accessing medical leave banks in instances involving extended absences for illness of the employee and his or her immediate family
- Expanded Labor-Management Committee program, adding provisions for committees to address telecommunications issues, job security, efficiencies in state operations and the Harborview closure
- Discrimination complaints exempted from the grievance-complaint procedures in deference to other review procedures

Duration of Current Agreement: December 1, 1995 through June 30, 1996

Tentative Contract Settlement Duration : July 1, 1996 through June 30, 1999

Tentative Contract Settlement Includes:

- Salary increases for overtime ineligible employees of 1.5% on July 1 of each year
- Hourly wage increases on July 1, 1996, July 1, 1997, and July 1, 1998, equal to one-half the increase in the Anchorage CPI-U for the previous year, not to exceed 1.5%. In 1998, if the cumulative Anchorage CPI-U increase since January 1, 1996, equals or exceeds 9%, the 1998 wage adjustment shall guarantee a total wage increase of 4.5% over the rates in effect on June 30, 1996.
- Increased standby pay for overtime ineligible employees from .75 hour per day to 1.25 hours per day
- Health insurance contribution increased from \$418.80 to \$423.50 effective July 1, 1996; and to \$450 effective January 1, 1997.  
  
Flexible benefit plan adopted January 1, 1997 based upon the recommendations of the Health Benefits Evaluation Labor Management Committee as approved by the Commissioner of Administration
- Statutory changes to geographic differentials will be incorporated into the agreement. Salaries for current employees shall be frozen for the life of the agreement as long as they remain in the same geographic area (except in cases of demotion)
- Lincoln's Day floating holiday eliminated in 1999

- Legal Trust contribution increased from \$8.50 to \$10.00 per employee per month effective January 1, 1998
- Training Committee provided with \$50,000 in each of the three years of the Agreement to provide in-state training for Supervisory Unit members, subject to the approval of the Commissioner of Administration
- Leave cashout privilege increased to 30 days per year

# MEMORANDUM

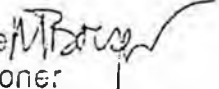
STATE OF ALASKA  
Department of Administration  
Office of the Commissioner

To: Annalee McConnell  
Director  
Office of Management and Budget  
Office of the Governor

Date: October 3, 1995

File No:

Phone: 465-2200

From: Mark Boyer   
Commissioner  
Department of Administration

Subject: Monetary Terms of 1996/99  
Supervisory Unit Agreement

The State of Alaska has concluded negotiations with the Alaska Public Employees Association representing the Supervisory Unit for an agreement effective July 1, 1996, through June 30, 1999. Results of the union's ratification process are expected by November 1. The following monetary terms are provided in advance of the ratification vote to assist you in budget planning. If ratified by union members, I will provide a report of monetary terms to the legislature as required by AS 23.40.215(b).

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

## I. Require Appropriation.

FY 97

A. Effective July 1, 1996, the wage schedule for overtime eligible bargaining unit members will be adjusted by one-half the increase in the Anchorage Consumer Price Index (CPI-U) not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1996.

Effective July 1, 1996, the salary schedule for overtime ineligible bargaining unit members will be increased by 1.5%.

B. Effective July 1, 1996, the State contribution for health insurance will increase from \$418.80 per employee per month to \$423.50 per employee per month.

C. Effective July 1, 1996, \$50,000 will be allocated for supervisory training based on recommendations made by the Supervisory Training Program Labor-Management Committee and approved by the Commissioner of Administration.

- D. Effective July 1, 1996, the standby rate of pay for overtime ineligible employees is increased from .75 hours pay per standby day to 1.25 hours pay per standby day.

## FY 98

- A. Effective July 1, 1997, the wage schedule for overtime eligible bargaining unit members will be adjusted by one-half the increase in the Anchorage CPI-U not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1997.

Effective July 1, 1997, the salary schedule for overtime ineligible bargaining unit members will be increased by 1.5%.

- B. Effective January 1, 1997, the State contribution to health insurance will increase from \$423.50 per month per employee to \$450.00 per employee per month with the implementation of a flexible benefits health insurance plan.
- C. Effective July 1, 1997, \$50,000 will be allocated for supervisory training based on recommendations made by the Supervisory Training Program Labor-Management Committee and approved by the Commissioner of Administration.

## FY 99

- A. Effective July 1, 1998, the wage schedule for overtime eligible bargaining unit members will be adjusted by one-half the increase in the Anchorage CPI-U not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1998. However, if the cumulative increase in the Anchorage CPI-U since January 1, 1996 (CPI-U reported in February 1996, 1997, and 1998) equals or exceeds 9%, the third year adjustment shall guarantee a total wage increase of 4.5% above the rates in effect on June 30, 1996.

Effective July 1, 1998, the salary schedule for overtime ineligible bargaining unit members will be increased by 1.5%.

- B. Effective July 1, 1998, \$50,000 will be allocated for supervisory training based on recommendations made by the Supervisory Training Program Labor-Management Committee and approved by the Commissioner of Administration.
- C. Effective July 1, 1998, the Legal Trust contribution shall be increased from \$8.50 per employee per month to \$10.00 per employee per month.

- II. State Revenues. There are no provisions in the tentative agreement which should change State revenues.

III. Productive Work Hours. Effective 1999, the Lincoln's birthday floating holiday (for which a day of leave has been added to personal leave until this date) will be eliminated.

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

- A. In the event that changes are made to AS 39.27 "Pay step differentials by election district or in other states," the changed statutory provisions will be incorporated in the agreement in lieu of geographic differentials. The new provisions will apply to all unit members except that geographic differentials of employees who are unit members at the time of incorporation will be frozen for the life of the agreement or until changes in the member's salary or position result in the member receiving a salary higher than the frozen rate.
- B. The implementation of a flexible benefits health insurance plan based on recommendations of the Health Benefits Evaluation Committee is expected to include flexible spending accounts. Under federal law, money remaining in such accounts at the end of a tax year revert to the employer. The State and APEA have agreed that any such moneys shall be used to support labor-management committees.
- C. The on demand leave cash out maximum has been raised from eight to thirty days in each year of the agreement.

Conclusion. Funding of certain monetary terms will be required. Please prepare and, on notice of ratification, forward to the legislature the necessary documents. Please feel free to call on the staff of the Labor Relations Unit for assistance.

MB/dmc

cc: Sharon Barton  
Director  
Division of Administrative Services

Don Wanie  
Director  
Division of Finance

## STATE OF ALASKA BARGAINING UNITS

### CONFIDENTIAL UNIT (CEA)

Description: Classified employees of the Executive Branch who, "assist or act in a confidential capacity to a person who formulates, determines, and effectuates management policies in the area of collective bargaining."

Size: 137 PFT employees, as of 12/31/95.  
135 Total employees.

Exclusive Representation: Confidential Employees Association  
Greg O'Claray, Business Agent

Affiliation: Marine Engineers Beneficial Association.

Established: By the Labor Relations Agency in 1973.

First Agreement Effective: October 16, 1974.

Current Agreement Expires: June 30, 1996.

Average Monthly Salary (as of 12/31/95): \$3,439

Average Yearly Salary (as of 12/31/95): \$41,268

Total Overtime for BU (for year ended December 31, 1995): \$27,577.06

Average Monthly Employer Benefits (as of 12/31/95): \$1,120

Average Yearly Employer Benefits (as of 12/31/95): \$13,443

Average Years of Service (as of 12/31/95): 8.50

#### Notes:

Size: PFT = Permanent, probationary and provisional full time employees as of 12/31/95  
Total = All employees including Seasonal, Non-Perms, and Full Time employees.

Avg. Mo. Salary: Source: Ave. Semi-monthly pay for last pay run of the Quarter, 12/31/95. 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.

Avg. Employer Benefits: Source: Payroll calculation sheet/ effective 07/01/95. 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 12/31/95. Includes total overtime pay for the calendar year for the entire bargaining unit without regard to employee status.

Current Contract Settlement Includes:

- No increase in wage or salary rates in FY95.
- Wage and salary increase of 2.5% on July 1, 1995.
- Health insurance benefits determined by the Commissioner of Administration pursuant to AS 39.30.090.
- The workweek remains at 37.5 hours. Overtime in accord with the FLSA.
- Contract effective July 1, 1994 through June 30, 1996.

Duration of the Current Agreement: Current agreement will expire June 30, 1996.

STATE OF ALASKA BARGAINING UNITS

LABOR TRADES AND CRAFTS UNIT (LTC)

Description: Classified, nonsupervisory, skilled trades employees of the Executive Branch. A statewide unit.

Size: 1379 PFT employees as of 12/31/95.  
1652 Total employees

Exclusive Representative: Public Employees Local 71  
Business Manager - Don Valesko.

Affiliation: AFL-CIO, Laborers International Union of North America.

Established: By the Labor Relations Agency in 1973.

First Agreement Effective: January 1, 1974.

Current Agreement Expires: June 30, 1996.

Average Monthly Salary (as of 12/31/95): \$3,536

Average Yearly Salary (as of 12/31/95): \$42,437

Total Overtime for BU (for year ended 12/31/95): \$6,895,104.63

Average Monthly Employer Benefits (as of 12/31/95): \$1,240

Average Yearly Employer Benefits (as of 12/31/95): \$14,885

Average Years of Service (as of 12/31/95): 9.95

Notes:

Size: PFT = Permanent, probationary and provisional full time employees as of 09/30/95.  
Total= All employees including Seasonal, Non-Perms, and Full Time employees.

Ave. Mo. Salary: Source: Ave. Semi-monthly pay for last pay run of the Quarter. 09/30/95. 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 07/01/95. Includes only Health Ins, Retirement, and SBS. Workers Comp, leave cash-in, Medicare and Unemployment insurance are excluded.

Yearly OT by BU: Source: R#090392 Calendar YTD Pay types by BU as of 12/31/94. Includes total overtime pay for the calendar year for the entire bargaining unit without regard to employee status.

#### Major Provisions of Current Contract:

- Overtime after eight hours of work per day, rather than eight hours in pay status.
- A study must be done prior to contracting out work at any location which will result in the layoff of a permanent or probationary employee .
- The union health trust will continue. The State contributes \$524 per month for each qualified employee. Eligible employees pay \$24 per month through payroll deduction.
- Effective December 16, 1995, employees convert from annual and sick leave to personal leave. All hours of annual leave will be converted to personal leave. Fifty percent of accrued sick leave will be converted to personal leave.
- A grievance mediation procedure is established as an alternative to arbitration.
- Travel and per diem provisions are revised to more closely reflect the administrative manual.
- The probationary period is increased from four to six months duration.

Duration of Agreement: November 1, 1995 though June 30, 1996.

Tentative agreement: Union members have ratified a three-year successor agreement. The monetary terms will be submitted to the Alaska Legislature in January 1996. If approved by the legislature, the agreement will be effective July 1, 1996, through June 30, 1999.

#### Major Provisions of Tentative Agreement:

- Wage increase on July 1, 1996, July 1, 1997, and July 1, 1998, equal to one-half the increase in the Anchorage CPI-U for the previous year, not to exceed 1.5%. In 1998, if the cumulative Anchorage CPI-U increase since January 1, 1996, equals or exceeds 9%, the 1998 wage adjustment shall guarantee a total wage increase of 4.5% over the rates in effect on June 30, 1996.
- Monthly Health Trust contributions are established at \$524 from the employer and \$24 from each qualified employee. If a review and analysis of the plan indicates an increase in the contribution rate is required, the employer and employee will equally share the increase to a maximum of \$26 each.
- Tool allowances for qualified employees will increase by \$5 per month.
- If the legislature enacts changes to the geographic differential statute (AS39.27.020) in 1996, the state and union may resume negotiations on this subject.
- Disputes regarding the wage grade assignment of new classifications are subject to arbitration.
- Effective July 1, 1998, disputes regarding the classification of individual positions may be submitted to arbitration.
- Holidays proclaimed by the president will no longer be observed as legal holidays under the agreement.

# MEMORANDUM

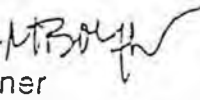
STATE OF ALASKA  
Department of Administration  
Office of the Commissioner

To: Annalee McConnell  
Director  
Office of Management and Budget  
Office of the Governor

Date: October 3, 1995

File No:

Phone: 465-2200

From: Mark Boyer   
Commissioner  
Department of Administration

Subject: Monetary Terms of 1996/99  
LTC Agreement

The State of Alaska has concluded negotiations with Public Employees Local 71 representing employees in the Labor, Trades and Crafts Unit which will be effective July 1, 1996, through June 30, 1999. Results of the union's ratification process are expected by November 1. The following monetary terms are provided in advance of the ratification vote to assist you in budget planning. If ratified by union members, I will provide 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. These provisions apply to approximately 1,300 positions.

## I. Require Appropriation.

- A. Effective July 1, 1996, the salary schedule will be adjusted by one-half the increase in the Anchorage Consumer Price Index (CPI-U) not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1996.
- B. Effective July 1, 1997, the wage schedule will be adjusted by one-half the increase in the Anchorage CPI-U not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1997.
- C. Effective July 1, 1998, the wage schedule will be adjusted by one-half the increase in the Anchorage CPI-U not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1998. However, if the cumulative increase in the Anchorage CPI-U since January 1, 1996, equals or exceeds 9%, the third year adjustment shall guarantee a total wage increase of 4.5% above the rates in effect on June 30, 1996.
- D. Effective July 1, 1996, the tool allowance for qualified employees will increase by ten dollars (\$10) per month.

- E. Effective July 1, 1997, the state's monthly contribution to the Public Employees Local 71 Health and Welfare Trust may increase by up to \$26 for each eligible employee. Any increase in state contribution will be matched by payroll deduction from employees. The rate adjustment will be based upon an actuarial analysis of health trust claims and reserves. The state can conduct its own review of the information. Disputes regarding the amount of the increase will be resolved through expedited arbitration.
- II. State Revenue. There are no provisions in the tentative agreement that would change state revenues.
- III. Productive Work Hours. There are no provisions in the tentative agreement that would change productive work hours.

Other Terms. There are other terms of the 1996 - 1999 collective bargaining agreement which will not require an appropriation but may have a budgetary impact.

- A. Employees in the bargaining unit during the pay period July 1 through July 15, 1996, shall have two days of leave added to their personal leave account.
- B. Holidays proclaimed by the president of the United States will no longer be recognized as holidays under the collective bargaining agreement.
- C. If the legislature enacts changes to AS 39.27.020 "Pay step differentials by election districts and in other states" in 1996, the parties may resume negotiations regarding the corresponding section of the collective bargaining agreement.

Conclusion. If ratified by the union membership, funding of certain monetary terms will be required. Please plan to prepare and forward to the legislature the necessary documents. Feel free to call on the staff of the Labor Relations Unit for any assistance desired.

MB/LP

cc: Sharon Barton  
Director  
Division of Administrative Services

Don Wanie  
Director  
Division of Finance

STATE OF ALASKA BARGAINING UNITS

PUBLIC SAFETY UNIT (PSEA)

Description: Classified, non supervisory, non confidential employees of the Department of Public Safety who have primary responsibility for the prevention and detection of crime and the enforcement of State laws (fish and game, penal, traffic or highway) and require certification as a police officer by the Alaska Police Standards Council. The Unit also includes employees whose trainee positions lead to such positions and court services officers in the Department of Public Safety.

Classified, non supervisory, non confidential employees of the Department of Transportation and Public Facilities who have primary responsibility for international airport safety and fire protection and require certification by the Alaska Police Standards Council.

<u>Size:</u>	323 PFT	322 Total	Public Safety employees (AA)
	78 PFT	76 Total	Airport Security Officers (AP)

Exclusive Representation: Public Safety Employees Association  
Business Representative - Robert Piazza.

Affiliation: None: Renounced AFL-CIO affiliation in October, 1994

Established: By the Labor Relations Agency on January 3, 1977.

First Agreement: January 1, 1977.

Current Agreement Expires: December 31, 1995.

<u>Average Monthly Salary (as of 12/31/95):</u>	AA:	\$5,730
	AP:	\$4,367
<u>Average Yearly Salary (as of 12/31/95):</u>	AA:	\$68,766
	AP:	\$52,406
<u>Total Overtime for BU (for year ended 12/31/95):</u>	AA:	\$1,950,245.14
	AP:	\$ 599,054.21
<u>Average Monthly Employer Benefits (as of 12/31/95):</u>	AA:	\$1,689
	AP:	\$1,399
<u>Average Yearly Employer Benefits (as of 12/31/95):</u>	AA:	\$20,266
	AP:	\$16,792
<u>Average Years of Service (as of 12/31/95):</u>	AA:	11.57
	AP:	11.15

Notes:

Size: PFT = Permanent, probationary and provisional full time employees as of 12/31/95.

Total= All employees including Seasonal, Non-Perms, and Full Time employees.

Avg. Mo. Salary Source: Avg. Semi-monthly pay for last pay run of the Quarter. 12/31/95. 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.

Avg. Employer Benefits Source: Payroll calculation sheet/ effective 07/01/95. Includes only Health Ins, Retirement, and SBS. Workers Comp, leave cash-in, Medicare and Unemployment insurance are excluded.

5Yearly OT by BU Source: RH092592 Calendar YTD Pay types by BU as of 12/31/95. Includes total overtime pay for the calendar year for the entire bargaining unit without regard to employee status.

Major Provisions of Current Agreement:

- Effective July 1, 1994, the wage schedule increased by 3.6%. All members received a lump sum payment equal to difference between wages actually paid and wages had 3.6% increase been effective from January 1, 1992.
- Forty-hour workweek (including one-half hour paid lunch break).
- Effective July 1, 1994, monthly state contribution to union health trust increased to \$470 per member; members pay \$75 per month. State paid \$500,000 as lump sum to trust on July 1, 1994, and \$250,000 on July 1, 1995.
- Contracting out provisions added.
- Legal Indemnification provides for State paying costs for criminal defense if not charged or found not guilty if defense result from work related act.
- Housing rental rates increased to HUD market value.

Current Agreement: Interest arbitration resulted in a decision and award on January 4, 1994. The Senate rejected the arbitrator's award and a negotiated settlement was reached. The agreement expired December 31, 1995. These terms remain in effect pending legislative approval of the tentative agreement.

Tentative Agreement: Union members have ratified a three-year successor agreement. The monetary terms were submitted to the legislature for approval in January 1996. If approved by the legislature, the agreement will be effective through December 31, 1998.

Major Provisions of Tentative Agreement:

- The salary schedule shall increase by 1.5% effective July 1, 1996, 1997, and 1998.
- The employer's contribution to the union health insurance trust will increase to \$495 effective July 1, 1996. The employer's contribution to the union health insurance trust will increase to \$520 effective July 1, 1997.

# MEMORANDUM

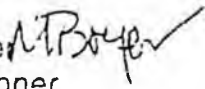
STATE OF ALASKA  
Department of Administration  
Office of the Commissioner

To: Annalee McConnell  
Director  
Office of Management and Budget  
Office of the Governor

Date: January 12, 1996

File No:

Phone: 465-2200

From: Mark Boyer   
Commissioner  
Department of Administration

Subject: Monetary Terms of 1996/98  
Public Safety Employee  
Association Agreement

The State of Alaska has concluded negotiations with the Public Safety Employees Association representing state troopers and other commissioned law enforcement personnel for an agreement effective through December 31, 1998. I will provide a report of monetary terms to the legislature as required by AS 23.40.215(b).

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

## I. Require Appropriation.

- A. Effective July 1, 1996, the salary schedule will be increased by 1.5%.
- B. Effective July 1, 1996, the employer's monthly health insurance contribution will increase from \$470.00 to \$495.00 for each qualified employee.
- C. Effective July 1, 1997, the salary schedule will be increased by 1.5%.
- D. Effective July 1, 1997, the employer's monthly health insurance contribution will increase to \$520 for each qualified employee.
- E. Effective July 1, 1998, the salary schedule will be increased by 1.5%.

II. **State Revenues.** There are no provisions in the agreement which should change State revenues.

III. **Productive Work Hours.** There are no provisions in the agreement which should change productive work hours.

Conclusion. Funding of the 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 Office for any assistance desired.

MB/dmc

cc: Sharon Barton  
Director  
Division of Administrative Services

Don Wanie  
Director  
Division of Finance

STATE OF ALASKA BARGAINING UNITS

UNLICENSED ALASKA MARINE HIGHWAY VESSEL (IBU)

Description: Exempt, nonclassified, unlicensed employees aboard the Alaska Marine Highway System.  
Unit includes personnel in deck, engineer, steward and purser departments.

Size: 486 PFT employees, as of 12/31/95.  
607 Total employees.

Exclusive Representation: Inlandboatmen's Union of the Pacific, Alaska Region.  
Regional Director: Robert Provost, Acting

Affiliation: AFL-CIO

Established: 1962

First Agreement Effective: October 26, 1962.

Current Agreement Expires: May 31, 1996.

Average Monthly Salary (as of 12/31/95): \$3,339

Average Yearly Salary (as of 12/31/95): \$40,065

Total Overtime for BU (for year ended December 31, 1995): \$2,873,970.77

Average Monthly Employer Benefits (as of 12/31/95): \$1,100

Average Yearly Employer Benefits (as of 12/31/95): \$13,200

Average Years of Service (as of 12/31/95): 9.12

Notes:

Size: PFT = Permanent, probationary and provisional full time employees as of 12/31/95.  
Total = All employees including Seasonal, Non-Perms, and Full Time employees.

Avg. Mo. Salary Source: Ave. Semi-monthly pay for last pay run of the Quarter. 12/31/95. 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.

Avg. Employer Benefits Source: Payroll calculation sheet/ effective 07/01/95. 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 12/31/95. Includes total overtime pay for the calendar year for the entire bargaining unit without regard to employee status.

Current Contract Settlement Includes:

- No increase in salary or wages in FY 96.
- Union participates in the Employer provided health insurance plan or opts to provide a health insurance trust. Employer will contribute \$423.50 per month per eligible employee.
- Each employee shall receive a \$950.00 lump sum payment in FY 97.
- Extension of the Labor/Management Committee on Dispatch.

Duration of Current Agreement: October 10, 1994 through May 31, 1996.

Tentative Contract Settlement Includes:

- Wage increases equal to one half the increases to the Anchorage CPI capped at 1.5% on July 1, 1996, July 1, 1997 and July 1, 1998.
- Probationary period changed from 13, 84 hour assignments to 1,092 hours in work status.
- The contract is effective from June 1, 1996 through May 31, 1999.

# MEMORANDUM

# STATE OF ALASKA

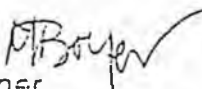
Department of Administration  
Office of the Commissioner

To: Annelee McConnell  
Director  
Office of Management and Budget

Date: October 3, 1995

File No:

Phone: 465-2200

From: Mark Boyer   
Commissioner  
Department of Administration

Subject: Monetary Terms of 1996/99  
Inlandboatmen's Union of the  
Pacific (IBU-P) Agreement

The State of Alaska has concluded negotiations with the Inlandboatmen's Union of the Pacific representing the unlicensed marine unit for an agreement effective June 1, 1996, through May 31, 1999. I will provide the legislature with a report of monetary terms as required by AS 23.40.215(b).

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

- I. Require Appropriation.
  - A. Effective July 1, 1996, the wage schedule will be adjusted by one-half the increase in the Anchorage Consumer Price Index (CPI-U) not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1996.
  - B. Effective July 1, 1997, the wage schedule will be adjusted by one-half the increase in the Anchorage CPI-U not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1997.
  - C. Effective July 1, 1998, the wage schedule will be adjusted by one-half the increase in the Anchorage CPI-U not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1998. However, if the cumulative increase in the Anchorage CPI-U since January 1, 1996 (CPI-U reported in February 1996, 1997, and 1998) equals or exceeds 9%, the third year adjustment shall guarantee a total wage increase of 4.5% above the rates in effect on June 30, 1996.
- II. State Revenues. There are no provisions in the agreement which should change State revenues.
- III. Productive Work Hours. There are no provisions in the agreement which should change productive work hours.

**Conclusion.** Funding of the 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 Unit for any assistance desired.

MB/dmc

cc: Sharon Barton  
Director  
Division of Administrative Services

Don Wanie  
Director  
Division of Finance

STATE OF ALASKA BARGAINING UNITS

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: 72 PFT employees, as of 12/31/95.  
79 Total employees.

Exclusive Representation: District No. 1 -- Pacific Coast District, MEBA.  
Business Agent: Mark Austin - Seattle  
Business Agent: Greg O'Claray - Juneau

Affiliation: AFL-CIO

Established: 1962.

First Agreement Effective: November 30, 1962.

Current Agreement Expires: October 31, 1996.

Average Monthly Salary (as of 12/31/95): \$6,247

Average Yearly Salary (as of 12/31/95): \$74,970

Total Overtime for BU (for year ended 12/31/95): \$513,906.22

Average Monthly Employer Benefits (as of 12/31/95): \$1,192

Average Yearly Employer Benefits (as of 12/31/95): \$14,298

Average Years of Service (as of 12/31/95): 16.59

Notes:

Size: PFT = Permanent, probationary and provisional full time employees as of 12/31/95.  
Total= All employees including Seasonal, Non-Perms. and Full Time employees.

Avg. Mo. Salary: Source: Ave. Semi-monthly pay for last pay run of the Quarter. 12/31/95. 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.

Avg. Employer Benefits: Source: Payroll calculation sheet/ effective 07/01/95. 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 12/31/95. Includes total overtime pay for the calendar year for the entire bargaining unit without regard to employee status.

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 3.5%.	COLA up to 5% effective 9/1/94. Wage reopener in the fall of 1994 with negotiated changes effective 9/1/95. Wage reopener did not result in any increases to wages.	AMHS non-resident wages slightly higher than comparable wages in the Washington State and British Columbia Ferry Systems.
RULE 27 - Health Insurance	\$-23.50 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.
RULE 37 - Education	N/A	\$ .35 per day per man for each engineer employed.	N/A
RULE 38 - Joint Employment committee	N/A	\$ .626 per man per day for Engineers employed.	N/A
RULE 39 - Term of Agreement	April 1, 1990 - March 31, 1993	Nov. 1, 1993 - Oct. 31, 1996	
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.  \$100 increase in non watch pay per pay period for Chief Engineer.	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

PORT ENGINEER'S  
SUPPLEMENT

1.) Wages: \$5,287.00 Monthly + Snr. Port Engineer received \$550.00 per pay period.

1.) Wages: \$5,108.74 Monthly + Snr. Port Engineer receives \$350.00 per pay period.

1.) Figures not available for other jurisdictions.

2.) COLD: \$502.00 per pay period.

2.) COLD: \$485.35 per pay period.

2.) COLD figures represent a 9% increase. Other Marine Units have a 22.5% increase.

3.) Called back from vacation: Engineer shall be paid for 2 weeks at time and a half.

3.) Called back from vacation: No overtime penalty provisions.

3.) Other Units do not have penalties for call back from vacation.

4.) Overtime: At Engineer's discretion.

4.) Overtime: Overtime for pre-approved hours only.

4.) Other units require pre-approved overtime.

5.) Holidays: 12 paid holidays.

5.) Holidays: 11 paid holidays.

5.) Other units have an average of 11 holidays.

STATE OF ALASKA BARGAINING UNITS

LICENSED DECK EMPLOYEES, ALASKA MARINE HIGHWAY SYSTEM (MM&P)

Description: Exempt, licensed deck officers responsible for navigation of vessels of the Alaska Marine Highway System.

Size: 70 PFT employees, as of 12/31/95.  
69 Total employees.

Exclusive Representation: International Organization of Masters, Mates and Pilots.  
Vice-President: Cpt. Steve Demeroutis - Seattle

Affiliation: AFL-CIO

Established: 1962.

First Agreement Effective: October 26, 1962.

Current Agreement Expires: May 1, 1996.

Average Monthly Salary (as of 12/31/95): \$6,157

Average Yearly Salary (as of 12/31/95): \$73,879

Total Overtime for BU (for year ended 12/31/95): \$260,830.28

Average Monthly Employer Benefits (as of 12/31/95): \$1,669

Average Yearly Employer Benefits (as of 12/31/95): \$20,034

Average Years of Service (as of 12/31/95): 16.02

Notes:

Size: PFT = Permanent, probationary and provisional full time employees as of 12/31/95.  
Total All employees including Seasonal, Non-Perms, and Full Time employees.

Ave. Mo. Salary Source: Ave. Semi-monthly pay for last pay run of the Quarter. 12/31/95. 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 07/01/95. Includes only Health Ins, Retirement, and SBS. Workers Comp, leave cash-in, Medicare and Unemployment insurance are excluded.

Yearly OT by BU. Source: PH092592 Calendar YTD Pay types by BU as of 12/31/95. Includes total overtime pay for the calendar year for the entire bargaining unit without regard to employee status.

Current Contract Settlement Includes:

- No increase in wages or salary.
- Employees are on the Employer provided health insurance plan or the union may opt to provide a health insurance trust. If a trust is elected, the employer will contribute \$400.00 per month per eligible employee.
- Two tier wage schedule in the Southeast System was eliminated.

Duration of Agreement: April 1, 1994 - May 31, 1996

Tentative Contract Settlement Includes:

- Wage increases equal to one half the increases to the Anchorage CPI capped at 1.5% on July 1, 1996, July 1, 1997, and July 1, 1998.
- General wage increases do not apply to Cost of Living Differential payments.
- Effective July 1, 1996, Lincoln's Birthday becomes a floating holiday.
- Effective July 1, 1996, Southwest system employees shall be paid for an extra day of work in months with 31 days.
- Contract terms may be modified if either of the other two marine bargaining units (MEBA or IBU) receive additional increases in wages, benefits, or working conditions.

Duration of Agreement: June 1, 1996 - May 31, 1999.

# MEMORANDUM

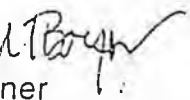
STATE OF ALASKA  
Department of Administration  
Office of the Commissioner

To: Annalee McConnell  
Director  
Office of Management and Budget  
Office of the Governor

Date: October 3, 1995

File No:

Phone: 465-2200

From: Mark Boyer   
Commissioner  
Department of Administration

Subject: Monetary Terms of 1996/99  
Masters, Mates & Pilots  
Agreement

The State of Alaska has concluded negotiations with the International Organization of Masters, Mates and Pilots, Pacific Maritime Region, representing the MMP Unit for an agreement effective June 1, 1996, through May 31, 1999. I will provide a report of monetary terms to the legislature as required by AS 23.40.215(b).

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

## I. Require Appropriation.

- A. Effective July 1, 1996, the wage schedule will be adjusted by one-half the increase in the Anchorage Consumer Price Index (CPI-U) not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1996.
- B. Effective July 1, 1996, Southwest Deck Officers shall be paid for the 31st day of the month if worked.
- C. Effective July 1, 1997, the wage schedule will be adjusted by one-half the increase in the Anchorage CPI-U not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1997.
- D. Effective July 1, 1998, the wage schedule will be adjusted by one-half the increase in the Anchorage CPI-U not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1998. However, if the cumulative increase in the Anchorage CPI-U since January 1, 1996 (CPI-U reported in February 1996, 1997, and 1998) equals or exceeds 9%, the third year adjustment shall guarantee a total wage increase of 4.5% above the rates in effect on June 30, 1996.

## II. State Revenues. There are no provisions in the agreement which should change State revenues.

III. Productive Work Hours. There are no provisions in the agreement which should change productive work hours.

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

- Effective July 1, 1996, Lincoln's birthday shall be treated as a floating rather than a regular holiday. On that day, members eligible for a holiday shall have one day of leave credited to their accounts.

Conclusion. Funding of the 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 Unit for any assistance desired.

MB/dmc

cc: Sharon Barton  
Director  
Division of Administrative Services

Don Wania  
Director  
Division of Finance

STATE OF ALASKA BARGAINING UNITS

CORRESPONDENCE SCHOOL BARGAINING UNIT (ACSEA)

Description: Exempt, non supervisory, certified teachers working in the Department of Education, who under AS 14.07.020(9) provide accredited elementary and secondary statewide correspondence school program.

Size: 24 PFT employees, as of 12/31/95.  
24 Total employees.

Exclusive Representation: Alyeska Central School Education Association  
President: - Jeanne Foy

Affiliation: National Education Association - Alaska (NEA)

Established: By the Labor Relations Agency on December 19, 1980.

First Agreement Effective: July 1982.

Current Agreement Expires: June 30, 1996; New agreement reached for July 1, 1996 - June 30, 1999

Average Monthly Salary (as of 12/31/95): \$4,522

Average Yearly Salary (as of 09/30/95): \$54,258

Total Overtime for BU (for year ended December 31, 1995): \$0.00

Average Monthly Employer Benefits(as of 12/31/95): \$1,245

Average Yearly Employer Benefits (as of 12/31/95): \$14,940

Average Years of Service (as of 12/31/95): 9.46

Notes:

Size: PFT = Permanent, probationary and provisional full time employees as of 12/31/95.  
Total= All employees including Seasonal, Non-Perms, and Full Time employees.

Avg. Mo. Salary: Source: Ave. Semi-monthly pay for last pay run of the Quarter. 12/31/95 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.

Avg. Employer Benefits: Source: Payroll calculation sheet/ effective 7/1/95. 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 12/31/95. Includes total overtime pay for the calendar year for the entire bargaining unit without regard to employee status.

SUMMARY OF CHANGES  
ACSEA AGREEMENT  
July 1, 1996 - June 30, 1999

PROVISION	93 - 96	96 - 99	MARKET STANDARD
Wages	FY95: salary grid units revised, some increases 2.5% COLA on 1-1-95	One half the CPI capped at 1.5% each year of the contract	Teacher contracts
Holidays	11 holidays: dropped Lincoln's Birthday in FY95	11 holidays	Average all states: 11
Health Insurance	\$423.50	Commissioner's Plan with \$423.50 premium contribution or \$423.50 to go to a Union provided trust. If premium costs increase, employee and state will split costs up to a total of \$50.00.	Varies from Unit to unit, but consistent with the overall direction of Health Insurance Benefits
Leave	...Capped accrual rate ...increase at 5 years ...Reduced 1/8 day per employee per month effective 5-1-93	Dropped leave accrual cap, and reduced overall leave accrual at the upper tiers.	Leave accrual rates below that for other units on annual/sick leave.

# MEMORANDUM

STATE OF ALASKA  
Department of Administration  
Office of the Commissioner

To: Annalee McConnell  
Director  
Office of Management and Budget

Date: December 20, 1995

File No: ACSEA contract negotiations  
Phone: 465-2200

From: Mark Boyer *M. Boyer*  
Commissioner  
Department of Administration

Subject: Monetary Terms of the  
1996/99 Alyeska  
Correspondence School  
Education Association  
(ACSEA)

The State of Alaska has concluded negotiations with the Alyeska Correspondence School Education Association representing the teachers at the Department of Education's Alyeska Correspondence School, for an agreement effective July 1, 1996, through June 30, 1999. I will provide the legislature with a report of monetary terms as required by AS 23.40.215(b).

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

- I. Require Appropriation.
  - A. Effective July 1, 1996, the wage schedule will be adjusted by one-half the increase in the Anchorage Consumer Price Index (CPI-U) not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1996.
  - B. Effective July 1, 1997, the wage schedule will be adjusted by one-half the increase in the Anchorage CPI-U not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1997.
  - C. Effective July 1, 1998, the wage schedule will be adjusted by one-half the increase in the Anchorage CPI-U not to exceed 1.5%. The Bureau of Labor Statistics will release the information in February 1998.
- II. State Revenues. There are no provisions in the agreement which should change State revenues.
- III. Productive Work Hours. A Leave accrual cap was eliminated, allowing all bargaining unit members to accrue annual leave at the 10+ year level. In exchange, the overall accrual levels were decreased in the following manner:

Years of Service	Old Accrual (Hrs. Per Month)	New Accrual (Hrs. Per Month)
5 - 10 yrs	14.0625	13.75
10 +	17.8125	16.25

Conclusion. Funding of the 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 Unit for any assistance desired.

MB/mad

cc: Sharon Barton  
Director  
Division of Administrative Services

Don Wanie  
Director  
Division of Finance

STATE OF ALASKA BARGAINING UNITS

MOUNT EDGECUMBE TEACHERS (TEAME)

Description: Exempt, nonsupervisory, certified teachers in the Department of Education, employed at Mount Edgecumbe School.

Size: 17 PFT employees, as of 12/31/95.  
17 Total employees.

Exclusive Representation: Teachers' Association of Mount Edgecumbe (TEAME)  
President - Ray Stein

Affiliation: National Education Association - Alaska (NEA).

Established: By certification by TEAME under AS 14.20.560 on August 24, 1988.

First Agreement Effective: July 1, 1988.

Current Agreement Expires: June 30, 1997.

Average Monthly Salary (as of 12/31/95): \$4,311

Average Yearly Salary (as of 12/31/95): \$51,730

Total Overtime by BU (for year ended 12/31/95): \$0.00

Average Monthly Employer Benefits (as of 12/31/95): \$1,207

Average Yearly Employer Benefits (as of 12/31/95): \$14,481

Average Years of Service (as of 12/31/95): 7.33

Notes:

Size: PFT = Permanent, probationary and provisional full time employees as of 12/31/95.  
Total= All employees including Seasonal, Non-Perms, and Full Time employees.

Avg. Mo. Salary Source: Ave. Semi-monthly pay for last pay run of the Quarter, 12/31/95. 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.

Avg. Employer Benefits Source: Payroll calculation sheet effective 07/01/95. Includes only Health Ins, Retirement, and SRS. 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 12/31/95. Includes total overtime pay for the calendar year for the entire bargaining unit without regard to employee status.

Current Contract Settlement:

- Salary increase of 1.6% for the first year of the contract. Teachers accepted a lower pay increase in 1990 in order to fund supervision of certain after-school and weekend activities for students. 1.6% was inserted to the salary schedule July 1, 1994 through June 30, 1995.
- Effective July 1, 1995 the salary schedule in effect on June 30, 1995 shall increase by 2%.
- Effective July 1, 1996 the salary schedule in effect on June 30, 1996 shall increase by 3%.
- Health insurance are determined by the Employer. The Employer will pay the total premium for health insurance at the level of coverage in effect on June 30, 1993 until such time as changes are made in the level of benefits for the Employer Sponsored Health Insurance Plan.

Duration of Current Agreement: Three years (July 1, 1994, to June 30, 1997)

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: 31 PFT employees, as of 12/31/95.  
31 Total employees.

Exclusive Representation: Alaska Vocational Technical Teachers Association (AVTECA)  
President - Jim Herlbert

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.

Current Agreement Expires: June 30, 1996

Average Monthly Salary (as of 12/31/95): \$4,233

Average Yearly Salary (as of 12/31/95): \$50,800

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

Total Overtime for BU (for year ended December 31, 1995): \$0.0

Average Monthly Employer Benefits (as of 12/31/95): \$1,193

Average Yearly Employer Benefits (as of 12/31/95): \$14,313

Average Years of Service (as of 12/31/95): 9.31

Notes:

Size: PFT = Permanent, probationary and provisional full time employees as of 12/31/95.  
Total = All employees including Seasonal, Non-Perms, and Full Time employees.

Ave. Mo. Salary: Source: Ave. Semi-monthly pay for last pay run of the Quarter, 12/31/95. 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.

Avg. Employer Benefits: Source: Payroll calculation sheet/ effective 07/01/95. 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 12/31/95. Includes total overtime pay for the calendar year for the entire bargaining unit without regard to employee status.

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.

# **STATE OF ALASKA**

**DEPARTMENT OF ADMINISTRATION**

**DIVISION OF PERSONNEL AND  
OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY**

**1994**

## **SALARY SURVEY REPORT**



**STATE OF ALASKA**  
**SALARY SURVEY REPORT**

**Division of Personnel/Office of EEO**  
**Department of Administration**

**Part I prepared July, 1994 by:**

**Kevin Ritchie . . . . . Director**  
**Kate Larsen . . . . . Personnel Manager**  
**Tony Haffner . . . . . Personnel Specialist**  
**Joann Eakin . . . . . Personnel Specialist**  
**Carl Swanson . . . . . Personnel Specialist**  
**Beth Crie . . . . . Personnel Specialist**

**Part II prepared February, 1995 by:**

**Michael P. McMullen . . . . . Acting Director**  
**Michael G. McKennett . . . . . Personnel Manager**

## **PREFACE**

**The 1994 Salary Survey Report has been drafted in compliance with AS 39.27.030 which requires that the director of the Division of Personnel conduct an annual salary survey and make recommendations in pay ranges to applied to all classes of positions in the state's partially exempt and classified service.**

**This report is broken into two distinct parts, each addressing one of the two components of the salary survey required by state law. Part I reflects the competitive position of state salary levels when compared to other public and private sector employers. Part II reflects the cost of living in various election districts of the state by using the cost of living in Seattle, Washington as a base.**

**Questions and comments regarding this report should be directed to:**

**Director  
Division of Personnel/Office of Equal Employment Opportunity  
Department of Administration  
P.O. Box 110201  
Juneau, Alaska 99811-0201**

**Telephone: (907) 465-4430  
Fax: (907) 465-2576  
TDD: (907) 465-2461**

**The Division of Personnel/Office of Equal Employment Opportunity complies with the Americans with Disabilities Act. Individuals requiring access to this publication in other formats or who wish to make other requests for accommodations should contact the director.**

**Copies of this document are also maintained on file in the State Documents Libraries in various locations throughout the state. For information on how to access these libraries contact: Voice Phone (907) 465-2927; TTY (907) 465-3970.**

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## STATE OF ALASKA 1994 SALARY AND BENEFITS SURVEY

AS 39.27.035 requires the director to prepare an annual pay schedule setting out the base pay for all classes of positions in the state's partially exempt and classified service, taking into account the statistics and reasonable internal pay relationships. This practice has been superseded by the collective bargaining process for the vast majority of state employees. Therefore, as the resources of the division were reduced the annual salary survey was discontinued in favor of other higher priority statutorily and contractually required services. In fiscal year 1994 the Alaska State Employees Association obtained a court's direction to the state to re-institute the annual salary survey in consultation with the unions.

This report presents the results of the study of the competitive position of the state by the Division of Personnel and Office of Equal Employment Opportunity in accordance with the provisions of Alaska Statute Section 39.27.030.

Purpose of Study: The primary purpose of this portion of the state salary survey is to compare the wages of state employees with those in competing labor markets. State of Alaska wages for selected occupations were compared with those in the Alaska public and private sectors, Alaska federal government, and with state governments in Washington, Oregon, and California. A survey of employer provided benefits in the same survey areas is also included to provide a broader picture of each employer's compensation package.

### SALARY SURVEY METHODOLOGY

#### Job Classes:

The following forty-eight benchmark job classes were selected in consultation with representatives of the Alaska State Employees Association, AFSCME Local 52, representing the General Government Bargaining Unit (GGU); the Alaska Public Employees Association, representing the Supervisory Bargaining Unit (SU); the Confidential Employees Association, representing the Confidential Bargaining Unit (CU); the Public Safety Employees Association, representing the Public Safety Bargaining Unit (PSU); and Public Employees Local #71, AFL-CIO, representing the Labor, Trades, and Crafts Bargaining Unit (LTC). The job classes represent a cross section of occupations and ranges. Brief descriptions of the jobs are provided in the appendix.

Accountant II	Fish & Wildlife Tech II
Accountant IV	Laboratory Technician II
Accounting Technician II	Laborer
Accounting Clerk II	Legal Secretary I
Adult Probation Officer II	Licensed Practical Nurse
Administrative Clerk II	Loan/Collection Officer I
Administrative Assistant I	Management Analyst III
Aircraft Mechanic	Mechanic
Analyst/Programmer III	Medical Records Assistant

Attorney IV  
Cook I  
Correctional Officer II  
Data Processing Technician II  
Data Processing Manager I  
Drafting Technician II  
Electrician  
Eligibility Technician II  
Employment Security Spec I-B  
Engineer I  
Environmental Specialist III  
Equipment Operator V  
Fish & Wildlife Enforcement Officer  
Fisheries Biologist II  
Forest Technician III

Motor Vehicle Representative III  
Natural Resources Officer II  
Natural Resources Manager II  
Nurse II  
Physical Therapist  
Plumber  
Psychiatric Nurse Assistant III  
Radio Dispatcher II  
Secretary I  
Sergeant, Public Safety  
Social Worker III  
Stockhandler  
State Trooper  
Wildlife Biologist III  
Youth Counselor II

#### Survey Sample:

The survey sample consists of data from the states of Oregon, Washington, and California (these states constitute Alaska's prime recruitment area); public and private employers in Juneau and Anchorage; and the U. S. Government.

The Alaska survey sample was limited to Juneau and Anchorage to obtain base salaries and eliminate the issue of pay for cost of living in other areas. Not only are Juneau and Anchorage base pay areas, but are where approximately 64% of the state work force is located, so it is also the primary market area.

The cost of living in the various election districts in Alaska is addressed by statute and collective bargaining. It is addressed as required by AS 39.27.030 in Part II of this report.

Public agencies surveyed include the City and Borough of Juneau, the Municipality of Anchorage, the University of Alaska, and the Juneau and Anchorage School Districts. The public data also includes the prevailing wage rates for labor, trades, and crafts jobs which are covered by AS 36.05.010, Department of Labor pay rates for public construction projects. This data is averaged with other public data in the final pay comparisons.

Federal data was obtained from the Office of Personnel Management in Anchorage. Most federal workers in Alaska receive a 25% tax-free cost of living adjustment (COLA). The reported salaries include this adjustment or other special rates, if applicable (i.e. engineers have a special schedule). No attempt was made to adjust for the "tax-free" nature of the COLA, as tax rates vary by overall gross adjusted income which is affected by deductions, family compositions, etc. The rates reported are actual salaries.

As available, private employer data was obtained from the State of Alaska Department of Labor (DOL). The strength of this survey is in its size. The DOL wage rate survey covers a large

sector of private employers: 154 occupations, 1516 employers, and 28,556 employees statewide. To maintain sample consistency, the data used for our survey selected data for the Juneau and Anchorage areas only. As with most surveys, responses are voluntary, and although efforts are made to obtain wage information from employers, some choose not to respond. Because salaries are competitive, employers are reluctant to provide information, even though confidentiality is assured. The Department of Labor survey reported a return rate of 59%.

If the Department of Labor did not survey a benchmark job, we gathered the data by sending a survey to the Juneau and Anchorage employers from the Department of Labor's "100 largest employer" list who were likely to have job matches. Survey forms followed the same format used by the Department of Labor. A description of each job was provided and the firm was asked to match these jobs with theirs and to provide the hourly rates and the number of hours worked per week of all current employees in the job class.

Surveys were sent to sixty-three employers on March 11, 1994. If a response was not received by April 8, telephone followup was conducted to encourage reply. Responses were received from thirty-four of these employers during the months of April and May, 1994. This is a return rate of 54%. A list is provided in the appendix.

We appreciate the cooperation of the firms and agencies who participated and the time they spent to gather and provide us with extensive pay and benefit information.

#### Compilation of Salary Data:

Hourly rates and number of hours worked per week were requested in the survey. Where monthly or other rates were provided, they were converted to hourly rates. Employers were asked to provide the actual pay rates of actual employees. The total data was used to calculate the mean and median, so each employee counted equally. All private data was averaged together as a group. Likewise, all Alaska public data was averaged as a group. Federal and other states were reported separately.

For private employers, the interquartile range of salaries was used for the minimum and maximum. Private industry tends to have a much wider variance of pay than public agencies and the interquartile range is a standard statistical method which is used to eliminate the statistically unsound influence of extremely high or extremely low salaries. The interquartile eliminates the lowest and highest quarter (25%) and uses the middle range of the data. The Department of Labor also uses this standard methodology. In their Wage Rates publication it is called the "middle range."

Cost of living differentials were added to Oregon (+15%) and Washington (+6%) salaries to equate them to Anchorage salaries. California's cost of living is equivalent to Anchorage, so no adjustment was needed. The adjustment was calculated by averaging the Runzheimer International, Inc. and American Chamber of Commerce Researchers Association (ACCRA) comparative cost of living survey data for Seattle and Olympia, Washington; Portland and Salem, Oregon; and Los Angeles and Sacramento, California. The Department of Labor considers Runzheimer and ACCRA to be the best available sources for cost of living indices at

this time. Their data differs somewhat and each has their strengths and weaknesses, so rather than choosing one over the other, an average of both was used. Additional information about these surveys can be found in DOL's Economic Trends publication. Geographic differentials were not assigned for comparisons in Alaska.

Table I which is provided in this report lists the number of employees, minimum, maximum, mean, and median or midpoint by job class for private, public, federal, and the other states. Mean and median were calculated from the actual employee pay rates. This information was not provided by Oregon, so a midpoint was calculated from the average of the minimum and maximum for that state.

Table II, the summary comparisons of the combined survey sample averages the rates for private, public, federal, and the average of other states (shown as C-O-W) to derive one rate which is then compared to the average State of Alaska pay for each bargaining unit. A ratio comparison is calculated by dividing the state average by the survey average. Ratios greater than 1.00 indicate that the state pays more than the survey average.

#### Benefits Survey Methodology:

Table III of benefits that follows indicates the responses to survey forms that were sent to the same employers who were surveyed for salary information.

The responses for the Federal Government, and for the States of Washington, Oregon and California are reported directly. The responses for the Alaska public (Juneau and Anchorage municipalities, school districts, and the University of Alaska) and Alaska private employers are reported as a mean where amounts are required (in terms of money, percentages, number of days, etc.). Where Yes/No answers or codes are required, these are reported as actual responses. If no response was given to a specific question, it was not included in calculation of the mean.

Information was requested for the majority of employees. Where information on different systems or benefits was given, the information used in this survey reflects the majority of employees.

More detailed information is given on State of Alaska benefits to aid comparison. The State of Alaska information is presented by bargaining unit in Table IV.

As with any benefits survey, comparison of results must be tempered by the fact that the benefits systems used by each respondent differ. For example, most Alaska public employers offer PERS retirement benefits, while private employers in Alaska each have different systems, some being defined contributions, others defined benefit. Thus, there is no simple way to indicate any details of retirement plans where, for example, employees have the option of paying variable amounts into the retirement system, or to show differences between different types of defined contribution plans.

## FINDINGS

### SALARY SCHEDULE

There are two important considerations under Alaska Statutes when making salary setting decisions: **external comparison** and **internal consistency**.

The surveying of salaries paid by other states and other Alaskan employers provides an **external comparison** to State of Alaska salaries.

**Internal consistency** is at the heart of the State of Alaska's constitutionally mandated merit system of employment. Alaska statutes require the Personnel Rules to provide for the director of personnel to prepare a pay plan that ". . . shall provide for fair and reasonable compensation for services rendered, and reflect the principle of like pay for like work." For example, it is not consistent with the statute for employees with substantially the same duties to be paid under substantially different pay schedules.

#### External Comparison

The data from the 1994 Salary Survey indicates that state employees in the benchmark positions, on the average, have higher wages than comparable positions in the other employers surveyed. However, these results must be considered in light of the accuracy and reliability of the data.

First, only 48 of approximately 1000 job classes were surveyed. The number of job classes surveyed is necessarily small due to: limits on Division of Personnel/OEEO resources; ensuring that the survey is not too cumbersome for responding employers; and the difficulty of matching state job duties to job duties in the private and public (not including the State of Alaska) sectors to create valid job comparisons.

Second, there is a relatively wide variation in comparisons of hourly pay between specific jobs. For example, the average for the General Government Unit Employees, which represents the largest surveyed group with positions in 37 of the 48 benchmark job classes, is 8% higher than the average of the other employers surveyed. However, within the GGU benchmark job classes, individual comparisons range from 18% less to 40% more than the average of the other employers surveyed.

In conclusion, the relatively small number of job classes surveyed and the relatively wide variation in the comparison of specific jobs significantly limits the reliability of specific "market comparison" conclusions from the salary survey. In general, the survey indicates that state employees are adequately compensated and may be ahead of the market for most job classes.

#### Internal Comparison

On the other hand, internal comparison within state government is extremely precise because, for the most part, the same pay scales and job classifications are used making comparisons very accurate.

The various bargaining units have received approximately 3.6% increases above the non-represented employees paid under the statutory pay scale. Also, the bargaining units have received or been offered at least an additional 2.5% increase as of July 1, 1995. The total pay gap between the non-represented and represented employees will be at least 6.2% (which is the compounded total of the two pay increases) as of July 1, 1995.

### **RECOMMENDATION**

Prior to collective bargaining, the salary survey process was the means for making pay and benefit recommendations for most state employees. Since the salary survey statute was adopted, collective bargaining under the Public Employment Relations Act (PERA) has superseded this process for the vast majority of state employees. This statutory pay scale now only affects state employees in the classified and partially exempt services that are not represented by collective bargaining representatives.

The Personnel Board finds that while it appears that state employees are generally adequately compensated and may be ahead of the market for most job classes, the non represented employees have not received reasonable cost of living increases received by and/or offered to the represented employees. The State Personnel Act requires that the statutory pay plan "reflect the principle of like pay for like work" (AS 39.25.150(2)(B)). The law further requires that the annual pay schedule be developed "taking into account the statistics and reasonable internal pay relationships" (AS 39.27.035). A pay gap of at least 6.2% between represented and non represented employees constitutes an unreasonable inequity based on the merit principle of like pay for like work. Therefore, it is recommended that the statutory pay scale be increased by 6.2% as of July 1, 1995.

**TABLE I**  
**SALARY DATA BY JOB CLASS**

**KEY**

- AK Private** - Alaska private employers in the Juneau and Anchorage areas
- AK Public** - Alaska public employers in the Juneau and Anchorage areas (City and Borough of Juneau, Municipality of Anchorage, University of Alaska, Juneau and Anchorage School districts)
- AK Federal** - Federal Employees in Alaska
- CA State** - California State employees
- OR State** - Oregon State employees
- WA State** - Washington State employees
- AK State AS 39** - Alaska State employees not represented by a collective bargaining unit and paid statutory rates set by the legislature in Alaska Statute 39.27 (approximately 400 employees)
- AK State GGU-1** - Alaska State employees in the General Government Bargaining Unit classified as "Class 1" employees (do not have the right to strike) (approximately 1420 employees)
- GGU-2** - Alaska State employees in the General Government Bargaining Unit classified as "Class 2 or 3" employees (do have the right to strike) (approximately 6200 employees)
- GC** - Alaska State employees in the General Government Bargaining Unit paid on the Correctional Officers salary schedule (do not have the right to strike) (approximately 730 employees)
- GY** - Alaska State employees in the General Government Bargaining Unit paid on the 40-hour salary schedule (do not have the right to strike) (approximately 150 employees)
- AK State CU** - Alaska State employees in the Confidential Bargaining Unit (approximately 150 employees)
- AK State SU** - Alaska State employees in the Supervisory Bargaining Unit (approximately 1030 employees)
- AK State PSU** - Alaska State employees in the Public Safety Bargaining Unit (approximately 410 employees)
- AK State LTC** - Alaska State employees in the Labor, Trades and Crafts Bargaining Unit (approximately 1590 employees)
- AK Title 36** - Employees of contractors and subcontractors working on public construction projects and paid under the Little Davis-Bacon rates set under AS 36.05

Accounting Clerk II P1202-09	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	10.00	15.00	11.55	12.57	558
AK Public	9.68	18.92	13.03	13.18	76
AK Federal	11.02	14.33	12.12	na	na
CA State	10.23	12.44	na	11.49	709
OR State**	9.08	13.55	11.32	na	127
WA State**	9.44	11.90	11.90	11.34	355
AK State AS 39	11.61	15.62	na	na	na
AK State GGU-1 GGU-2	12.08 11.97	15.88 15.72	13.09	13.35	56
AK State CU	12.03	15.80	13.16	12.93	3

Accountant II P1205-16	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	16.12	27.83	22.06	21.93	180
AK Public	16.43	26.64	19.96	20.60	22
AK Federal	20.21	26.29	22.23	na	na
CA State	16.78	20.18	na	17.87	391
OR State**	14.37	22.71	18.54	na	86
WA State**	12.47	15.82	15.82	15.15	286
AK State AS 39	18.12	25.07	na	na	na
AK State GGU-1 GGU-2	18.86 18.69	25.81 25.57	20.77	21.07	23
AK State SU	18.87	25.74	20.21	20.21	1

Accountant IV P1207-20	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	17.93	38.74	24.92	29.57	80
AK Public	23.88	30.83	27.59	27.28	7
AK Federal	24.22	44.24	32.64	na	14
CA State	20.18	24.34	na	22.13	233
OR State**	na	na	na	na	na
WA State**	15.43	19.74	19.74	19.46	43
AK State AS 39	23.91	32.84	na	na	na
AK State GGU-1 GGU-2	24.87 24.65	33.74 33.44	29.21	28.66	5
AK State CU	24.82	33.59	29.40	28.65	11

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

Accounting Tech II P1211-14	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	13.25	18.30	16.12	15.65	94
AK Public	11.97	19.48	14.19	15.10	24
AK Federal	13.65	17.75	15.02	na	58
CA State	11.42	13.88	na	12.86	790
OR State**	10.04	15.57	12.81	na	296
WA State**	17.46	22.34	22.34	21.62	5
AK State AS 39	15.78	21.80	na	na	na
AK State GGU-1 GGU-2	16.42 16.28	22.51 22.31	18.14	18.58	54
AK State CU	16.35	22.42	18.14	18.14	1

Adult Probation Officer II P4343-16	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	na	na	na	na	na
CA State	18.48	26.00	na	26.69	211
OR State**	15.27	23.84	19.56	na	213
WA State**	14.01	17.89	16.21	16.29	260
AK State AS 39	18.12	25.07	na	na	na
AK State GGU-1 GGU-2	18.86 18.69	25.81 25.57	21.72	21.69	37

Administrative Clerk II P1134-08	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	8.80	11.80	8.80	10.58	170
AK Public	9.97	17.87	11.66	11.99	82
AK Federal	9.85	12.95	10.84	na	230
CA State	9.86	11.98	na	10.98	na
OR State**	8.98	12.93	10.96	na	1981
WA State**	9.24	11.63	10.12	10.15	682
AK State GGU-1 GGU-2	11.38 11.28	14.90 14.76	12.34	12.45	494
AK State CU	11.34	14.84	12.03	12.39	10
AK State AS 39	10.94	14.71	14.16	14.16	2

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

Administrative Assistant I P1912-12	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	10.83	11.91	10.83	12.23	171
AK Public	10.60	27.18	15.60	16.64	200
AK Federal	na	na	na	na	na
CA State	12.31	19.21	na	16.25	1511
OR State**	10.22	11.57	12.90	na	2197
WA State**	10.37	13.06	13.06	12.66	177
AK State GGU-1 GGU-2	14.46 14.33	19.56 19.40	15.72	16.14	83
AK State SU	14.50	19.58	17.00	17.51	8
AK State AS 39	13.90	18.90	14.80	15.21	3

Aircraft Mechanic P9563-53	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	15.95	21.11	17.50	18.02	258
AK Public	na	na	na	na	na
AK Federal	20.66	24.10	21.52		16
CA State	16.33	17.93	na	17.07	1
OR State**	na	na	na	na	na
WA State**	17.01	19.74	18.38	18.38	2
AK State AS 39	na	na	na	na	na
AK State LTC	17.74	22.56	21.90	21.78	5

Analyst/Programmer III P1623-17	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	16.74	25.97	25.30	21.97	89
AK Public	18.09	29.37	25.25	24.34	9
AK Federal	20.21	26.29	22.23	na	60
CA State	20.18	24.34	na	22.14	1077
OR State**	14.31	22.71	18.51	na	115
WA State**	14.34	18.34	17.01	16.98	140
AK State AS 39	19.42	26.82	na	na	na
AK State GGU-1 GGU-2	20.20 20.02	27.59 27.34	21.53	21.88	5

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

Attorney IV P7145-24	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	25.78	37.74	30.79	36.33	90
AK Public	25.00	37.80	29.49	29.01	14
AK Federal	24.22	31.48	26.64	na	na
CA State	32.26	39.04	na	35.58	189
OR State**	28.52	38.22	33.37	na	90
WA State**	na	na	na	na	na
AK State AS 39	31.29	43.06	34.77	34.42	75

Cook I P9100-57	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	8.37	12.26	10.00	10.62	52
AK Public	10.26	14.20	11.57	12.10	5
AK Federal	18.76	21.88	19.54	na	14
CA State	11.50	13.98	na	13.07	107
OR State**	10.61	14.32	12.52	na	65
WA State**	9.44	11.90	11.90	11.24	98
AK State AS 39	na	na	na	na	na
AK State LTC	14.12	17.71	17.19	17.15	11

Correctional Officer II P7653-13	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	na	na	na	na	na
CA State	17.68	21.48	na	20.26	13,335
OR State**	12.08	16.31	14.20	na	774
WA State**	11.36	14.34	14.34	13.40	2,237
AK State AS 39	14.80	20.29	na	na	na
AK State GC	16.37	22.41	19.45	18.93	160

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

Data Processing Technician II P1612-14	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	12.06	18.50	14.50	15.23	69
AK Public	13.54	21.91	16.94	17.23	15
AK Federal	na	na	na	na	na
CA State	10.83	15.27	na	13.88	495
OR State**	9.53	13.55	11.54	na	13
WA State**	11.63	14.69	14.69	14.02	47
AK State AS 39	15.78	21.80	na	na	na
AK State GGU-1 GGU-2	16.42 16.28	22.51 22.31	19.40	18.73	27

Data Processing Manager I P1641-21	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	20.71	29.16	22.58	24.23	10
AK Public	28.29	36.85	29.62	31.11	6
AK Federal	16.70	21.71	18.37	na	3
CA State	22.17	26.75	na	25.27	212
OR State**	na	na	na	na	na
WA State**	18.34	23.47	23.47	23.25	25
AK State AS 39	25.57	35.09	na	na	na
AK State GGU-1 GGU-2	26.60 26.36	36.17 35.84	28.79	28.79	2
AK State SU	26.55	36.00	31.40	29.99	7
AK State CU	26.49	36.02	29.36	29.36	1

Drafting Technician II PB424-12	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	15.35	19.26	17.55	17.68	84
AK Public	14.85	35.69	17.29	21.28	4
AK Federal	11.02	14.33	12.12	na	6
CA State	13.62	16.55	na	14.77	90
OR State**	11.56	15.74	13.65	na	9
WA State**	13.67	17.46	17.46	16.51	22
AK State AS 39	13.90	18.90	na	na	na
AK State GGU-1 GGU-2	14.46 14.33	19.56 19.40	14.76	14.79	10

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

Electrician P9342-52	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	13.28	25.32	18.00	19.73	93
AK Public AK Title 36***	16.19	26.53	21.05	20.55 25.32	24
AK Federal	20.66	24.10	21.52	na	63
CA State	16.71	18.35	na	17.33	91
OR State**	13.03	17.83	15.43	na	62
WA State**	14.01	16.21	16.21	15.61	56
AK State AS 39	na	na	na	na	na
AK State LTC	18.98	24.00	22.62	22.17	5

Eligibility Technician II P4172-14	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	11.02	14.33	12.12	na	2
CA State	na	na	na	na	na
OR State**	11.30	15.00	13.15	na	250
WA State**	12.76	16.21	14.01	13.58	73
AK State AS 39	15.78	21.80	na	na	na
AK State GGU-1 GGU-2	16.42 16.28	22.51 22.31	18.04	17.86	75

Employment Sec Specialist I-B P4649-14	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	na	na	na	na	na
CA State	12.31	17.70	na	15.83	2504
OR State**	11.30	15.00	13.15	na	335
WA State**	12.47	15.82	15.82	14.29	530
AK State AS 39	15.78	21.80	na	na	na
AK State GGU-1 GGU-2	16.42 16.28	22.51 22.31	18.04	18.64	93

\* Data is from Department of Labor survey  
\*\* WA and OR adjusted for cost of living  
\*\*\*Public contract rates per Title 36, Chapter 05

Engineer I P8913-19	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	22.44	38.63	32.15	30.69	104
AK Public	22.02	31.60	28.02	26.87	18
AK Federal	25.83	33.10	28.53	na	87
CA State	21.67	26.33	na	22.77	727
OR State**	14.86	20.34	17.60	na	212
WA State**	15.82	20.24	20.24	18.76	16
AK State AS 39	22.38	30.74	na	na	na
AK State GGU-1 GGU-2	23.28 23.06	31.50 31.21	28.17	27.35	32

Environmental Specialist III P8311-18	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	20.21	26.29	22.23	na	15
CA State	19.68	23.76	na	21.61	190
OR State**	19.56	27.17	23.37	na	9
WA State**	13.37	17.01	15.43	15.69	87
AK State AS 39	20.89	28.75	na	na	na
AK State GGU-1 GGU-2	21.72 21.53	29.48 29.21	23.06	23.72	64

Equipment Operator V 9353-53	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	15.00	25.91	22.50	20.72	15
AK Public AK AS 36***	15.86	25.80	21.96	22.03 21.41	62
AK Federal	20.66	24.10	21.52	na	52
CA State	14.25	15.62	na	14.67	1614
OR State**	10.04	15.57	12.81	na	14
WA State**	na	na	14.69	14.47	15
AK State AS 39	na	na	na	na	na
AK State LTC	17.74	22.56	22.56	22.18	29

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

Fish & Wildlife Enforcement Off P6212-13	Min	Max	Median/Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	16.70	21.71	18.37	na	1
CA State	13.47	19.42	na	17.84	243
OR State**	na	na	na	na	na
WA State**	13.06	17.01	16.62	16.11	15
AK State AS 39	14.80	20.29	na	na	na
AK State GGU-1 GGU-2	15.39 15.25	20.97 20.77	16.98	16.56	5

Fisheries Biologist II P6161-16	Min	Max	Median/Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	16.72	21.71	18.37	na	18
CA State	19.28	23.23	na	20.35	112
OR State**	15.00	20.25	17.63	na	116
WA State**	14.34	18.34	17.46	17.34	40
AK State AS 39	18.12	25.07	na	na	na
AK State GGU-1 GGU-2	18.86 18.69	25.81 25.57	20.77	21.30	31

Forest Tech III P6607-11	Min	Max	Median/Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	13.65	17.75	15.02	na	54
CA State	17.13	20.82	na	18.06	5
OR State**	9.95	13.03	11.49	na	47
WA State**	10.61	13.37	12.20	12.21	4
AK State AS 39	13.11	17.68	na	na	na
AK State GGU-1 GGU-2	13.64 13.52	18.21 18.04	13.90	13.90	1

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

Fish & Wildlife Technician II P6113-09	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	11.02	14.33	12.12	na	na
CA State	8.76	10.10	na	na	na
OR State**	11.30	15.00	13.15	na	61
WA State**	11.90	15.05	13.37	13.57	5
AK State AS 39	11.61	15.62	na	na	na
AK State GGU-1 GGU-2	12.08 11.97	15.88 15.72	12.34	12.46	33

Laboratory Technician II P5616-12	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	15.25	22.50	18.50	18.00	64
AK Public	11.97	25.44	17.55	18.13	4
AK Federal	13.65	17.75	15.02	na	3
CA State	17.55	20.18	na	18.92	31
OR State**	11.03	15.00	13.02	na	12
WA State**	13.67	15.43	15.43	15.18	13
AK State AS 39	13.90	18.90	na	na	na
AK State GGU-1 GGU-2	14.46 14.33	19.56 19.40	18.72	18.72	2

Laborer P9398-58	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	8.50	20.00	12.00	12.96	95
AK Public AK AS 36***	11.09	18.30	12.23	13.85 21.55	19
AK Federal	14.00	16.33	14.58	na	84
CA State	11.73	12.79	na	12.16	17
OR State**	8.66	11.87	10.27	na	63
WA State**	10.12	11.63	10.61	10.77	79
AK State AS 39	na	na	na	na	na
AK State LTC	13.32	16.62	15.67	15.67	4

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

Legal Sec 1 P1145-10	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	15.45	19.62	17.55	17.41	88
AK Public	12.28	15.63	14.61	14.15	6
AK Federal	13.65	17.75	15.02	na	na
CA State	13.64	16.57	na	15.65	14
OR State**	na	na	na	na	na
WA State**	11.10	14.01	14.01	13.30	176
AK State AS 39	12.31	16.59	na	na	na
AK State GGU-1 GGU-2	12.81 12.70	16.98 16.82	13.90	14.00	62

Licensed Practical Nurse P5116-13	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	12.90	16.63	14.56	14.66	150
AK Public	na	na	na	na	na
AK Federal	12.49	15.80	14.07	na	15
CA State	11.42	13.51	na	12.61	230
OR State**	10.16	14.32	12.24	na	78
WA State**	11.63	14.69	14.52	14.00	8
AK State AS 39	14.80	20.29	na	na	na
AK State GGU-1 GGU-2	15.39 15.25	20.97 20.77	17.57	17.37	21

Loan/Collection Officer I P2113-16	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	15.09	21.17	18.12	18.94	72
AK Public	na	na	na	22.09	1
AK Federal	20.21	26.29	22.23	na	7
CA State	13.57	20.18	na	17.39	233
OR State**	na	na	na	na	na
WA State**	13.06	16.62	15.82	15.28	86
AK State AS 39	18.12	25.07	na	na	na
AK State GGU-1 GGU-2	18.86 18.69	25.81 25.57	23.86	23.35	6

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

Management Analyst III P1811-18	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	20.09	33.40	30.26	26.96	32
AK Public	na	na	na	na	na
AK Federal	20.21	26.29	22.23	na	40
CA State	19.21	23.18	na	21.42	67
OR State**	16.79	23.44	20.12	na	18
WA State**	13.37	17.01	16.62	16.41	17
AK State AS 39	20.89	28.75	23.14	23.14	1
AK State GGU-1 GGU-2	21.72 21.53	29.48 29.21	25.57	25.47	7

Mechanic P9324-54	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	11.00	19.38	15.86	15.48	170
AK Public AK AS 36***	15.86	26.53	20.91	21.35 22.48	48
AK Federal	20.66	24.10	21.52	na	33
CA State	14.57	15.98	na	15.08	51
OR State**	10.91	15.48	13.20	na	17
WA State**	14.69	17.01	17.01	16.97	20
AK State AS 39	na	na	na	na	na
AK LTC State	16.65	21.17	19.95	20.29	9

Medical Records Assistant P1140-10	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	10.01	13.70	11.38	12.13	40
AK Public	na	na	na	na	na
AK Federal	11.02	14.33	12.12	na	8
CA State	15.46	18.60	na	17.44	14
OR State**	10.22	14.88	12.55	na	21
WA State**	10.85	13.67	13.37	12.92	70
AK State AS 39	12.31	16.59	na	na	na
AK State GGU-1 GGU-2	12.81 12.70	16.98 16.82	14.02	13.59	5

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

Motor Vehicle Rep III P7551-10	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	na	na	na	na	na
CA State	12.57	14.95	na	14.13	498
OR State**	12.39	16.48	14.44	na	55
WA State**	12.17	15.43	14.01	13.63	218
AK State AS 39	12.31	16.59	na	na	na
AK State GGU-1 GGU-2	12.81 12.70	16.98 16.82	14.02	14.20	16

Natural Resource Officer II P6653-16	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	20.21	26.29	22.23	na	10
CA State	19.68	23.76	na	21.74	143
OR State**	na	na	na	na	
WA State**	15.43	19.74	19.74	19.33	34
AK State AS 39	18.12	25.07	na	na	na
AK State GGU-1 GGU-2	18.86 18.69	25.81 25.57	23.06	22.70	40

Natural Resource Manager II P6655-20	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	24.22	31.48	25.03	na	41
CA State	26.35	32.03	na	30.25	18
OR State**	na	na	na	na	na
WA State**	17.01	21.79	21.79	21.37	31
AK State AS 39	23.91	32.84	na	na	na
AK State GGU-1 GGU-2	24.87 24.65	33.74 33.44	30.12	29.40	3
AK State SU	24.82	33.59	30.30	30.25	14

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

Nurse II P5111-15	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	19.00	23.00	21.00	20.89	721
AK Public	15.86	37.61	23.13	25.88	99
AK Federal	22.26	27.27	24.77	na	192
CA State	16.52	21.29	na	19.52	888
OR State**	16.79	32.13	24.46	na	74
WA State**	14.97	21.61	18.18	17.80	535
AK State AS 39	16.89	23.35	na	na	na
AK State GGU-1 GGU-2	17.57 17.41	24.09 23.86	18.69	18.89	37

Physical Therapist P5446-18	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	20.50	24.75	22.96	22.65	41
AK Public	20.57	38.34	31.25	29.72	9
AK Federal	20.21	26.29	22.23	na	1
CA State	15.98	19.33	na	18.40	8
OR State**	14.98	21.75	18.37	na	34
WA State**	14.34	18.34	na	na	0
AK State AS 39	20.89	28.75	na	na	na
AK State GGU-1 GGU-2	21.72 21.53	29.48 29.21	24.95	24.95	2

Plumber P9364-52	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	15.00	20.00	19.00	18.79	90
AK Public AK AS 36***	15.05	21.05	21.05	20.00 26.00	16
AK Federal	19.71	22.99	20.53	na	4
CA State	16.71	18.35	na	17.39	66
OR State**	14.85	17.83	16.34	na	21
WA State**	14.01	16.21	16.21	15.84	14
AK State AS 39	na	na	na	na	na
AK State LTC	18.98	24.00	24.00	24.00	1

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

Psychiatric Nurse Asst III P5172-10	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	11.10	14.10	11.48	11.85	6
AK Federal	na	na	na	na	na
CA State	12.72	15.30	na	14.46	3,717
OR State**	na	na	na	na	na
WA State**	11.61	14.69	14.69	13.73	118
AK State AS 39	12.31	16.59	na	na	na
AK State GGU-1 GGU-2	12.81 12.70	16.98 16.82	14.46	14.42	62

Radio Dispatcher II P1115-12	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	15.48	25.91	22.00	21.54	43
AK Federal	na	na	na	na	na
CA State	12.84	15.60	na	14.25	521
OR State*	11.74	17.09	14.42	na	47
WA State*	11.10	14.01	13.67	13.13	72
AK State AS 39	13.90	18.90	na	na	na
AK State GGU-1 GGU-2	14.46 14.33	19.56 19.40	16.15	16.31	12

Secretary I P1151-10	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	10.00	15.97	12.60	13.06	413
AK Public	10.27	20.58	13.81	14.85	61
AK Federal	11.02	14.33	12.12	na	36
CA State	11.62	14.12	na	13.33	328
OR State**	7.82	11.78	9.80	na	540
WA State**	10.12	12.76	12.76	12.36	330
AK State AS 39	12.31	16.59	12.70	12.71	3
AK State GGU-1 GGU-2	12.81 12.70	16.76 16.82	13.90	14.19	78

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

Sergeant, P.S. P7705-78	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	24.24	36.10	33.43	32.72	37
AK Federal	na	na	na	na	na
CA State	21.49	26.12	na	24.40	595
OR State**	20.39	30.06	25.23	na	90
WA State**	22.73	29.14	na	na	123
AK State AS 39	na	na	na	na	na
AK State PSU****	23.50	32.73	29.31	29.73	17

\*\*\*\* recent arbitration 3.6% increase not included

Social Worker III P4113-16	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	14.87	23.48	18.09	18.48	10
AK Federal	20.21	26.29	22.23	na	11
CA State	na	na	na	na	na
OR State*	15.73	20.91	18.32	na	719
WA State*	14.34	18.34	18.34	17.73	449
AK State AS 39	18.12	25.07	na	na	na
AK State GGU-1 GGU-2	18.86 18.69	25.81 25.57	21.53	21.54	59

Stockhandler P9577-57	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private*	8.49	11.50	10.37	10.47	170
AK Public	10.30	21.96	19.74	17.93	8
AK Federal	15.90	18.55	16.56	na	101
CA State	12.56	13.66	na	12.89	273
OR State**	8.75	12.31	10.53	na	23
WA State**	9.68	12.17	11.63	11.29	114
AK State AS 39	na	na	na	na	na
AK State LTC	14.12	17.71	16.69	16.94	10

\* Data is from Department of Labor survey

\*\* WA and OR adjusted for cost of living

\*\*\*Public contract rates per Title 36, Chapter 05

State Trooper P7703-76	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	18.72	34.63	27.63	27.36	231
AK Federal	na	na	na	na	na
CA State	17.68	21.47	na	20.19	4,193
OR State*	19.03	24.47	21.75	na	390
WA State*	14.77	17.72	na	na	611
AK State AS 39	na	na	na	na	na
AK State PSU****	20.28	28.26	26.25	24.64	45

\*\*\*\* recent 3.6% arbitration increase not included

Wildlife Biologist III P6143-18	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	24.22	31.48	25.03	na	42
CA State	21.62	26.08	na	24.29	18
OR State*	17.28	23.44	20.36	na	84
WA State*	14.34	18.34	16.22	16.38	12
AK State AS 39	20.89	28.75	na	na	na
AK State SU	21.72	29.40	27.97	27.97	2
AK State GGU-1 GGU-2	21.72 21.53	29.48 29.21	26.36	25.68	17

Youth Counsel II P7612-13	Min	Max	Median/ Midpoint	Mean	Total Employees
AK Private	na	na	na	na	na
AK Public	na	na	na	na	na
AK Federal	na	na	na	na	na
CA State	19.40	23.58	na	23.16	876
OR State*	11.30	15.37	13.34	na	203
WA State*	13.37	17.01	15.43	15.61	279
AK State AS 39	14.80	20.29	na	na	na
AK State GY	15.39	20.96	17.57	17.02	71

\* Data is from Department of Labor survey  
 \*\* WA and OR adjusted for cost of living  
 \*\*\*Public contract rates per Title 36, Chapter 05

**TABLE II**  
**SUMMARY COMPUTATIONS**

The following table shows average hourly pay for each job class for Alaska private, public, federal, and California, Oregon, Washington combined (C-O-W). The average of these is shown in the table as "AVERAGE". This overall average for each class is compared with the mean state salary by bargaining unit. The ratio of the state to the survey average is immediately below the state average for each bargaining unit. For example, the survey average for Accountant IV is 27.57. The state GGU mean is 28.66. The ratio is 1.04. This means that the GGU's average pay is 4% more than the survey average.

Overall averages, which are simple means of all job classes represented by bargaining unit, are provided at the bottom of the table.

Job Class*	Private	Public	Federal	C-O-W	AVERAGE	GGU/ ratio	SU/ ratio	CU/ ratio	LTC/ ratio	PSU/ ratio	Statute/ ratio
Accountant IV	29.57	27.28	32.64	20.80	27.57	28.66 1.04	28.65 1.04				
Accountant II	21.93	20.60	22.23	17.19	20.49	21.07 1.03	20.21 .99				
Acct Tech II	15.65	15.10	15.02	15.76	15.38	18.58 1.21		18.14 1.18			
Acct Clk II	12.57	13.18	12.12	11.38	12.31	13.35 1.08		12.93 1.05			
Ad Prob Off II				20.85	20.85	21.69 1.04					
Admin Clerk II	10.58	11.99	10.84	10.70	11.03	12.45 1.13		12.39 1.12			14.16 1.28
Admin Asst I	12.23	16.64		13.94	14.27	16.14 1.13	17.51 1.23				15.21 1.07
Aircraft Mech	18.02		21.52	17.73	19.09				21.78 1.14		
A/P III	21.97	24.34	22.23	19.21	21.94	21.88 1.00					
Attorney IV	36.33	29.01	26.64	34.48	31.61						34.42 1.09
Cook I	10.62	12.10	19.54	12.28	13.63				17.15 1.26		
Corr Off II				15.95	15.95	18.93 1.19					
DP Tech II	15.25	17.23		13.15	15.20	18.73 1.23					

Job Class*	Private	Public	Federal	C-O-W	AVERAGE	GGU/ ratio	SU/ ratio	CU/ ratio	LTC/ ratio	PSU/ ratio	Statute/ ratio
DP Mgr I	24.23	31.11	18.37	24.26	24.49	28.79 1.18	29.99 1.22	29.36 1.20			
Draft Tech II	17.68	21.28	12.12	14.98	16.52	14.99 .91					
Electrician	19.73	22.94		16.12	19.60				22.17 1.13		
Elig Tech II		12.12		13.37	12.74	17.86 1.40					
ESS IB				14.42	14.42	18.64 1.29					
Engineer I	30.69	26.87	28.53	19.71	26.45	27.35 1.03					
Env Spec III			22.23	20.22	21.22	23.72 1.12					
Equip Op V	20.72	22.26	21.52	13.98	19.62				22.18 1.13		
FWE0			18.37	16.98	17.67	16.56 .94					
F B II			18.37	18.44	18.40	21.30 1.16					
For Tech III			15.02	13.92	14.47	13.90 .96					
FWT II			12.12	13.36	12.74	12.46 .98					
Lab Tech II	18.00	18.13	15.02	15.71	16.71	18.72 1.12					
Laborer	12.96	17.70	14.58	11.07	14.08				15.67 1.11		
Legal Sec I	17.41	14.15	15.02	14.48	15.26	14.00 .92					
LPN	14.66		14.07	12.95	13.89	17.37 1.25					
Loan Coll/Off I	18.94	22.00	22.23	16.34	19.88	23.35 1.17					

Job Class*	Private	Public	Federal	C-O-W	AVERAGE	GGU/ ratio	SU/ ratio	CU/ ratio	LTC/ ratio	PSU/ ratio	Statute/ ratio
Mgt An III	26.96		22.23	19.32	22.84	25.47 1.12					25.47 1.12
Mechanic	15.48	21.92	21.52	15.08	18.50				20.29 1.10		
Med Rec Asst	12.13		12.12	14.30	12.85	13.59 1.06					
MV Rep III				14.07	14.07	14.20 1.01					
Nat Res Off II			22.23	20.54	21.38	22.70 1.06					
Nat Res Mgr II			25.03	25.81	25.42	29.40 1.16	30.25 1.19				
Nurse II	20.89	25.88	24.77	20.59	23.03	18.89 .82					
Phys Therapist	22.65	29.72	22.23	17.70	23.08	24.95 1.08					
Plumber	18.79	23.00	20.53	16.52	19.71				24.00 1.22		
Psy Nur Ast III		11.85		14.10	12.97	14.42 1.11					
Radio Dis II		21.54		13.93	17.74	16.31 .92					
Secretary I	13.05	14.85	12.12	11.83	12.97	14.19 1.09					12.71 .98
Sgt, PS		32.72		25.19	28.95					29.73 1.03	
Social Wkr III	na	18.48	22.23	17.78	19.50	21.54 1.10					
Stock Handler	10.47	17.93	16.56	11.57	14.13				16.94 1.20		
St Trooper		27.36		19.40	23.38					24.64 1.05	
Wild Biol III			25.03	20.34	22.69	25.68 1.13	27.97 1.23				

Job Class*	Private	Public	Federal	C-D-W	AVERAGE	GGU/ ratio	SU/ ratio	CU/ ratio	LTC/ ratio	PSU/ ratio	Statute/ ratio
Youth Couns II				17.37	17.37	17.02 .98					
Averages						1.08	1.15	1.13	1.16	1.04	1.11

\* See pages 1 and 2 for complete title of job class, and Appendix A for job class descriptions.

TABLE III

1994 SURVEY BENEFITS DATA

QUESTION	Ak Public	Ak Private	Fed. Gov't	WA State	OR State	CA State
Are the majority of your employees covered by a collective bargaining agreement?	N2 Y4	N17 Y13		Y	Y	Y
How many hours in the normal working week?	39.17	40.18	40	40	40	40
What is the normal rate of overtime payment?	1.5	1.5	1.5	1.5	1.5	1.5
Overtime is paid after how many hours/week?	39.58	37.85	40	40	40	40
How many paid holidays are there each year?	11.33	8.80	10	11	10	13
Do you offer: - paid or reimbursed child care? - profit sharing/annual bonuses? - annual merit increase? - performance bonus? - annual cost-of-living increase?	N5 Y1 N6 N3 Y3 N6 N5 Y1	N6 Y24 N12 Y17 N11 Y18 N23 Y6 N17 Y12	N N Y Y Y	 N N N Y	N N Y N N	N N Y Y Y
Cost of Benefits Package as percentage of payroll	38.98	33.50	50		45	31.50
<b>LEAVE</b>						
Type of leave: - Annual/Sick - Personal* * Combination of Annual and Sick Leave.	N1 Y5 Y2	N7 Y23 N20 Y6	Y N	Y N	Y N	Y N
(Annual) Leave accrual rate for the majority of your employees (days per year)? - First year - Third year - Sixth year - Eleventh year - Twentieth yr.	17.25 18.75 21.00 24.00 24.00	10.63 13.21 18.02 21.19 22.87	13.00 20.00 20.00 20.00 26.00	12.00 14.00 15.00 17.00 22.00	12.00 12.00 15.00 18.00 24.00	10.50 10.50 15.00 18.00 21.00

1994 Survey Benefits Data

QUESTION	Ak Public	Ak Private	Fed. Gov't	WA State	OR State	CA State
(Personal) leave accrual rate for the majority of your employees (days per year)? - First year - Third year - Sixth year - Eleventh year - Twentieth yr.	20.50 23.50 26.00 30.00 33.00	16.83 19.17 23.33 26.67 27.33				
Does unused annual/personal leave accumulate from year to year?	Y5	N6 Y19	Y	Y		Y
Can unused annual/personal leave be cashed out at termination?	Y5	N2 Y22	Y	Y		Y
Sick leave accrual rate for the majority of your employees (days per year)? - First year - Third year - Sixth year - Eleventh year - Twentieth yr.	15.25 15.25 15.25 15.25 15.25	11.11 15.34 22.43 30.61 31.41	13.00 13.00 13.00 13.00 13.00	12.00 12.00 12.00 12.00 12.00	12.00 12.00 12.00 12.00 12.00	8.00 8.00 8.00 8.00 8.00
Can unused sick leave be cashed out at termination?	N3 Y1	N20 Y4	N	Y	N	N
Does sick leave accumulate each year?	Y4	N6 Y17	Y	Y	Y	Y
<b>INSURANCE</b>						
Overall cost of health insurance premium per month? - Employee - Spouse - Family	371.88 409.42 411.87	172.90 275.86 420.79	** see foot note <sup>1</sup>	324	217.26 327.02 341.52	160.00 319.00 415.00
Medical expense coverage - percentage - \$ amount	80.83 2750	78.70 4687.5		80 4000	90 3500	80 3000
Do you have a cafeteria plan? If yes, amount employees receive per month.	N5 Y4 318.75	N24 Y4 220.50	N	N	Y 355.81	N
Amount of medical plan's deductible - employee - family	125.00 243.30	270.00 631.15		100 300	100 300	250 500

1994 Survey Benefits Data

QUESTION	Ak Public	Ak Private	Fed. Gov't	WA State	OR State	CA State
Does employee participate in payment of premium? - employee - spouse - family	N6 N5 Y1 N5 Y1	N11 Y17 N3 Y25 N3 Y25	Y Y Y	N N N	N Y Y	N Y Y
Medical plan coverage# %age of plan paid by employer for: - employee (E) - spouse/family (F)	F 100 82.67	F-27 E-1 84.26 62.48	F 60 60	F 100 100	F 100 100	F 100 89
Dental plan coverage# %age of plan paid by employer for: - employee (E) - spouse/family(F)	F 100 82.67	F-26 E-1 77.39 61.04	F 60 60	F 100 100	F 100 100	F 100 100
Vision plan coverage# %age of plan paid by employer for - employee (E) - spouse/family (F)	F 85.00 82.67	F-14 83.36 71.07	F 60 60	F 100 100	F 100 100	F 100 100
Prescription drugs plan coverage# %age of plan paid by employer for - employee (E) - spouse/family (F)	F 100 82.67	F-27 E-1 84.54 69.67	F 60 60	F	F 100	F
Employee assistance plan coverage# %age of plan paid by employer for - employee (E) - spouse/family (F)	F-5 E-1 100 80	F-15 100 96.67	F	N/A	F 100 100	F 100 100
Life insurance coverage# %age of plan paid by employer for - employee (E) - spouse/family (F)	F-3 E-2 100 100	E-14 F-11 94.78 80.60	F 33 33	E 100	E 100	E 100
<b>RETIREMENT PLAN</b>						
Do you have a formal retirement plan?	Y	N1 Y25	Y	Y	Y	Y
Percentage of salary paid by employee into retirement fund?	6.75	0.45	7.00		0	5.00

1994 Survey Benefits Data

QUESTION	Ak Public	Ak Private	Fed. Gov't	WA State	OR State	CA State
Retirement Benefit Calculation - retirement benefit is calculated by using:						
- av. monthly comp'n. over	3	4.0	3.0		1.0	1.0
- percentage multiplier	2	1.79	1		1.67	2.0
- number of years service	10	27.14				
- next percentage multiplier	2.5	2.88				
- next no. of years service	10	12.50				
- next percentage multiplier	2.5	2.50				
- next no. of years service	10	10				
Does your retirement plan provide Medical coverage upon retirement?	N1 Y4	N12 Y9	Y	N	Y	Y
What percent does employer pay?	11.25	65.92	75		8.60	9.94
Retirement plan based on (1) defined benefit (B) or (2) defined contribution (C)?	B	B8 C8	B		B	B
34. Does your retirement plan have portability?	N	N7 Y5	Y		N	Y
How many years to vesting	5	5.72	5		5	5
Age or length of service for retirement:						
- Age: Early Retirement	55	55.33	50	50	55	50
Normal Retirement	60	61.31	55	65	58	60
- Length of service	30	30	30	25		

1. Federal Government employees select from a variety of health plans. Normally the Federal Government pays 60% of the cost of the six largest high-value health plans, and these responses are based on this. The Federal Government does not pay more than 75% of the cost of a health plan.

TABLE IV

STATE OF ALASKA BENEFITS DATA BY BARGAINING UNIT

QUESTION:	GGU	SU	LTC	CU	PSU	Statutory
Are the majority of your employees covered by a collective bargaining agreement?	Y	Y	Y	Y	Y	N
How many hours in the normal working week?	37.5/ 40	37.5	37.5	37.5	40- 41.25	37.5
What is the normal rate of overtime payment?	1.5	1.5	1.5	1.5	1.5	1.5
Overtime is paid after how many hours/week?	37.5/ 40	40	37.5	37.5	40	37.5
How many paid holidays are there each year?	11 <sup>1</sup>	11 <sup>2</sup>	11 <sup>2</sup>	11 <sup>2</sup>	11 <sup>3</sup>	11
Do you offer:						
- paid or reimbursed child care?	N	N	N	N	N	N
- profit sharing/annual bonuses?	N	N	N	N	N	N
- annual merit increase?	Y	Y	Y	Y	Y	Y
- performance bonus?	N	N	N	N	N	N
- annual cost-of-living increase?	N	N	N	N	N	N
Cost of Benefits Package as percentage of payroll	38%	34%	39%	39%	39%	na
<b>LEAVE</b>						
Type of leave:						
- Annual/Sick	Y	N	Y	N	N	N
- Personal*	N	Y	N	Y	Y	Y
* Combination of Annual and Sick Leave						
(Annual) Leave accrual rate for the majority of your employees (days per year)?						
- First year	15	na	15	na	na	na
- Third year	21		21			
- Sixth year	24		24			
- Eleventh year	30		30			
- Twentieth yr.	30		30			

1994 State of Alaska Benefits Data by Bargaining Unit

QUESTION	GGU	SU	LTC	CU	PSU	Statutory
(Personal) leave accrual rate for the majority of your employees (days per year)? - First year - Third year - Sixth year - Eleventh year - Twentieth yr.	na	24 27 30 36 36	na	24 27 30 36 36	24 27 30 36 36	24 27 30 36 36
Does unused annual/personal leave accumulate from year to year?	Y <sup>4</sup>	Y	Y <sup>5</sup>	Y	Y	Y
Can unused annual/personal leave be cashed out at termination?	Y	Y	Y	Y	Y	Y
Sick leave accrual rate for the majority of your employees (days per year)? - First year - Third year - Sixth year - Eleventh year - Twentieth yr.	15 15 15 15 15	na	15 15 15 15 15	na	na	na
Can unused sick leave be cashed out at termination?	N	na	N	na	na	na
Does sick leave accumulate each year?	Y	na	Y	na	na	na
<b>INSURANCE</b>						
Overall cost of health insurance premium per month? - Employee - Spouse - Family	423.5	423.5 <sup>6</sup>	500 <sup>7</sup>	423.5 <sup>6</sup>	386.7 <sup>8</sup>	423.5
Medical expense coverage - percentage - \$ amount	80 5000	80 5000	na	80 5000	na	80 5000
Do you have a cafeteria plan?  If yes, amount employees receive per month.	N	N	na	N	na	N
Amount of medical plan's deductible - employee - family	250 500	250 500	na	250 500	na	250 300

1994 State of Alaska Benefits Data by Bargaining Unit

QUESTION	GGU	SU	LTC	CU	PSU	Statutory
Does employee participate in payment of premium? - employee - spouse - family	N N N	N N N	Note 7	Y	Note 8	N N N
Medical plan coverage# %age of plan paid by employer for: - employee (E) - spouse/family (F)	100 100	100 100	na	100 100	na	100 100
Dental plan coverage# %age of plan paid by employer for: - employee (E) - spouse/family (F)	100 100	100 100	na	100 100	na	100 100
Vision plan coverage# %age of plan paid by employer for: - employee (E) - spouse/family (F)	100 100	100 100	na	100 100	na	100 100
Prescription drugs plan coverage# %age of plan paid by employer for: - employee (E) - spouse/family (F)	100 100	100 100	na	100 100	na	100 100
Employee assistance plan coverage# %age of plan paid by employer for: - employee (E) - spouse/family (F)	100 100	100 100	na	100 100	na	100 100
Life insurance coverage# %age of plan paid by employer for: - employee (E) - spouse/family (F)	100 na	100 na	100 na	100 na	100 na	100 na
<b>RETIREMENT PLAN</b>						
Do you have a formal retirement plan?	Y	Y	Y	Y	Y	Y
Percentage of salary paid by employee into retirement fund?	6.75	6.75	6.75	6.75	7.5	6.75

## 1994 State of Alaska Benefits Data by Bargaining Unit

QUESTION	GGU	SU	LTC	CU	PSU	Statutory
Retirement Benefit Calculation - retirement benefit is calculated by using:						
- av. monthly comp'n. over	3 yrs.	3 yrs.	3 yrs.	3 yrs.	3 yrs	3 yrs.
- percentage multiplier	2	2	2	2	2%	2
- number of years service	10	10	10	10	10	10
- next percentage multiplier	2.25	2.25	2.25	2.25	2.5	2.25
- next no. of years service	10	10	10	10	10	10
- next percentage multiplier	2.5%	2.5	2.5	2.5		2.5
- next no. of years service	10+	10+	10+	10+		10+
Does your retirement plan provide Medical coverage upon retirement?	Y	Y	Y	Y	Y	Y
What percent does employer pay?	100%	100	100	100	100	100
Retirement plan based on (1) defined benefit (B) or (2) defined contribution (C)?	B	B	B	B	B	B
Does your retirement plan have portability?	N	N	N	N	N	N
How many years to vesting	5	5	5	5	5	5
Age or length of service for retirement:						
- Age: Early Retirement	55	55	55	55		55
Normal Retirement	60	60	60	60		60
- Length of service	30	30	30	30	20	30

### NOTES:

1. Employee's birthday and Lincoln's Birthday are floating holidays.
2. Lincoln's birthday is a floating holiday
3. Lincoln's birthday is a floating holiday. Airport Safety Officers in this Unit get a floating holiday for their birthday.
4. General Government Bargaining Unit employees may accumulate up to 60 days annual leave in a one year.
5. Labor Trades and Crafts employees may accumulate up to 450 hours annual leave in any one ye
6. Supervisory Unit and Confidential Unit employees currently contribute \$4.70 towards the cost of health insurance.

## **1994 State of Alaska Benefits Data by Bargaining Unit**

7. The State of Alaska pays this amount for each unit employee to Public Employees Local 71 which administers a health plan.
8. The State of Alaska pays this amount for each unit employee to Public Safety Employees Association which administers a health plan. Public Safety Employees Association members pay \$68.00 towards the cost of health insurance.

**ALASKA SALARY SURVEY**

**JOB CLASS DESCRIPTIONS**

**Administrative Clerk II:** This is the full proficiency level clerk who performs a variety of office clerical assignments of average difficulty and/or defined clerical service in support of a specific program. Positions perform a variety of typing and/or processing documents.

**Accounting Clerk II:** This is the journey level accounting clerk performing posting, calculating, coding, verifying, and other activities to process and maintain financial records. This level requires knowledge of clerical accounting, accounts coding, and the use and purposes of documents to maintain and adjust records and may check the work of others.

**Accounting Technician II:** Positions perform moderately difficult technical accounts maintenance, reconciliation, and reporting for a variety of programs or areas, with more than one funding source, varying types of advanced or deferred payments or modifications to programs, and preparation of statements and reports which require extensive searching to determine relevance or usefulness of the data.

**Accountant II:** This is the journey level accountant performing a variety of professional level accounting including auditing and analyzing accounts; preparing and modifying accounting systems; and interpreting, summarizing, and reporting financial data. Work at this level involves a variety of programs and accounts and types of disbursements and revenues.

**Accountant IV:** These positions perform very complex accounting functions. As financial managers, they develop and coordinate accounting services and related business and financial management activities through subordinate accounting staff responsible for complex accounting functions and systems. With the State, these involve multi-agency or multi-system interactions. May serve as the finance officer for a smaller agency.

**Administrative Assistant I:** These positions perform a variety of general administrative support services and special projects as staff assistant to a line program supervisor or administrative officer. Performs budget preparation, purchasing, personnel functions, monitors expenditures, responds to inquiries and complaints, and prepares administrative correspondence.

**Adult Probation Officer II:** This is the full performance level with independent responsibility for a varied caseload. Positions perform office and/or field work in probation and parole casework, pre-sentence investigation, intake, supervision and guidance of parolees and probationers.

**Aircraft Mechanic:** Performs skilled maintenance, repair, service, and overhaul of aircraft. Makes minor and major repairs, changes engines, replaces or repairs parts including engine, airframe, and sheet metal parts. Maintains work reports and logs.

Analyst/Programmer III: Performs computer programming work including detailed program design, coding, testing, debugging, and documentation. This is the full proficiency level for programming or computer system support.

Attorney IV: This is the full working level. Positions render a variety of legal services, provide legal advice, prepare formal opinions, draw up legal documents, and serve as defense attorney or prosecuting attorney for all types of cases. Negotiate settlements or changes of plea.

Cook II: This is the journey level cook who prepares a variety of foods in an institution kitchen. Using recipes, verbal instruction, or individual discretion prepares food items in large quantities for meals.

Correctional Officer II: Performs the full range of security duties among prisoners in an adult correctional institution. Maintains order and discipline, patrols and inspects facilities and grounds, observes prisoners and visitors for unusual behavior, keeps records.

Data Processing Tech: Monitors, controls, and operates computer equipment at the full performance level. Loads input and output, makes test and operational runs, detects error message and makes corrections to equipment and production failures.

Data Processing Manager I: This is the first full management level responsible for the planning, organizing, & coordinating of data processing activities for an agency. Prepare and administer budgets, plan and schedule work, establish procedures, supervise staff of analyst/programmers, and control projects.

Drafting Technician II: This is the full performance level. Performs drafting duties to prepare drawings and plans. Plans layouts, determines scale, method of presentation, sectional views and pictorial presentations using standard drafting equipment including computer (CAD) systems.

Electrician: Performs journey level electrical work in the maintenance, inspection, repair, adjustment, and installation of electrical systems.

Eligibility Technician II: This is the journey level who performs the full range of duties related to determining and authorizing benefits for public assistance applicants. Work includes in-depth interviews, data collection, and eligibility determination.

Employment Security Specialist IB: Positions perform employment and unemployment work of average difficulty. Work involves intake/placement, interviewing job applicants, matching applicants with employers job orders, interviewing unemployment insurance claimants, and making eligibility determinations.

**Engineer I:** This is the professional registered level which typically leads a group of technical/professional engineering staff and is responsible for assigned projects involving the design and/or construction of highways, airports, harbor facilities, utilities, or other structures.

**Environmental Specialist III:** This is the advanced or lead level. Positions provide specialized technical expertise in a specific segment of an environmental protection program, i.e. hazardous waste, waste water, oil pollution, solid waste. Provide technical leadership on projects to field staff.

**Equipment Operator V:** Operates specialized motor equipment and power construction equipment used in the construction and maintenance of roads and other facilities, such as motor graders, shovels, backhoes, front loaders, asphalt distributors, and crawler tractors.

**Fish and Wildlife Enforcement Officer:** Positions perform patrol and apprehend violators of fish and game laws, issue citations, gather and preserve evidence, and attend court proceedings. These officers have limited authority, not full police authority, and weapons are restricted.

**Fishery Biologist II:** This is the full working level with responsibility for research project segments or fisheries management activities in a district. Positions study fishery resources to recommend regulations, area closures, and fishing limits. Positions review and monitor habitat changes, and conduct population studies.

**Forest Technician III:** This is a paraprofessional level which leads field crews in fire prevention, fire suppression and resource management programs. Duties include issuance of burning permits, site inspections, dispatching fire suppression forces, leading fire fighting crews, determining timber stand volumes and other field data, preparing maps of timber sales, etc.

**Fish and Wildlife Technician II:** Positions perform biological field sampling and research functions requiring a fundamental knowledge of research procedures. Positions perform creel census, port sampling, remove and read fish tags, collect biological samples, tag fish, conduct test fishing, enter data on computers, etc.

**Laboratory Technician II:** This is the full performance level who performs tests and procedures independently. Positions prepare reagents and culture media, inoculate and streak cultures, examine growth, perform standard tests for pathogens, and other routine testing of human specimens in a medical laboratory.

**Laborer:** Performs varied manual, unskilled or limited semi-skilled work in maintenance and construction. Loads and unloads, lifts, and moves supplies and equipment, assists with repair and maintenance of buildings, machine feeding and offbearing, patches pavement, shovels snow, removes brush, cleans culverts and roadsides, digs ditches.

**Legal Secretary I:** Serves as secretary to attorney(s) to provide administrative and office detail and perform a variety of legal clerical tasks. Takes and transcribes dictation of briefs, legal opinions, contracts, etc., prepares correspondence, legal notices, gathers material for attorneys; maintains records and sets up files.

**Licensed Practical Nurse:** Cares for ill, injured, and convalescent persons in hospital or institutional settings.

**Loan/Collection Officer I:** Performs professional journey level lending and/or collection activities for well-established programs. Processes applications for a variety of lending programs and/or collects monies on delinquent or defaulted loans.

**Management Analyst III:** This is the full professional working level. Incumbents perform complex and extensive studies at a conceptual and innovative level to identify, analyze, and document management procedure and policy problems and recommend corrective action. Evaluate resources and organization, work standards, conduct time and motion studies, etc.

**Mechanic:** Performs journey level work in the maintenance, repair, and overhaul of gasoline, diesel, and electrically powered equipment. Diagnoses, adjusts, repairs, and replaces defective automotive parts and components such as engines, transmissions, carburetors, lines, switches, etc.

**Medical Records Assistant:** Responsible for the day-to-day establishment, maintenance, and management of all medical records in a hospital/institution. Assures compliance with state and federal regulations.

**Motor Vehicle Representative III:** In addition to routine motor vehicle and drivers licensing duties, positions administer road tests to drivers, perform specialized license functions, and/or prepare and issue special permits such as oversize or overweight permits.

**Natural Resources Officer II:** This is the full professional level in areas of resource planning, adjudicating resource use, and professional research related to the management of natural resources. Positions research land status, write reports on resource issues, and evaluate proposals for resource use.

**Natural Resources Manager II:** Supervises a staff or unit with responsibility for significant statewide resource management functions, i.e. forestry, parks, lands. In a decentralized organization, supervises several units through subordinate supervisors. Responsible for management of at least one, often more, major projects.

**Nurse II:** This is the journey level registered nurse who performs the full range of professional level nursing duties. Administers treatment, medications, and nursing care to patients, makes nursing assessment and reports patient condition and reactions.

**Physical Therapist:** This is the journey level who administers individual physical therapy treatment programs using the full range of therapeutic procedures. Prepares reports of treatment, evaluation and discharge summaries for patients.

**Plumber:** Performs journey level plumbing work which involves the installation, modification, and repair of new and existing utility, supply and disposal systems and equipment which is subject to the Uniform Plumbing Code.

**Psychiatric Nursing Assistant III:** This is the journey level which performs a variety of subprofessional psychiatric nursing duties to provide care, treatment and rehabilitation to patients. Observes, reports, and charts patient behavior, assists in patient activities and therapies, interacts with patients to contribute to their rehabilitation.

**Radio Dispatcher II:** Receives, evaluates, and relays information to, from, and between public safety units, agencies, and the public by means of telephone, radio-telephone, and other electronic means. Dispatches commissioned officers to accidents and crime scenes. Answers questions and determines if dispatching police or other emergency personnel is necessary.

**Secretary I:** Performs a variety of clerical duties as the personal assistant of an executive. Relieves the supervisor of administrative detail by scheduling meetings and travel, screening calls and providing information, composing and typing correspondence, gathering materials, routing mail, filing, etc.

**Sergeant, Public Safety:** Supervise: a post, team, or shift of law enforcement officers (at least four subordinates) who provide for enforcement of laws and assist and protect the public safety.

**Social Worker III:** This is the journey level providing a full range of social casework services covering such areas as adoption, foster home care, child protection, individual and family counseling.

**Stockhandler:** Performs heavy manual work in unloading, receiving, handling, storing, and retrieving supplies, materials, and equipment in a warehouse, storeroom or supply center.

**State Trooper:** This is the working level commissioned officer who performs law enforcement work alone or under direction of a higher ranking officer. Positions conduct patrols, make arrests and issue citations, conduct investigations of crimes, complaints and patrol findings. make reports and testify in court.

**Wildlife Biologist III:** This is the area management wildlife biologist, project leader of a research or development project or assistant area wildlife biologist in a complex management

## Appendix A

area. Positions supervise research projects related to game populations harvest, transplant feasibility, habitat improvement, etc.

Youth Counselor II: This is the journey level which serves as primary counselor to a group of residents in a juvenile correctional facility. Positions actively participate in the development implementation, and administration of treatment programs, and supervise group living situations.

**PRIVATE FIRMS RESPONDING  
TO DIVISION OF PERSONNEL/OEEO SURVEY**

Alaska Commercial Company  
Alaska Petroleum Contractors  
Alaska USA Federal Credit Union  
Alyeska Pipeline Service Co.  
American Guard & Alert Wackenhut of Alaska  
Anchorage Cold Storage  
Anchorage Daily News  
Anchorage Hilton  
Anchorage Telephone Utility  
ARCO Alaska, Inc.  
Enstar Natural Gas Co.  
Federal Express  
First National Bank of Anchorage  
Hope Cottages  
Inter-Alaska Hotel, Inc.  
ITT Federal Services Corp.  
J. C. Penneys  
MarkAir, Inc.  
Martin Marietta Services  
Matanuska Telephone Association, Inc.  
Nabors Alaska Petroleum Service, Inc.  
Natchiq, Inc.  
National Bank of Alaska  
NorthWest Airlines  
Ogden Facility Management of Alaska, Inc.  
Our Lady of Compassion Care Center  
Providence Hospital  
Sealaska Corporation  
Spennard Builders Supply, Inc.  
Tesoro Northshore company  
United Parcel Service  
Unocal Corp  
Valley Hospital  
Veco, Inc.







**Salary Schedule  
Monthly Salaries**

(Recommended)

Range	Step A	Step B	Step C	Step D	Step E	Step F
05	1597	1642	1690	1736	1787	1835
06	1690	1736	1787	1835	1888	1943
07	1787	1835	1888	1943	2004	2066
08	1888	1943	2004	2066	2125	2192
09	2004	2066	2125	2192	2263	2327
10	2125	2192	2263	2327	2398	2471
11	2263	2327	2398	2471	2554	2634
12	2398	2471	2554	2634	2724	2816
13	2554	2634	2724	2816	2915	3021
14	2724	2816	2915	3021	3128	3247
15	2915	3021	3128	3247	3352	3473
16	3128	3247	3352	3473	3604	3734
17	3352	3473	3604	3734	3862	3995
18	3604	3734	3862	3995	4126	4282
19	3862	3995	4126	4282	4413	4577
20	4126	4282	4413	4577	4717	4891
21	4413	4577	4717	4891	5045	5226
22	4717	4891	5045	5226	5399	5597
23	5045	5226	5399	5597	5784	6000
24	5399	5597	5784	6000	6203	6413
25	5784	6000	6203	6413	6650	6900
26	6000	6203	6413	6650	6900	7148
27	6203	6413	6650	6900	7148	7420
28	6413	6650	6900	7148	7420	7678
29	6650	6900	7148	7420	7678	7949
30	6900	7148	7420	7678	7949	8229





## **PART II. 1995 STATE OF ALASKA GEOGRAPHIC DIFFERENTIAL REPORT**

The *1995 State of Alaska Geographic Differential Report* is the second part of the *1994 Salary Survey Report*. It consists of two sections. Section A is a summary containing the purpose of the report, background information, findings, and recommendations. Section B is the full *Runzheimer Plan of Living Cost Standards* report prepared by Runzheimer International, a private research firm based in Rochester, Wisconsin. It contains the detailed results, methodology, and statistical information used as a basis for the reports findings and recommendations.

### **SECTION A. SUMMARY**

#### Purpose of the Study:

The State of Alaska in setting a salary structure requires a standardized and reliable method of compensating employees for geographic differences in the cost of living. Such a system is referred to as a geographic pay differential program or schedule. The *1995 State of Alaska Geographic Differential Report* was developed primarily with that in mind. Its purposes are to compare and contrast the differences between the cost of living in each of the various election districts and Seattle; and, to make recommendations to the legislature.

It is important to note that the findings and recommendations in this report and the results of the geographic differential study do not determine state employee pay levels, but only differences in living costs in various communities and election districts. Pay levels are determined through the process of classification, labor negotiations, and legislative decision-making.

#### Background Information:

The *1995 State of Alaska Geographic Differential Report* is the most recent in a series of geographic differential studies dating back to statehood. All of these studies were undertaken principally to comply with a legal mandate that requires the Director of the Division of Personnel to conduct an annual salary survey that in part reflects the costs of living in the various election districts of the state. To do this the State has periodically prepared, or contracted out the preparation of, studies to determine by election district the cost of living differentials.

The State of Alaska conducted statewide studies of housing and food costs in 1970, which resulted in 1971 in the last update of differentials for state employees adopted by the

legislature. Additional studies were conducted in 1972, 1976 - although the 1976 study remained unpublished - and 1985.

The earlier geographic differential studies were conducted by the State using in-house staff. However, the last geographic differential study - *The Alaska Geographic Differential Study, 1985* - was prepared under contract with the Division of Labor Relations by The McDowell Group, a Juneau-based research firm, and Alaska Attitudes, Inc., an Anchorage based research firm. It was the first statewide cost of living study based on primary research since 1972. Contractor costs were in excess of \$350,000. The study took 8 months to complete and represents one of the most extensive and complex survey research and cost of living analysis projects undertaken in Alaska.

According to the authors of the 1985 study, it was the largest in terms of communities (91), households (2,478) and retail outlets (2,106) surveyed; and, it was the most comprehensive in terms of market basket composition, statistical sampling procedure, and differential measurement techniques. Although not adopted by the legislature, the 1985 study results - modified by an arbitrator's decision - were incorporated into various collective bargaining agreements.

In 1994 the division, under a court order to prepare a new salary survey and geographic differential study, undertook a new study of the cost of living geographic differentials. Because in-house staff and staff at the Department of Labor's Research & Analysis Section had limited background and expertise in preparing geographic differential studies and there were no other studies available to the State that were comprehensive enough to meet the requirements of the law, the division decided to contract for the geographic differential study. Runzheimer International was selected to prepare the study.

The 1995 geographic differential study, like the 1985 study, is based on primary research. However, in contrast to the 1985 study, the 1995 geographic differential study was not well funded. It is in comparison a "bargain basement" study completed in less than a month at a cost of \$20,000. The living communities surveyed were limited to 22. The market basket composition is not nearly as comprehensive. No household surveys were made.

#### Study Methodology:

Runzheimer International's project design was based on the guidelines in the division's Request for Proposal. The report specifications, report production methodology, and cost of living tables are listed and described in detail in Section B. *The Runzheimer Plan of Living Cost Standards*. Table 1 provides the living communities surveyed by election district. In conducting the survey, living communities were established by 1961 election districts. In some cases this study specification resulted in some 1994 election districts having no representative living community. For example Palmer was surveyed for 1961 District 7. Palmer is now in 1994 District 27. No locations in 1994 Districts 26 and 28 were surveyed.

**TABLE 1. SUMMARY OF GEOGRAPHIC DIFFERENTIAL COSTS OF LIVING BY ELECTION DISTRICTS AND LIVING COMMUNITIES  
DECEMBER, 1994**

1961 ELECTION DISTRICT		LIVING COMMUNITY (LOCATION)	1994 ELECTION DISTRICT (#)	ANNUAL LIVING COST COMPARISONS		
#	NAME			DOLLAR (\$)	INDEX (%)	RANK (#)
1	Ketchikan/Prince of Wales	Ketchikan	1	46,502	114.1	4
2	Petersburg/Wrangell	Petersburg	2	43,506	106.8	11
3	Sitka	Sitka	2	44,570	109.4	7
4	Juneau	Juneau	3,4	44,046	108.1	10
5	Icy Strait/Lynn Canal	Haines	5	40,401	99.2	20
6	Cordova/Valdez	Valdez	35	44,541	109.3	8
7	Palmer/Wasilla	Palmer	26, 27, 28	42,568	104.5	14
8	Anchorage	Anchorage	10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25	40,743	100.0	18
9	Seward	Seward	8	42,010	103.1	16
10	Kenai/Cook Inlet	Kenai	7, 9	39,461	96.9	21
11	Kodiak	Kodiak	6	44,289	108.7	9
12	Aleutian Islands	U. Alaska/Dutch Harbor	40	47,305	116.1	1
13	Bristol Bay	Dillingham	39	44,959	110.4	6
14	Bethel	Bethel	39	46,665	114.5	3
15	Yukon/Kuskokwim	McGrath	36	42,702	104.8	13
16	Fairbanks/Fort Yukon	Fairbanks	29, 30, 31, 32, 33, 34	41,755	102.5	17
17	Barrow/Kotzebue	Kotzebue	37	45,204	111.0	5
18	Nome	Nome	38	43,145	105.9	12
19	Wade Hampton	St. Marys	38	46,719	114.7	2
N/A	N/A	Seattle Composite (CMP)	N/A	40,740	100.0	19
N/A	N/A	Seattle S2 - Redmond & Woodinville	N/A	42,033	103.2	15
N/A	N/A	Seattle S3 - Lakewood Center, Puyallup & Tacoma	N/A	39,445	96.8	22

Summary of Results and Findings:

The results of *The Runzheimer Plan of living Cost Standards* are the cost of living differentials for each of the 19 House Election Districts as compared to the cost of living in the Seattle Composite area. Table 2 summarizes these results. Runzheimer's detailed analysis of the living costs for each selected living community are provided in *The Runzheimer Plan of Living Cost Standards*, Section 2. Cost of Living Tables.

<b>TABLE 2. COMPARISON OF THE RESULTS OF THE 1995 STUDY DIFFERENTIALS WITH THE 1972 AND 1985 DIFFERENTIALS</b>						
<b>1961 ELECTION DISTRICT</b>		<b>COST OF LIVING DIFFERENTIALS</b>				
<b>#</b>	<b>NAME</b>	<b>1972</b>	<b>1985</b>		<b>1995</b>	
		<b>INDEX</b>	<b>INDEX</b>	<b>CHANGE 1972-1985</b>	<b>INDEX</b>	<b>CHANGE 1985-1995</b>
1	Ketchikan/Prince of Wales	1.000	1.02	0.020	1.141	0.121
2	Petersburg/Wrangell	1.035	0.98	(0.055)	1.068	0.088
3	Sitka	1.035	1.01	(0.025)	1.094	0.084
4	Juneau	1.000	1.03	0.030	1.081	0.051
5	Icy Strait/Lynn Canal	1.071	1.05	(0.021)	0.992	(0.058)
6	Cordova/Valdez	1.148/ 1.188	1.11	(0.038)	1.093	(0.017)
7	Palmer/Wasilla	1.035	0.94	(0.095)	1.045	0.105
8	Anchorage	1.000	1.00	0.000	1.000	0.000
9	Seward	1.071	1.00	(0.071)	1.031	0.031
10	Kenai/Cook Inlet	1.071	1.01	(0.061)	0.969	(0.041)
11	Kodiak	1.071	1.06	(0.011)	1.087	0.027
12	Aleutian Islands	1.272	1.26	(0.012)	1.161	(0.099)
13	Bristol Bay	1.272	1.29	0.018	1.104	(0.186)
14	Bethel	1.317	1.39	0.073	1.145	(0.245)
15	Yukon/Kuskokwim	1.363	1.29	(0.073)	1.048	(0.242)
16	Fairbanks/Fort Yukon	1.148/ 1.363	1.03	(0.118)	1.025	(0.005)
17	Barrow/Kotzebue	1.363	1.45	0.087	1.110	(0.340)
18	Nome	1.363	1.33	(0.033)	1.059	(0.271)
19	Wade Hampton	1.317	1.26	(0.057)	1.147	(0.113)
20	Seattle	0.867	0.86	(0.007)	1.000	0.140

The results of the 1995 geographic differential study when compared to the 1985 differentials indicate that the differentials changed in all districts. There were only four of the 19 districts where differentials changed by less than 3.5%, approximately the equivalent of one statutory

schedule pay step (AS 39.27.011.) Those four districts are: (1) Cordova/Valdez, (2) Seward, (3) Kodiak, and (4) Fairbanks/Fort Yukon.

In some cases the differentials changed substantially. For example, in four remote, rural districts which historically have had among the highest costs of living, the study indicated that the relative cost of living differentials declined by six or more pay steps in four election districts: (1) Bethel, (2) Yukon/Kuskokwim, (3) Barrow/Kotzebue, and (4) Nome. However, notwithstanding the declines in cost of living, Bethel and Barrow/Kotzebue remain among the five highest districts in terms of living costs.

The results of study when compared to the 1972 and 1985 geographic differentials yield additional findings:

- The relative cost of living in only two districts - District #1, Ketchikan/Prince of Wales, and District #4, Juneau - increased between both the 1972 and 1985 studies and the 1985 and 1995 studies. In general it appeared that while relative living costs were declining in much of the rest of the State, the relative cost of living was increasing for employees in S.E. Alaska with the exception of the Icy Strait/Lynn Canal district which is experiencing a slump in the cost of housing and had the lowest home market values and housing expense differentials for the state.
- In contrast nine election districts showed sustained relative declines between both the 1972 and 1985 studies and the 1985 and 1995 studies. These districts included: District #5, Icy Strait/Lynn Canal; District #6, Cordova/Valdez; District #10, Kenai/Cook Inlet; District #11, Kodiak; District #12, Aleutian Islands; District #15, Yukon/Kuskokwim; District #16, Fairbanks/Fort Yukon; District #18, Nome; and, District #19, Wade Hampton.
- Predictably, the relative cost of living in Seattle has increased and is now for the first time equivalent to Anchorage living costs.
- Not as predictably, the relative cost of living for two election districts in Alaska - District #5, Icy Strait/Lynn Canal; and District #10, Kenai/Cook Inlet - has fallen below the Seattle cost of living.

In summary, the results of the geographic differential study indicate substantial changes for most election districts in relative living costs. While the cost of living differentials have in general increased in S.E. Alaska, they have declined in many rural districts.

## RECOMMENDATIONS:

1. The provisions of AS 39.27.020 should be amended and the geographic base for determining cost of living differentials should be changed from the 1961 election districts to the 1994 election districts.

2. Change the differential pay system in AS 39.27.020(a) to a three tiered system based on the results of the most recent geographic differential study. The Anchorage election districts would be established as the base for determining relative living cost differentials. The tiers are described as follows:

Tier 1. All election districts where the living cost differential is within +/- 3.5% of the Anchorage cost of living index. Employees in these districts would receive the base pay without any differential.

Tier 2. Employees in districts where the living cost index is within +/- 3.5% of 7% greater than Anchorage employees in these districts would receive a 7% differential.

Tier 3. Employees in districts where the living cost index is within +/- 3.5% of 14% greater than Anchorage districts would receive a 14% differential.

Table 3 illustrates how a tiered system would work in assigning pay differentials by election district.

<b>TABLE 3. PROPOSED PAY DIFFERENTIAL BY HOUSE ELECTION DISTRICT AND IN OTHER STATES</b>				
<b>1961 HOUSE ELECTION DISTRICTS</b>		<b>1994 HOUSE ELECTION DISTRICTS (#)</b>	<b>DIFFERENTIALS</b>	
<b>#</b>	<b>NAME</b>		<b>TIER #</b>	<b>PERCENT</b>
1	Ketchikan/Prince of Wales	1	3	14.0
2/3	Petersburg/Wrangell/Sitka	2	2	7.0
4	Juneau	3,4	2	7.0
5	Icy Strait/Lynn Canal	5	1	0.0
6	Cordova/Valdez	35	2	7.0
7	Palmer/Wasilla	26, 27, 28	2	7.0
8	Anchorage	10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25	1	0.0
9	Seward	8	1	0.0
10	Kenai/Cook Inlet	7, 9	1	0.0
11	Kodiak	6	2	7.0
12	Aleutian Islands	40	3	14.0
13/14	Bristol Bay/Bethel	39	3	14.0
15	Yukon/Kuskokwim	36	2	7.0
16	Fairbanks/Fort Yukon	29, 30, 31, 32, 33, 34	1	0.0
17	Barrow/Kotzebue	37	3	14.0
18/19	Nome/Wade Hampton	38	2	7.0
N/A	Seattle CMP	N/A	1	0.0

## SECTION B. THE RUNZHEIMER PLAN OF LIVING COST STANDARDS

The data used by the Division of Personnel and Office of Equal Employment Opportunity to make the findings and recommendations in this report were based on *The Runzheimer Plan of Living Cost Standards* in this section.

Runzheimer International was established in 1933 as a consulting firm dedicated to serving clients through primary research, policy development, and standard costing reimbursement systems. Approximately 2,000 businesses and governmental agencies are served by Runzheimer each year.

Determining and isolating comparative living costs from location to location is a very exacting process due to the many variables involved and the "immediacy" of the data required. The Runzheimer data in this report provides detailed cost standards, tailored to income level, specific living communities in Alaska, housing characteristics, and family size.

Profiling is a key step in the process of preparing meaningful living cost data. Runzheimer, through extensive research, has established relationships between employee's income and house size, living communities, and various other factors. Once profiles are established, Runzheimer carries out primary data research and incorporates the data into an up-to-date, accurate living cost report.

The Runzheimer data has been designed to provide the State of Alaska with a tool for calculating accurate and fair cost of living differentials. The analyses of costs for locations weighs all the cost pluses and minuses. Included in these analyses are income taxes, transportation, housing, goods & services, and sales taxes. The equal and comprehensive comparison of the same things results in accurate differentials.

THE RUNZHEIMER  
PLAN OF LIVING  
COST STANDARDS

STATE OF ALASKA

DECEMBER 1994



Runzheimer International Runzheimer Park, Rochester, Wisconsin 53167 USA (414) 767-2200 Fax (414) 767-2254  
Runzheimer and Company • living cost division (800) 558-1702  
management consultants for travel and living costs

January 31, 1995

Mr. Michael G. McKennett  
Project Manager  
State of Alaska  
Department of Administration  
P. O. Box 110201  
Juneau, Alaska 99811-0201

Dear Mr. McKennett:

We are pleased to enclose the Runzheimer Living Cost Report prepared especially for State of Alaska.

This Homeowner Report is based on a family of four with an annual income of \$40,740.

Key sections in this Report have been appropriately tabbed to guide you in your review and understanding.

Finally, it should be pointed out that this Report incorporates all Federal tax law changes effective in 1994.

We have enjoyed the opportunity to develop this Report for you and State of Alaska, and we look forward to working with you

Sincerely,

*Rod Reimann*

Rod Reimann CRP  
Consultant  
Living Cost Division  
Runzheimer and Company

rls  
Encs.



Runzheimer International Runzheimer Park, Rochester Wisconsin 53167 USA (414) 767-2200 (414) 767-2254

(800) 558-1702

management consultants for travel and living costs

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SECTION 1 -- REPORT SPECIFICATIONS FOR

STATE OF ALASKA  
DEPT. OF ADMINISTRATION

1.0 -- INTRODUCTION

THIS SECTION OF THE RUNZHEIMER PLAN OF LIVING COST STANDARDS DETAILS THE PARAMETERS SELECTED BY YOUR ORGANIZATION, THE COSTING STANDARDS ESTABLISHED BY RUNZHEIMER BASED UPON THESE PARAMETERS, AND THE LOCATIONS ANALYZED. A DISCUSSION OF THE REPORT SPECIFICATIONS IS PROVIDED IN EACH OF THE MAJOR COST AREAS OF TAXATION, TRANSPORTATION, HOUSING, GOODS & SERVICES AND OTHER EXPENSES FOR EACH INDIVIDUAL PROFILE SELECTED.

SUBSECTION 1.1 PROVIDES THE REPORT SPECIFICATIONS FOR PROFILE 1 WHICH IS BASED ON AN ANNUAL INCOME LEVEL OF \$40,740 FOR A FAMILY OF 4 AS HOMEOWNERS.

1.1 - PROFILE 1

THE ANNUAL INCOME, FAMILY SIZE, AND THE BASIS FOR HOUSING COSTS CONSTITUTE THE CLIENT SUPPLIED PARAMETERS USED IN PREPARING THIS CUSTOMIZED COST-OF-LIVING REPORT. THE FOLLOWING PARAMETERS ARE USED FOR PROFILE 1:

PROFILE 1

ANNUAL INCOME: \$40,740  
FAMILY SIZE: 4 PERSONS  
HOUSING BASIS: HOMEOWNERSHIP

1.1.1 - LOCATION LIST

THE FOLLOWING LOCATION LIST IDENTIFIES EACH ELECTION DISTRICT IN THE STATE OF ALASKA. THIS LIST CORRESPONDS TO THE LIVING COMMUNITIES LIST WHICH IDENTIFIES THE COMMUNITIES SELECTED AS REPRESENTIVE LOCALES WITHIN EACH DISTRICT.

LOCATION	LIVING COMMUNITIES
ALEUTIAN ISLANDS AK	UNALASKA/DUTCH HARBOR
ANCHORAGE AK	ANCHORAGE
BARROW/KOTZEBUE AK	KOTZEBUE
BETHEL AK	BETHEL
BRISTOL BAY AK	DILLINGHAM
CORDOVA/VALDEZ AK	VALDEZ
FAIRBANKS/FORT YUKON AK	FAIRBANKS
ICY STRAIT/LYNN CANAL AK	HAINES
JUNEAU AK	JUNEAU
KENAI/COOK INLET AK	KENAI
KETCHIKAN AK	KETCHIKAN
KODIAK AK	KODIAK
NOME AK	NOME
PALMER/WASILLA AK	PALMER
PETERSBURG/WRANGELL AK	PETERSBURG
SEATTLE S2 WA	REDMOND, WOODINVILLE
SEATTLE S3 WA	LAKEWOOD CENTER, PUYALLUP, TACOMA
SEWARD AK	SEWARD
SITKA AK	SITKA

1.1.1 - LOCATION LIST (CONTINUED)

WADE HAMPTON AK  
YUKON/KUSKOKWIM AK

ST MARYS  
MC GRATH

1.1.2 - TAXATION

THE TAXATION DATA PRESENTED IN THIS REPORT INCLUDE ANNUAL FEDERAL, STATE, AND LOCAL INCOME TAXES AS WELL AS SOCIAL SECURITY. SALES TAXES ARE DISPLAYED SEPARATELY. THE TAX CALCULATIONS ARE BASED UPON THE ANNUAL INCOME AND FAMILY SIZE SELECTED FOR THIS PROFILE AND THE CURRENT TAX REGULATIONS AND RATES FOR THE SPECIFIC LOCATIONS COMPARED. IN ORDER TO MORE ACCURATELY DETERMINE TAX LIABILITIES, THE CALCULATION IS BASED UPON ITEMIZED DEDUCTION PATTERNS FOR THE LOCATION AND PROFILE AS REPORTED TO THE INTERNAL REVENUE SERVICE.

1.1.3 - TRANSPORTATION

PERSONAL AUTOMOBILES: THE SPECIFICATIONS FOR CALCULATING AUTOMOBILE EXPENSES ARE ESTABLISHED BY RUNZHEIMER. THE SELECTION OF THE NUMBER OF AUTOMOBILES COSTED IS BASED ON THE INCOME LEVEL AND FAMILY SIZE. THE TYPES OF AUTOMOBILES COSTED BY RUNZHEIMER REFLECT THOSE TYPICALLY OWNED BY FAMILIES AT THE PROFILE ANNUAL INCOME. THE STANDARD ANNUAL DISTANCES DRIVEN ARE USED TO DERIVE COSTS FOR THE OPERATING EXPENSES OF THE SPECIFIED AUTOMOBILE.

THE PERSONAL, NON-BUSINESS AUTOMOBILE(S) AND STANDARD DISTANCES DRIVEN FOR PROFILE 1 ARE (IS) AS FOLLOWS:

FOR LOCATIONS IN	YEAR	MAKE	MODEL	STANDARD ANNUAL MILEAGE
THIS STUDY	1991	CHEVROLET	LUMINA	14,000
	1990	CHEVROLET	TEMP GL	6,000

THE SPECIFIC ANNUAL COST ELEMENTS FOR OWNING AND OPERATING ONE OR MORE PERSONAL, NON-BUSINESS AUTOMOBILES ARE DEVELOPED FOR EACH LOCATION AND INCLUDE:

1.1.3 -- TRANSPORTATION (CONTINUED)

OPERATING EXPENSES:

- A. GASOLINE: GASOLINE COSTS FOR THE AREA OF TRAVEL, PERFORMANCE STANDARDS USED TO ESTABLISH FUEL CONSUMPTION REFLECT THE TRAFFIC PATTERNS AND GEOGRAPHY OF EACH LOCALE.
- B. OIL/MAINTENANCE/TIRES: ALL NORMAL REPAIR AND PREVENTIVE MAINTENANCE COSTS AS WELL AS NORMAL TIRE REPLACEMENT.

1.1.4 -- HOUSING

HOUSING COSTS / BASED UPON STANDARD HOUSING SPECIFICATIONS APPLIED IN EACH LOCATION SELECTED. THE SPECIFICATIONS APPLY TO THE HOME SIZE PROFILE PARAMETER SELECTED. THESE HOUSING STANDARDS, DEVELOPED BY RUNZHEIMER, ARE BASED UPON TRENDS IN HOUSING SIZES AS THEY RELATE TO SPECIFIC INCOME LEVELS AND FAMILY SIZES. THESE HOUSING SPECIFICATIONS ARE THE RESULT OF YEARS OF RESEARCH AND ANALYSIS ON DATA COLLECTED FROM LENDING INSTITUTIONS, REAL ESTATE APPRAISERS, AND, TO A LESSER EXTENT, GOVERNMENT SOURCES.

ACTUAL, RECENT HOME SALES IN EACH LOCATION ARE PROVIDED BY LOCAL REAL ESTATE PROFESSIONALS. THESE DATA ARE GATHERED IN ACCORDANCE WITH STANDARDS ESTABLISHED BY THE SOCIETY OF REAL ESTATE APPRAISERS. THIS "STANDARDS" APPROACH ENSURES CONSISTENCY EVEN THOUGH THE HOMES MAY VARY PHYSICALLY FROM ONE REGION TO ANOTHER.

1.1.4 - HOUSING (CONTINUED)

THE PROFILE 1 HOUSING CHARACTERISTICS ARE AS FOLLOWS:

1,000 SQUARE FEET OF LIVING AREA  
5 ROOMS  
3 BEDROOMS  
1.0 BATHS

1.1.4.1 - HOUSING COST DETERMINATION

BASED UPON THE PRECEDING CHARACTERISTICS, THE CURRENT MARKET VALUE OF THIS STANDARD HOME HAVE BEEN DEVELOPED FOR EACH LOCATION. THE MARKET VALUE IS BASED UPON ACTUAL COMPARABLE HOME SALES IN THE SPECIFIC LIVING COMMUNITY ANALYZED.

## SECTION 2 -- COST OF LIVING TABLES

### 2.0 -- INTRODUCTION

THIS SECTION OF THE RUNZHEIMER PLAN OF LIVING COST STANDARDS CONTAINS THE MASTER SCHEDULES AND TABLES WHICH FACILITATE A COMPARISON OF COSTS BETWEEN LOCATIONS.

STANDARD CITY US IS INCLUDED IN EACH TABLE IN ADDITION TO YOUR SELECTED LOCATIONS. THE RUNZHEIMER STANDARD CITY US IS A MEDIAN COST LOCATION BASED ON AN ANALYSIS OF THE LIVING COSTS IN OVER ONE HUNDRED REPRESENTATIVE UNITED STATES CITIES. STANDARD CITY US IS RESEARCHED ANNUALLY AT VARIOUS INCOME LEVELS.

2.1 — PROFILE 1

2.1.1 -- MASTER SCHEDULE

THE MASTER SCHEDULE IS THE FOUNDATION OF THE RUNZHEIMER PLAN OF LIVING COST STANDARDS. IT PROVIDES A DETAILED ANALYSIS OF THE LIVING COSTS FOR EACH SELECTED LOCATION.

EACH MASTER SCHEDULE CONTAINS ONE COLUMN OF BASIC INFORMATION PRESENTING THE CURRENT ANNUAL AMOUNT OF EACH COST ELEMENT. THE AMOUNT DISPLAYED ON THE MORTGAGE-PRINCIPAL-INTEREST LINE IS THE MORTGAGE PRINCIPAL AND INTEREST PAYMENT FOR A NEW MORTGAGE AT THE CURRENT INTEREST RATE.

THE MASTER SCHEDULES ARE USED TO COMPARE THE COST OF THE VARIABLES PRICED IN EACH LOCATION. FOR EXAMPLE, IT IS POSSIBLE TO COMPARE THE COST OF UTILITIES OR ANY OF THE OTHER ITEMIZED COST ELEMENTS AT ALL SELECTED LOCATIONS BY USING THE MASTER SCHEDULES.

MASTER SCHEDULE  
OF  
RUNZHEIMER LIVING COST STANDARDS  
FOR  
STATE OF ALASKA  
DEPT OF ADMINISTRATION

DATE PREPARED 01/17/95

ID NO. 730027-152130/H0/00/00

DATA BASE DATE 12/94

1. LOCATION: ALEUTIAN ISLANDS STATE: AK  
COUNTRY: US

2. ANNUAL FAMILY INCOME: \$ 40,740

3. FAMILY SIZE: 4

EMPLOYEE LIVING COSTS

TAXATION

ANNUAL FAMILY COSTS

4. FEDERAL-STATE-LOCAL  
INCOME - F.I.C.A. \$ 6,160

TRANSPORTATION

5. PERSONAL AUTOMOBILES - FIRST CAR \$ 3,717  
SECOND CAR \$ 1,376

HOUSING

6. MORTGAGE-PRINCIPAL-INTEREST \$ 10,345  
CURRENT HOME VALUE: \$ 128,600  
(INTEREST RATE) ( 9.460%)

7. HOMEOWNER INSURANCE \$ 598

8. GENERAL REAL ESTATE TAXES \$ 1,382

9. UTILITIES \$ 2,690

10. MAINTENANCE \$ 630

GOODS & SERVICES AND OTHER EXPENSES

11. GOODS & SERVICES \$ 14,644

12. SALES TAXES \$ 309

13. MISCELLANEOUS (INCLUDING SAVINGS) \$ 5,453

14. TOTAL LIVING COSTS \$ 47,305

MASTER SCHEDULE  
OF  
RUNZHEIMER LIVING COST STANDARDS  
FOR  
STATE OF ALASKA  
DEPT OF ADMINISTRATION

DATE PREPARED 01/17/95

ID NO. 730027-152130/HO/00/00

DATA BASE DATE 12/94

1. LOCATION: ANCHORAGE STATE: AK  
COUNTRY: US

2. ANNUAL FAMILY INCOME: \$ 40,740

3. FAMILY SIZE: 4

---

EMPLOYEE LIVING COSTS

TAXATION

ANNUAL FAMILY COSTS

4. FEDERAL-STATE-LOCAL  
INCOME - F.I.C.A. \$ 6,789

TRANSPORTATION

5. PERSONAL AUTOMOBILES - FIRST CAR \$ 3,719  
SECOND CAR \$ 1,474

HOUSING

6. MORTGAGE-PRINCIPAL-INTEREST \$ 6,065  
CURRENT HOME VALUE: \$ 75,400  
(INTEREST RATE) ( 9.460%)

7. HOMEOWNER INSURANCE \$ 303

8. GENERAL REAL ESTATE TAXES \$ 1,204

9. UTILITIES \$ 1,900

10. MAINTENANCE \$ 630

GOODS & SERVICES AND OTHER EXPENSES

11. GOODS & SERVICES \$ 13,206

12. SALES TAXES \$ 0

13. MISCELLANEOUS (INCLUDING SAVINGS) \$ 5,453

---

14. TOTAL LIVING COSTS \$ 40,743



M A S T E R   S C H E D U L E  
 OF  
 R U N Z H E I M E R   L I V I N G   C O S T   S T A N D A R D S  
 FOR  
 S T A T E   O F   A L A S K A  
 D E P T   O F   A D M I N I S T R A T I O N

D A T E   P R E P A R E D   0 1 / 1 7 / 9 5

ID NO. 730027-152130/HD/00/00

D A T A   B A S E   D A T E   1 2 / 9 4

- |                                    |             |
|------------------------------------|-------------|
| 1. LOCATION: BETHEL                | STATE: AK   |
|                                    | COUNTRY: US |
| 2. ANNUAL FAMILY INCOME: \$ 40,740 |             |
| 3. FAMILY SIZE: 4                  |             |

---

E M P L O Y E E   L I V I N G   C O S T S

T A X A T I O N	A N N U A L   F A M I L Y   C O S T S
4. FEDERAL-STATE-LOCAL INCOME - F.I.C.A.	\$ 6,262
T R A N S P O R T A T I O N	
5. PERSONAL AUTOMOBILES - FIRST CAR	\$ 4,053
SECOND CAR	\$ 1,502
H O U S I N G	
6. MORTGAGE-PRINCIPAL-INTEREST	\$ 8,664
CURRENT HOME VALUE: \$ 107,700	
(INTEREST RATE)	( 9.460%)
7. HOMEOWNER INSURANCE	\$ 544
8. GENERAL REAL ESTATE TAXES	\$ 2,280
9. UTILITIES	\$ 2,690
10. MAINTENANCE	\$ 630
G O O D S   &   S E R V I C E S   A N D   O T H E R   E X P E N S E S	
11. GOODS & SERVICES	\$ 14,072
12. SALES TAXES	\$ 515
13. MISCELLANEOUS (INCLUDING SAVINGS)	\$ 5,453
14. TOTAL LIVING COSTS	\$ 46,665







M A S T E R   S C H E D U L E  
 OF  
 R U N Z H E I M E R   L I V I N G   C O S T   S T A N D A R D S  
 FOR  
 S T A T E   O F   A L A S K A  
 D E P T   O F   A D M I N I S T R A T I O N

D A T E   P R E P A R E D   0 1 / 1 7 / 9 5

ID NO. 730027-152130/H0/00/00

D A T A   B A S E   D A T E   1 2 / 9 4

1. LOCATION: ICY STRAIT/LYNN CANAL      STATE: AK  
 COUNTRY: US

2. ANNUAL FAMILY INCOME: \$ 40,740

3. FAMILY SIZE: 4

---

E M P L O Y E E   L I V I N G   C O S T S

T A X A T I O N

A N N U A L   F A M I L Y   C O S T S

4. FEDERAL-STATE-LOCAL INCOME - F.I.C.A.      \$ 6,972

T R A N S P O R T A T I O N

5. PERSONAL AUTOMOBILES - FIRST CAR      \$ 3,752  
 SECOND CAR      \$ 1,391

H O U S I N G

6. MORTGAGE-PRINCIPAL-INTEREST      \$ 4,432  
 CURRENT HOME VALUE: \$ 55,100  
 (INTEREST RATE)      ( 9.460%)

7. HOMEOWNER INSURANCE      \$ 227

8. GENERAL REAL ESTATE TAXES      \$ 617

9. UTILITIES      \$ 2,260

10. MAINTENANCE      \$ 630

G O O D S   &   S E R V I C E S   A N D   O T H E R   E X P E N S E S

11. GOODS & SERVICES      \$ 14,152

12. SALES TAXES      \$ 515

13. MISCELLANEOUS (INCLUDING SAVINGS)      \$ 5,453

---

14. TOTAL LIVING COSTS      \$ 40,401







MASTER SCHEDULE  
 OF  
 RUNZHEIMER LIVING COST STANDARDS  
 FOR  
 STATE OF ALASKA  
 DEPT OF ADMINISTRATION

DATE PREPARED 01/17/95

ID NO. 730027-152130/H0/00/00

DATA BASE DATE 12/94

1. LOCATION: KODIAK

STATE: AK  
COUNTRY: US

2. ANNUAL FAMILY INCOME: \$ 40,740

3. FAMILY SIZE: 4

EMPLOYEE LIVING COSTS

TAXATION

ANNUAL FAMILY COSTS

4. FEDERAL-STATE-LOCAL  
INCOME - F.I.C.A.

\$ 6,452

TRANSPORTATION

5. PERSONAL AUTOMOBILES - FIRST CAR  
SECOND CAR

\$ 3,780  
\$ 1,400

HOUSING

6. MORTGAGE-PRINCIPAL-INTEREST  
CURRENT HOME VALUE: \$ 109,100  
(INTEREST RATE)

\$ 8,776  
( 9.460%)

7. HOMEOWNER INSURANCE

\$ 363

8. GENERAL REAL ESTATE TAXES

\$ 912

9. UTILITIES

\$ 2,340

10. MAINTENANCE

\$ 630

GOODS & SERVICES AND OTHER EXPENSES

11. GOODS & SERVICES

\$ 13,565

12. SALES TAXES

\$ 618

13. MISCELLANEOUS (INCLUDING SAVINGS)

\$ 5,453

14. TOTAL LIVING COSTS

\$ 44,289





M A S T E R   S C H E D U L E  
 OF  
 R U N Z H E I M E R   L I V I N G   C O S T   S T A N D A R D S  
 FOR  
 S T A T E   O F   A L A S K A  
 D E P T   O F   A D M I N I S T R A T I O N

D A T E   P R E P A R E D   0 1 / 1 7 / 9 5

ID NO. 730027-152130/H0/00/00

D A T A   B A S E   D A T E   1 2 / 9 4

1. LOCATION: PETERSBURG/WRANGELL      STATE: AK  
 COUNTRY: US

2. ANNUAL FAMILY INCOME: \$ 40,740

3. FAMILY SIZE: 4

---

E M P L O Y E E   L I V I N G   C O S T S

T A X A T I O N

A N N U A L   F A M I L Y   C O S T S

4. FEDERAL-STATE-LOCAL INCOME - F.I.C.A.      \$ 6,609

T R A N S P O R T A T I O N

5. PERSONAL AUTOMOBILES - FIRST CAR      \$ 3,759  
 SECOND CAR      \$ 1,391

H O U S I N G

6. MORTGAGE-PRINCIPAL-INTEREST      \$ 7,642  
 CURRENT HOME VALUE: \$ 95,000  
 (INTEREST RATE)      ( 9.460%)

7. HOMEOWNER INSURANCE      \$ 276

8. GENERAL REAL ESTATE TAXES      \$ 926

9. UTILITIES      \$ 2,260

10. MAINTENANCE      \$ 630

G O O D S   &   S E R V I C E S   A N D   O T H E R   E X P E N S E S

11. GOODS & SERVICES      \$ 13,942

12. SALES TAXES      \$ 618

13. MISCELLANEOUS (INCLUDING SAVINGS)      \$ 5,453

---

14. TOTAL LIVING COSTS      \$ 43,506



MASTER SCHEDULE  
OF  
RUNZHEIMER LIVING COST STANDARDS  
FOR  
STATE OF ALASKA  
DEPT OF ADMINISTRATION

DATE PREPARED 01/17/95

ID NO. 730027-152130/H0/00/00

DATA BASE DATE 12/94

1. LOCATION: SEATTLE S2 STATE: WA  
COUNTRY: US

2. ANNUAL FAMILY INCOME: \$ 40,740

3. FAMILY SIZE: 4

EMPLOYEE LIVING COSTS

TAXATION

ANNUAL FAMILY COSTS

4. FEDERAL-STATE-LOCAL  
INCOME - F.I.C.A. \$ 3,396

TRANSPORTATION

5. PERSONAL AUTOMOBILES - FIRST CAR \$ 3,885  
SECOND CAR \$ 1,489

HOUSING

6. MORTGAGE-PRINCIPAL-INTEREST \$ 8,636  
CURRENT HOME VALUE: \$ 111,100  
(INTEREST RATE) ( 9.070%)

7. HOMEOWNER INSURANCE \$ 242

8. GENERAL REAL ESTATE TAXES \$ 1,481

9. UTILITIES \$ 1,240

10. MAINTENANCE \$ 540

GOODS & SERVICES AND OTHER EXPENSES

11. GOODS & SERVICES \$ 11,788

12. SALES TAXES \$ 883

13. MISCELLANEOUS (INCLUDING SAVINGS) \$ 5,453

14. TOTAL LIVING COSTS \$ 42,033

MASTER SCHEDULE  
OF  
RUNZHEIMER LIVING COST STANDARDS  
FOR  
STATE OF ALASKA  
DEPT OF ADMINISTRATION

DATE PREPARED 01/17/95

ID NO. 730027-152130/HO/00/00

DATA BASE DATE 12/94

1. LOCATION: SEATTLE S3 STATE: WA  
COUNTRY: US

2. ANNUAL FAMILY INCOME: \$ 40,740

3. FAMILY SIZE: 4

---

EMPLOYEE LIVING COSTS

TAXATION

ANNUAL FAMILY COSTS

4. FEDERAL-STATE-LOCAL INCOME - F.I.C.A. \$ 6,809

TRANSPORTATION

5. PERSONAL AUTOMOBILES - FIRST CAR \$ 3,885  
SECOND CAR \$ 1,489

HOUSING

6. MORTGAGE-PRINCIPAL-INTEREST \$ 6,047  
CURRENT HOME VALUE: \$ 77,800  
(INTEREST RATE) ( 9.070%)

7. HOMEOWNER INSURANCE \$ 206

8. GENERAL REAL ESTATE TAXES \$ 1,137

9. UTILITIES \$ 1,240

10. MAINTENANCE \$ 540

GOODS & SERVICES AND OTHER EXPENSES

11. GOODS & SERVICES \$ 11,788

12. SALES TAXES \$ 851

13. MISCELLANEOUS (INCLUDING SAVINGS) \$ 5,453

---

14. TOTAL LIVING COSTS \$ 39,445

M A S T E R   S C H E D U L E  
 O F  
 R U N Z H E I M E R   L I V I N G   C O S T   S T A N D A R D S  
 F O R  
 S T A T E   O F   A L A S K A  
 D E P T   O F   A D M I N I S T R A T I O N

D A T E   P R E P A R E D   0 1 / 1 7 / 9 5

ID NO. 730027-152130/HJ/00/00

D A T A   B A S E   D A T E   1 2 / 9 4

1. LOCATION: SEWARD

S T A T E :   A K  
 C O U N T R Y :   U S

2. ANNUAL FAMILY INCOME: \$ 40,740

3. FAMILY SIZE: 4

---

E M P L O Y E E   L I V I N G   C O S T S

T A X A T I O N

A N N U A L   F A M I L Y   C O S T S

4. FEDERAL-STATE-LOCAL  
 INCOME - F.I.C.A.

\$ 6,677

T R A N S P O R T A T I O N

5. PERSONAL AUTOMOBILES - FIRST CAR  
 SECOND CAR

\$ 3,703  
 \$ 1,370

H O U S I N G

6. MORTGAGE-PRINCIPAL-INTEREST  
 CURRENT HOME VALUE: \$ 89,800  
 (INTEREST RATE)

\$ 7,224  
 ( 9.460%)

7. HOMEOWNER INSURANCE

\$ 336

8. GENERAL REAL ESTATE TAXES

\$ 867

9. UTILITIES

\$ 1,900

10. MAINTENANCE

\$ 630

G O O D S   &   S E R V I C E S   A N D   O T H E R   E X P E N S E S

11. GOODS & SERVICES

\$ 13,335

12. SALES TAXES

\$ 515

13. MISCELLANEOUS (INCLUDING SAVINGS)

\$ 5,453

---

14. TOTAL LIVING COSTS

\$ 42,010

MASTER SCHEDULE  
OF  
RUNZHEIMER LIVING COST STANDARDS  
FOR  
STATE OF ALASKA  
DEPT OF ADMINISTRATION

DATE PREPARED 01/17/95

ID NO. 730027-152130/H0/00/00

DATA BASE DATE 12/94

1. LOCATION: SITKA STATE: AK  
COUNTRY: US

2. ANNUAL FAMILY INCOME: \$ 40,740

3. FAMILY SIZE: 4

---

EMPLOYEE LIVING COSTS

TAXATION

ANNUAL FAMILY COSTS

4. FEDERAL-STATE-LOCAL  
INCOME - F.I.C.A. \$ 6,433

TRANSPORTATION

5. PERSONAL AUTOMOBILES - FIRST CAR \$ 3,731  
SECOND CAR \$ 1,382

HOUSING

6. MORTGAGE-PRINCIPAL-INTEREST \$ 9,170  
CURRENT HOME VALUE: \$ 114,000  
(INTEREST RATE) ( 9.460%)

7. HOMEOWNER INSURANCE \$ 298

8. GENERAL REAL ESTATE TAXES \$ 667

9. UTILITIES \$ 2,260

10. MAINTENANCE \$ 630

GOODS & SERVICES AND OTHER EXPENSES

11. GOODS & SERVICES \$ 14,031

12. SALES TAXES \$ 515

13. MISCELLANEOUS (INCLUDING SAVINGS) \$ 5,453

---

14. TOTAL LIVING COSTS \$ 44,570





MASTER SCHEDULE  
OF  
RUNZHEIMER LIVING COST STANDARDS  
FOR  
STATE OF ALASKA  
DEPT OF ADMINISTRATION

DATE PREPARED 01/17/95

ID NO. 730027-152130/HO/00/00

DATA BASE DATE 12/94

1. LOCATION: YUKON/KUSKOKWIM STATE: AK  
COUNTRY: US

2. ANNUAL FAMILY INCOME: \$ 40,740

3. FAMILY SIZE: 4

---

EMPLOYEE LIVING COSTS

TAXATION

ANNUAL FAMILY COSTS

4. FEDERAL-STATE-LOCAL INCOME - F.I.C.A. \$ 6,755

TRANSPORTATION

5. PERSONAL AUTOMOBILES - FIRST CAR \$ 4,263  
SECOND CAR \$ 1,583

HOUSING

6. MORTGAGE-PRINCIPAL-INTEREST \$ 7,441  
CURRENT HOME VALUE: \$ 92,500  
(INTEREST RATE) ( 9.460%)

7. HOMEOWNER INSURANCE \$ 439

8. GENERAL REAL ESTATE TAXES \$ 144

9. UTILITIES \$ 1,900

10. MAINTENANCE \$ 630

GOODS & SERVICES AND OTHER EXPENSES

11. GOODS & SERVICES \$ 14,094

12. SALES TAXES \$ 0

13. MISCELLANEOUS (INCLUDING SAVINGS) \$ 5,453

---

14. TOTAL LIVING COSTS \$ 42,702

2.1.2 — TABLE I — TOTAL ANNUAL COSTS

THIS TABLE PRESENTS THE ANNUAL COSTS OF MAINTAINING AN EQUIVALENT LIFESTYLE AT EACH OF THE LOCATIONS CONTAINED IN THIS STUDY. IT REFLECTS THE COMBINED ANNUAL COST OF TAXATION, TRANSPORTATION, HOUSING, AND GOODS & SERVICES AND OTHER EXPENSES FOR EACH LOCATION.

STATE OF ALASKA  
DEPT. OF ADMINISTRATION

TOTAL ANNUAL COSTS  
TABLE I

BASE DATE: 12/94

INCOME LEVEL: \$40,740  
FAMILY SIZE: 4

Page 1

Dollar Comparison	Location	Index Comparison
1 \$47,305	ALEUTIAN ISLANDS AK	116.1
2 \$46,719	WADE HAMPTON AK	114.7
3 \$46,665	BETHEL AK	114.5
4 \$46,502	KETCHIKAN AK	114.1
5 \$45,204	BARROW/KOTZEBUE AK	111.0
6 \$44,959	BRISTOL BAY AK	110.4
7 \$44,570	SITKA AK	109.4
8 \$44,541	CORDOVA/VALDEZ AK	109.3
9 \$44,289	KODIAK AK	108.7
10 \$44,046	JUNEAU AK	108.1
11 \$43,508	PETERSBURG/WRANGELL AK	106.8
12 \$43,145	NOME AK	105.9
13 \$42,702	YUKON/KUSKOKWIM AK	104.8
14 \$42,568	PALMER/WASILLA AK	104.5
15 \$42,033	SEATTLE S2 WA	103.2
16 \$42,010	SEWARD AK	103.1
17 \$41,755	FAIRBANKS/FORT YUKON AK	102.5
18 \$40,743	ANCHORAGE AK	100.0
19 \$40,740	SEATTLE CMP WA	100.0
20 \$40,401	ICY STRAIT/LYNNCANAL AK	99.2
21 \$39,461	KENAI/COOK INLET AK	98.9
22 \$39,445	SEATTLE S3 WA	98.6

2.1.3 — TABLE II — HOME MARKET VALUES (NUMERIC ORDER)

THIS TABLE CONTAINS A RANKING OF HOME MARKET VALUES AS PROVIDED  
ON THE MASTER SCHEDULE FOR EACH OF THE SELECTED LOCATIONS.

STATE OF ALASKA  
DEPT. OF ADMINISTRATION

GEOGRAPHIC WAGE/SALARY DIFFERENTIALS  
TABLE II

INCOME LEVEL: \$40,740  
FAMILY SIZE: 4

BASE DATE: 12/94  
Page 1

	Location	Dollar Adjustment	Index Comparison
1	ALEUTIAN ISLANDS AK	\$8,585	118.1
2	WADE HAMPTON AK	\$5,979	114.7
3	BETHEL AK	\$5,025	114.5
4	KETCHIKAN AK	\$5,782	114.1
5	BARROW/KOTZEBUE AK	\$4,464	111.0
6	BRISTOL BAY AK	\$4,219	110.4
7	SITKA AK	\$3,830	109.4
8	CORDOVA/VALDEZ AK	\$3,801	109.3
9	KODIAK AK	\$3,549	108.7
10	JUNEAU AK	\$3,306	108.1
11	PETERSBURG/WRANGELL AK	\$2,766	106.8
12	NOME AK	\$2,405	105.9
13	YUKON/KUSKOKWIM AK	\$1,962	104.8
14	PALMER/WASILLA AK	\$1,828	104.5
15	SEATTLE S2 WA	\$1,293	103.2
16	SEWARD AK	\$1,270	103.1
17	FAIRBANKS/FORT YUKON AK	\$1,015	102.5
18	ANCHORAGE AK	\$3	100.0
19	SEATTLE CMP WA	\$0	100.0
20	ICY STRAIT/LYNN CANAL AK	(\$339)	099.2
21	KENAI/COOK INLET AK	(\$1,279)	096.9
22	SEATTLE S3 WA	(\$1,295)	096.8

STATE OF ALASKA  
DEPT. OF ADMINISTRATION

TAXATION ELEMENTS  
TABLE III

BASE DATE: 12/94

INCOME  
FAMILY SIZE: 4

Federal and Social Security Taxes

Location

State and Local Taxes

1	\$8,972	ICY STRAIT/LYNN CANAL AK	\$0
2	\$8,972	KENAI/COOK INLET AK	\$0
3	\$8,809	SEATTLE S3 WA	\$0
4	\$8,797	FAIRBANKS/FORT YUKON AK	\$0
5	\$8,775	NOME AK	\$0
6	\$8,755	YUKON/KUSKOKWIM AK	\$0
7	\$8,677	SEWARD AK	\$0
8	\$8,609	PETERSBURG/WRANGELL AK	\$0
9	\$8,603	BRISTOL BAY AK	\$0
10	\$8,603	SEATTLE CMP WA	\$0
11	\$8,595	BARROW/KOTZEBUE AK	\$0
12	\$8,525	PALMER/WASILLA AK	\$0
13	\$8,461	WADE HAMPTON AK	\$0
14	\$8,452	KODIAK AK	\$0
15	\$8,433	SITKA AK	\$0
16	\$8,398	SEATTLE S2 WA	\$0
17	\$8,377	JUNEAU AK	\$0
18	\$8,354	CORDOVA/VALDEZ AK	\$0
19	\$8,282	BETHEL AK	\$0
20	\$8,180	ALEUTIAN ISLANDS AK	\$0
21	\$8,085	ANCHORAGE AK	\$0
22	\$8,051	KETCHIKAN AK	\$0

STATE OF ALASKA  
DEPT. OF ADMINISTRATION

TRANSPORTATION TABLE  
TABLE IV

INCOME LEVEL: \$40,740  
FAMILY SIZE: 4

BASE DATE: 12/94

	Dollar Comparison	Location	Index Comparison
1	\$6,104	WADE HAMPTON AK	113.6
2	\$5,970	BARROW/KOTZEBUE AK	111.1
3	\$5,348	YUKON/KUSKOKWIM AK	108.8
4	\$5,709	NOME AK	108.2
5	\$5,555	BETHEL AK	103.4
6	\$5,528	BRISTOL BAY AK	102.9
7	\$5,374	SEATTLE CMP WA	100.0
8	\$5,374	SEATTLE S2 WA	100.0
9	\$5,374	SEATTLE S3 WA	100.0
10	\$5,193	ANCHORAGE AK	96.6
11	\$5,187	FAIRBANKS/FORT YUKON AK	96.5
12	\$5,180	KODIAK AK	96.4
13	\$5,173	KETCHIKAN AK	96.3
14	\$5,150	PETERSBURG/WRANGELL AK	95.8
15	\$5,143	ICY STRAIT/LYNN CANAL AK	95.7
16	\$5,113	SITKA AK	95.1
17	\$5,093	ALEUTIAN ISLANDS AK	94.8
18	\$5,073	SEWARD AK	94.4
19	\$5,026	CORDOVA/VALDEZ AK	93.5
20	\$5,006	KENAI/COOK INLET AK	93.2
21	\$4,922	JUNEAU AK	91.6
22	\$4,872	PALMER/WASILLA AK	90.7

STATE OF ALASKA  
DEPT. OF ADMINISTRATION

HOME MARKET VALUES  
TABLE V

INCOME LEVEL: \$40,740  
FAMILY SIZE: 4

BASE DATE: 12/94

Dollar Comparison	Location	Index Comparison
1 \$130,000	KETCHIKAN AK	137.6
2 \$128,600	ALEUTIAN ISLANDS AK	136.1
3 \$114,000	SITKA AK	120.6
4 \$111,100	SEATTLE S2 WA	117.6
5 \$110,000	WADE HAMPTON AK	116.4
6 \$109,100	KODIAK AK	115.4
7 \$108,200	JUNEAU AK	114.5
8 \$107,700	BETHEL AK	114.0
9 \$103,600	CORDOVA/VALDEZ AK	109.8
10 \$100,100	BRISTOL BAY AK	105.9
11 \$95,000	PETERSBURG/WRANCELL AK	100.5
12 \$94,900	BARROW/KOTZEBUE AK	100.4
13 \$94,500	SEATTLE CMP WA	100.0
14 \$92,500	YUKON/KUSKOKWIM AK	097.9
15 \$91,700	PALMER/WASILLA AK	097.0
16 \$89,800	SEWARD AK	095.0
17 \$81,600	NOME AK	086.3
18 \$77,800	SEATTLE S3 WA	082.3
19 \$75,400	ANCHORAGE AK	079.8
20 \$74,900	FAIRBANKS/FORT YUKON AK	079.3
21 \$61,100	KENAI/COOK INLET AK	064.7
22 \$55,100	ICY STRAIT/LYNN CANAL AK	058.3

STATE OF ALASKA  
DEPT. OF ADMINISTRATION

HOUSING EXPENSE TABLE  
TABLE VI

INCOME LEVEL: \$40,740  
FAMILY SIZE: 4

BASE DATE: 12/94

Dollar Comparison	Location	Index Comparison
1 \$15,848	KETCHIKAN AK	146.9
2 \$15,648	ALEUTIAN ISLANDS AK	146.8
3 \$14,808	BETHEL AK	139.0
4 \$13,988	CORDOVA/VALDEZ AK	131.3
5 \$13,888	WADE HAMPTON AK	128.5
8 \$13,335	JUNEAU AK	125.2
7 \$13,025	SITKA AK	122.2
8 \$13,021	KODIAK AK	122.2
9 \$12,500	BARROW/KOTZEBUE AK	117.3
10 \$12,485	BRISTOL BAY AK	117.2
11 \$12,139	SEATTLE S2 WA	113.9
12 \$11,980	PALMER/WASILLA AK	112.4
13 \$11,734	PETERSBURG/WRANGELL AK	110.1
14 \$11,029	NOME AK	103.5
15 \$10,957	SEWARD AK	102.8
16 \$10,833	FAIRBANKS/FORT YUKON AK	101.7
17 \$10,655	SEATTLE CMP WA	100.0
18 \$10,554	YUKON/KUSKOKWIM AK	99.1
19 \$10,102	ANCHORAGE AK	94.8
20 \$9,170	SEATTLE S3 WA	86.1
21 \$8,305	KENAI/COOK INLET AK	77.9
22 \$8,166	ICY STRAIT/LYNN CANAL AK	76.6

STATE OF ALASKA  
DEPT. OF ADMINISTRATION

REAL ESTATE TAX TABLE  
TABLE VII

INCOME LEVEL: \$40,740  
FAMILY SIZE: 4

BASE DATE: 12/84

	Location	Home Market Value	Real Estate Taxes	% of Market Value	Index
1	BETHEL AK	\$107,700	\$2,280	2.12	152.3
2	CORDOVA/VALDEZ AK	\$103,600	\$1,980	1.91	137.5
3	PALMER/WASILLA AK	\$91,700	\$1,734	1.89	138.0
4	ANCHORAGE AK	\$75,400	\$1,204	1.60	114.9
5	FAIRBANKS/FORT YUKON AK	\$74,900	\$1,190	1.59	114.3
6	KETCHIKAN AK	\$130,000	\$2,002	1.54	110.8
7	SEATTLE S3 WA	\$77,800	\$1,137	1.46	105.1
8	SEATTLE CMP WA	\$94,500	\$1,309	1.39	99.7
9	JUNEAU AK	\$108,200	\$1,475	1.36	98.1
10	SEATTLE S2 WA	\$111,100	\$1,481	1.33	95.9
11	ICY STRAIT/LYNN CANAL AK	\$55,100	\$617	1.12	80.6
12	BARROW/KOTZEBUE AK	\$94,900	\$1,026	1.08	77.9
13	ALEUTIAN ISLANDS AK	\$128,600	\$1,383	1.08	77.4
14	NOME AK	\$81,600	\$852	1.04	75.1
15	PETERSBURG/WRANGELL AK	\$95,000	\$928	.97	70.1
16	SEWARD AK	\$89,800	\$867	.97	69.5
17	KENAI/COOK INLET AK	\$61,100	\$573	.94	67.5
18	KODIAK AK	\$109,100	\$912	.84	60.1
19	WADE HAMPTON AK	\$110,000	\$780	.71	51.0
20	SITKA AK	\$114,000	\$667	.59	42.1
21	BRISTOL BAY AK	\$100,100	\$585	.58	42.0
22	YUKON/KUSKOKWIM AK	\$92,500	\$144	.16	11.2

STATE OF ALASKA  
DEPT. OF ADMINISTRATION

INDEXES OF GOODS & SERVICES COMPONENTS  
TABLE VIII

INCOME LEVEL: \$40,740  
FAMILY SIZE: 4

BASE DATE: 12/84

97

Location	Dollar Comparison	Total Index	Food Home	Food Away	Tobacco	Alcohol	Furnishings	Clothing	Domestic Service	Medical Care	Personal Care	Recreation
WADE HAMPTON AK	\$15,013	118.63	144.80	122.45	115.18	151.08	123.52	97.02	116.03	107.57	119.63	121.52
ALEUTIAN ISLANDS AK	\$14,953	118.16	148.85	97.14	118.34	151.08	125.69	95.52	116.03	138.45	117.85	110.44
BRISTOL BAY AK	\$14,890	117.68	141.04	97.14	123.56	151.02	118.19	92.10	116.03	122.97	121.09	128.48
BARROW/KOTZEBUE AK	\$14,888	118.05	135.35	97.14	119.84	124.55	127.32	95.52	116.03	119.67	117.85	116.98
ICY STRAIT/LYNN CANAL AK	\$14,667	115.90	130.13	122.45	112.82	118.94	109.15	98.38	115.69	122.78	128.41	129.66
BETHEL AK	\$14,587	115.27	131.86	97.14	114.94	151.08	118.51	93.15	118.03	141.91	119.63	119.41
PETERSBURG/WRANGELL AK	\$14,560	115.05	131.55	122.45	94.09	124.67	115.24	92.32	116.03	114.47	121.68	119.37
SITKA AK	\$14,546	114.94	125.12	122.45	98.23	117.50	123.20	94.79	116.03	129.69	116.12	119.69
KODIAK AK	\$14,183	112.07	133.79	97.14	93.94	110.36	119.51	92.10	116.03	110.00	122.36	112.79
NOME AK	\$14,179	112.04	138.84	97.14	113.91	124.58	110.28	95.21	116.03	122.25	114.37	110.97
KETCHIKAN AK	\$14,177	112.03	123.14	122.45	114.53	118.99	114.90	94.24	116.03	120.30	114.94	124.03
YUKON/KUSKOKWIM AK	\$14,094	111.37	143.77	97.14	115.04	151.07	114.80	97.24	116.03	101.93	117.85	119.45
JUNEAU AK	\$13,959	110.30	124.25	119.37	116.30	115.75	108.94	92.97	116.03	115.57	117.91	116.98
SEWARD AK	\$13,850	109.44	128.48	97.14	101.58	126.31	118.25	92.32	116.03	107.90	116.79	108.37
PALMER/WASILLA AK	\$13,738	108.56	128.57	122.45	104.44	120.82	111.15	90.17	116.03	108.99	111.67	111.46
KENAI/COOK INLET AK	\$13,725	108.48	126.37	122.45	110.85	117.77	119.98	90.81	116.03	110.80	111.92	111.43
CORDOVA/VALDEZ AK	\$13,720	108.42	129.30	122.45	106.06	112.45	110.15	93.61	116.03	122.15	118.46	109.37
FAIRBANKS/FORT YUKON AK	\$13,485	108.56	124.24	105.65	113.84	125.17	112.91	91.67	116.03	119.99	116.27	116.90
ANCHORAGE AK	\$13,206	104.35	123.04	108.52	108.75	115.20	105.38	94.61	116.03	113.91	113.91	112.66
SEATTLE S2 WA	\$12,671	100.13	98.34	102.26	120.17	97.35	96.88	99.07	104.15	108.45	101.52	100.26
SEATTLE CMP WA	\$12,655	100.00	96.34	102.26	120.17	97.35	96.88	99.07	104.15	108.45	101.52	100.26
SEATTLE S3 WA	\$12,639	99.87	96.34	102.26	120.17	97.35	96.88	99.07	104.15	108.45	101.52	100.26

### SECTION 3 — REPORT PRODUCTION METHODOLOGY

#### 3.0 — INTRODUCTION

THIS SECTION DESCRIBES THE SEQUENTIAL PROCESSES USED BY RUNZHEIMER INTERNATIONAL TO PRODUCE THE RUNZHEIMER PLAN OF LIVING COST STANDARDS. THE EXACT PARAMETERS AND THE SPECIFIC CONSIDERATIONS OF EACH STEP IN THE PRODUCTION OF THIS REPORT ARE DEFINED IN SECTION 1 -- REPORT SPECIFICATIONS.

#### 3.1 -- CLIENT DEFINED PARAMETERS

STEP 1 THE LOCATIONS FOR WHICH LIVING COST STANDARDS WOULD BE DEVELOPED WERE SUBMITTED BY THE CLIENT.

STEP 2 INCOME LEVELS AND FAMILY SIZES WERE SPECIFIED BY THE CLIENT FOR EACH OF THE LOCATIONS ANALYZED IN STEP 1.

#### 3.2 — RUNZHEIMER DEFINED STANDARDS

STEP 3 THE NUMBER, MODEL AND SIZE OF AUTOMOBILE(S), AND ANNUAL DISTANCES DRIVEN WERE DETERMINED FOR EACH OF THE LOCATIONS, FAMILY SIZES AND INCOME LEVELS.

STEP 4 SPECIFIC HOUSING UNIT SPECIFICATIONS WERE ASSIGNED FOR EACH INCOME LEVEL AND FAMILY SIZE ACCORDING TO STANDARDS DEVELOPED BY RUNZHEIMER.

### 3.3 -- LIVING COMMUNITY SELECTION

STEP 5 RUNZHEIMER SELECTED REPRESENTATIVE LIVING COMMUNITIES IN OR NEAR EACH LOCATION WHERE EACH PROFILED FAMILY, REPRESENTED BY ANNUAL INCOME WOULD ECONOMICALLY AND SOCIALLY RESIDE. THIS PROCESS WAS BASED UPON A CAREFUL ANALYSIS OF ALL POSSIBLE LIVING COMMUNITIES IN EACH AREA AVAILABLE TO THIS STANDARD PROFILED FAMILY UNIT.

### 3.4 -- TAXATION

STEP 6 A MAJOR ACCOUNTING FIRM IS EMPLOYED TO RESEARCH AND PROVIDE A CONTINUING DATA SOURCE FOR ALL FEDERAL, STATE, AND LOCAL INCOME TAX COMPUTATIONS.

STEP 7 CURRENT PATTERNS OF BOTH STANDARD AND ITEMIZED INCOME TAX DEDUCTIONS WERE DETERMINED FOR EACH LOCATION BASED UPON ANNUAL FAMILY ADJUSTED GROSS INCOME AND SIZE. FOR ALL U.S. LOCATIONS, THE MORTGAGE INTEREST AND REAL ESTATE TAXES FOR THE PARTICULAR LOCATION WERE USED IN CALCULATING THE ITEMIZED DEDUCTIONS.

STEP 8 A COMPUTERIZED SYSTEM FOR TAXATION WAS DEVELOPED TO GENERATE THE INCOME TAX LIABILITY APPLICABLE TO EACH FAMILY SIZE AND INCOME LEVEL. THIS SYSTEM USES THE CURRENT TAX FORMULA TO ENSURE ACCURATE COMPARATIVE TAX DATA FOR ALL NORTH AMERICAN LOCATIONS.

### 3.5 — PERSONAL AUTOMOBILES

- STEP 9 RUNZHEIMER IDENTIFIED AND DETERMINED THE BASIC VEHICLE SIZE CATEGORIES PER COUNTRY FOR WHICH PERSONAL OWNERSHIP AND OPERATING COSTS WOULD BE DEVELOPED.
- STEP 10 THE OPERATIONAL COST ELEMENTS FOR THE AUTOMOBILES DEFINED WERE DETERMINED. THEY INCLUDE FIXED COSTS (DEPRECIATION, INSURANCE, LICENSE, REGISTRATION, TAXES AND FINANCE CHARGES) AND VARIABLE OR OPERATING EXPENSES (FUEL, OIL, MAINTENANCE AND TIRES).
- STEP 11 COMPUTER GENERATED COST TABLES WERE PRODUCED FOR THE AUTO-MOBILE(S) DEFINED FOR THE INCOME LEVELS AND FAMILY SIZES FOR EACH LOCATION.

### 3.6 — HOME MARKET VALUES

- STEP 12 RUNZHEIMER BROADLY SAMPLED RECENT HOME MARKET SALE TRANSACTIONS IN EACH LIVING COMMUNITY. THEN THROUGH THE COMPUTERIZED STATISTICAL PROCESS OF STEPWISE LINEAR REGRESSION ANALYSIS, THESE MARKET TRANSACTIONS WERE ADJUSTED TO THE EXACT HOUSING CHARACTERISTICS OF THE STANDARD PROFILE. IN THIS WAY, CURRENT MARKET PRICES OF THE REPRESENTATIVE HOMES IN EACH COMMUNITY WERE GENERATED. SEE SECTION 5.3 FOR A DETAILED DESCRIPTION OF THE METHODOLOGY APPLIED IN THIS PROCESS.
- STEP 13 HISTORICAL DATA WAS USED TO ARRIVE AT REPRESENTATIVE MARKET VALUES FOR HOMES FOLLOWING THE SAME PROCEDURE AS IN THE PREVIOUS STEP.

### 3.7 — RENTAL HOUSING VALUES

STEP 14 THROUGH ITS NETWORK OF PRIMARY SOURCES, RUNZHEIMER INTERNATIONAL SAMPLES THE PREVAILING RENTAL HOUSING MARKETS IN EACH COMMUNITY. A MEDIAN NET RENTAL COST IS ESTABLISHED FOR THE PROFILED RENTAL UNIT UTILIZING THE VARIOUS RENTAL UNIT TYPES AVAILABLE IN THE SPECIFIC COMMUNITY.

### 3.8 -- MORTGAGE - PRINCIPAL AND INTEREST

STEP 15 THE LENDING MARKET IN EACH COMMUNITY WAS STUDIED TO DETERMINE THE PERCENTAGES OF HOME VALUES FINANCED AND OTHER APPLICABLE MORTGAGE TERMS SO AS TO ARRIVE AT A COMMON SET OF CRITERIA APPLICABLE TO ALL OF THE LIVING COMMUNITIES INVOLVED IN THIS COMPARISON.

STEP 16 THE CURRENT MORTGAGE MONEY MARKETS WERE ANALYZED IN EACH OF THE COMMUNITIES AND THE APPLICABLE INTEREST RATE WAS ESTABLISHED FOR EACH LOCALE.

STEP 17 BASED UPON INTEREST RATES, PERCENTAGES OF VALUE FINANCED, AND OTHER MORTGAGE TERMS, AS APPLICABLE TO THE CURRENT MARKET VALUES OF THE STANDARD HOME, THE ANNUAL PRINCIPAL AND INTEREST PAYMENTS WERE COMPUTED.

### 3.9 -- HOMEOWNER INSURANCE

STEP 18 CURRENT DATA SOURCES FOR HOMEOWNER OR RENTER INSURANCE WERE ESTABLISHED FOR EACH LIVING COMMUNITY. THE APPLICABLE RATES FOR A HOMEOWNERS 3 (HO-3) TYPE POLICY WITH A DEDUCTIBLE OF \$100 WERE APPLIED TO EACH NORTH AMERICAN LOCATION. IN ALL OTHER LOCATIONS, THE TYPICAL AND COMPARABLE HOMEOWNER OR RENTER INSURANCE WAS DETERMINED AND COSTED.

### 3.10 -- REAL ESTATE TAXES

STEP 19 THE GENERAL REAL ESTATE TAX RATES, THE DATES OF LATEST MARKET VALUE ASSESSMENTS, AND THE PERCENTAGES OF MARKET VALUE SUBJECT TO ASSESSMENT, WERE DETERMINED THROUGH DIRECT CONSULTATIONS WITH LOCAL TAX ASSESSOR'S OFFICES. THESE FINDINGS WERE USED TO CALCULATE THE ANNUAL TAX AMOUNTS. THESE VALUES WERE THEN COMPARED WITH THOSE DERIVED FROM ADDITIONAL INDEPENDENT PRIMARY SOURCES FOR PROPERTY TAX INFORMATION, APPLICABLE TO THE PAST YEAR, TO VERIFY THE INITIAL VALUES.

### 3.11 -- HOUSING UTILITIES

STEP 20 IN CERTAIN COMMUNITIES OR IN SPECIFIC RENTAL UNIT TYPES, UTILITY COSTS MAY BE INCLUDED IN THE BASE RENTAL COST. RUNZHEIMER HAS SEPARATED THESE COSTS TO PROVIDE A MORE SUITABLE COMPARISON WITH COMMUNITIES WHERE UTILITY COSTS ARE BORNE BY THE RENTER. THE ANNUAL COSTS FOR HEATING, COOLING, AND OTHER UTILITIES FOR THE PROFILED HOMES OR RENTAL UNITS WERE DEVELOPED FROM RATE SCHEDULES COMPILED FOR EACH LOCATION. HEATING AND COOLING COSTS WERE BASED

3.11 -- HOUSING UTILITIES (CONTINUED)

UPON THE MOST COMMONLY USED FUEL IN EACH COMMUNITY. THE ANNUAL COSTS WERE THEN COMPARED WITH ADDITIONAL PRIMARY DATA SOURCES FOR VERIFICATION OF THE INITIAL COMPUTATIONS.

3.12 -- MAINTENANCE

STEP 21 TYPICAL COSTS OF HOME MAINTENANCE WERE DEVELOPED FOR EACH COMMUNITY. THESE COSTS ARE EXPRESSED AS AN ANNUAL AMOUNT, APPLICABLE TO STANDARD PROFILE HOMES AND ARE AMORTIZED OVER THE TERM OF THE MORTGAGE.

3.13 -- GOODS & SERVICES AND OTHER EXPENSES

STEP 22 RUNZHEIMER PRICED A MARKET BASKET OF GOODS & SERVICES IN EACH LOCATION OF THIS REPORT.

STEP 23 USING A PROGRAM OF FIXED-WEIGHT PRICE INDEXES DEVELOPED BY RUNZHEIMER, SEPARATE INDEXES WERE GENERATED FOR EACH OF THE TEN GOODS & SERVICES CATEGORIES AT EACH LOCATION. FOR A FURTHER EXPLANATION OF THE PRICING AND INDEX PROGRAM METHODOLOGY SEE APPENDIX 5.5.

STEP 24 UNLESS OTHERWISE SPECIFIED BY THE CLIENT, THE GOODS & SERVICES DOLLAR AMOUNT WAS COMPUTED USING STANDARD CITY AS A BASE 100.

STEP 25 INCOME LEVELS AND FAMILY COMPOSITION WERE USED TO DETERMINE APPLICABLE STATE OR PROVINCIAL AND LOCAL SALES TAXES FOR LOCATIONS IN THE U.S. AND CANADA.

3.13 — GOODS & SERVICES AND OTHER EXPENSES (CONTINUED)

STEP 26 THE GOODS & SERVICES DOLLAR AMOUNTS SHOWN IN THE GOODS & SERVICES TABLE WERE COMPUTED BY ADDING THE GOODS & SERVICES AMOUNT AND ANY SALES TAXES.

STEP 27 THE GOODS & SERVICES INDEXES IN THE GOODS & SERVICES TABLE ARE DETAILED FOR EACH OF THE TEN GOODS & SERVICES CATEGORIES.

STEP 28 THE "MISCELLANEOUS" ELEMENT, AS EXPLAINED IN SECTION 1.1.5, IN PROFILE 1 OF THE SPECIFICATIONS SECTION, IS ENTERED ON THE LAST COMPONENT LINE OF EACH MASTER SCHEDULE.

3.14 — QUALITY CONTROL

STEP 29 ALL STEPS OF THE REPORT DEVELOPMENT PROCESS ARE THOROUGHLY REVIEWED AND VERIFIED TO ENSURE CONFORMITY WITH EXACTING STANDARDS OF PRODUCTION. THIS REVIEW PROCESS IS AUGMENTED BY SOPHISTICATED COMPUTERIZED STATISTICAL ANALYSIS PROCESSES CONDUCTED THROUGH EACH STEP OF REPORT DEVELOPMENT.

## SECTION 5 — APPENDIX

### 5.1 — Questions and Comments .

Runzheimer and Company, Inc. feels it is essential you understand the data in this report and their uses. Therefore, we invite your questions regarding our product. Such questions may be submitted in writing or by telephone. Regardless of their number, complexity or timing, a response will be provided without delay.

If you inquire by telephone, please ask for the consultant with whom you placed the order or for the individual who signed the cover letter of this report. When writing, address your correspondence to either of these two individuals. A written reply will be mailed within five working days after receipt of your inquiry.

In an effort to make this report more meaningful and responsive to our client's needs, your response will enable us to continue to improve The Runzheimer Plan of Living Cost Standards.

FORM A

QUESTION SUBMITTAL FORM

Mail to: Services Department  
Runzheimer and Company, Inc.  
Living Cost  
Runzheimer Park  
Rochester, WI 53167

Company Name: \_\_\_\_\_ Date: \_\_\_\_\_

Division: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

In our review of the Runzheimer Living Cost Standards Report, we have questions pertaining to certain aspects.

Specifically, they are as follows:

<u>Location(s)</u>	<u>Concern</u>
1.)	1.)
2.)	2.)
3.)	3.)
4.)	4.)

Other:

Please mail your response with \_\_\_\_\_ copies to:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone #: \_\_\_\_\_

## 5.2 — How to Order Updated Reports

Many clients ask the questions... "Can we add locations or new profiles to an existing report?" ...or... "What is the proper time frame for renewing our report?" ...or... "What are the procedures for placing a renewal order?" This subsection will address the above questions and provide the procedures recommended for timely order and production of needed comparative studies.

### 5.2.1 - Adding New Locations/Profiles

As company expansion occurs or when recruitment takes place in a city requiring relocation of the individual hired, our clients may find that the location involved or the proper income level is not included in their present cost-of-living report.

The methodology utilized in developing The Runzheimer Plan of Living Cost Standards (See Section 3) allows us to add new locations or profiles to the existing report and, if desired, those additions can be made retroactive to the time the previous report was developed. To order an additional location or profile, please call or write to Living Cost at Runzheimer Company, Incorporated.

### 5.2.2 - Renewing an Existing Report

When is it appropriate to consider renewing your report to reflect current cost-of-living data? During periods of stable economic conditions, most firms have found it sufficient to renew their report on a semiannual or annual basis. During periods of rapidly changing mortgage interest rates and real estate prices, or when major income tax legislation is implemented, a faster renewal cycle is recommended. The final decision rests with the client company and

**Renewing an Existing Report (Cont.)**

its concern with the impact of a changing economic situation and the effect it may have on its relocating employees or wage/salary structure. A renewal reminder is sent two months prior to an annual renewal date to secure adequate lead time for report production.

When renewing a report, we recommend you review income and family size profiles and locations. The profiles should be studied to ensure salary increases over the past period are incorporated in the renewal report profiles. The locations should also be reviewed so that cities are added, replaced or omitted consistent with your changing requirements.

## HOUSING REGRESSION ANALYSIS

### 5.3 - Regression Process

Runzheimer uses multiple linear regression analysis to calculate a range of representative home market values for each living community. To perform the analysis, Runzheimer obtains a sample of comparable sales data and enters two independent variables, sale date of the home and living area square footage, and one dependent variable, sold price (i.e., market value), into the computerized regression model.

#### 5.3.1 - What A Multiple Linear Regression Does

A multiple regression analysis is a two-step process in which a statistical relationship between quantitative (i.e., measurable) variable is created. In the first step of the process, adjustment parameters, (or standard parameters), of the regression model are calculated. In the second step of the process, the output values (i.e., market values) are produced.

#### 5.3.2 - Calculating the Adjustment Parameters

In this step, the computer mathematically combines, for each living community, the sale dates, square footage amounts, and market value data from a sample of actual sold properties. The resulting adjustment parameters form a model that describes the best statistical relationship between and among the variables for this community.

### 5.3.3 - Producing Market Values

In this step, Runzheimer enters standard values for sale date and square footage into the model. Using the adjustment parameters calculated in the first step, the model then produces the corresponding adjusted market values for this community.

### 5.3.4 - Why Regression Analysis is Valid

Through years of experience and testing, Runzheimer has found that regression analysis is the best way to calculate consistent and reliable adjustment parameters, and subsequently, defensible home market values. Our multiple linear regression process is, in part, a mathematical representation of the process real estate appraisers use to determine market values. Using a mathematical model to characterize the housing market ensures consistent calculation of market values from community to community, location to location.

### 5.3.5 - Annual Review of Model

Because the real estate market is continually changing, Runzheimer regularly reviews its model and process to ensure statistical and mathematical reliability. For housing regression analysis, Runzheimer annually tests up to seven housing-related variables for validity. Runzheimer then modifies the computerized regression model to include only those variables that have a statistically significant impact on home market values.

**Annual Review of Model (Cont.)**

Runzheimer also annually assesses which type of mathematical model best develops home market values. For example: Runzheimer currently develops market values using multiple linear regression analysis. In the future, if appropriate, Runzheimer may opt to incorporate a log-linear, exponential, or non-linear regression analysis. Rigorous annual review of methods and statistical models ensures that Runzheimer's clients receive accurate and consistent home market values.

5.4 -- Bunzheimer Urban Complex Designations

Runzheimer Urban Complex Descriptions

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<u>URBAN COMPLEX</u>	<u>AREA 1</u>	<u>AREA 2</u>	<u>AREA 3</u>	<u>AREA 4</u>	<u>AREA 5</u>	<u>AREA 6</u>	<u>AREA 7</u>	<u>AREA 8</u>
Atlanta	City	All Suburbs						
Baltimore	City	Suburbs S & W	Suburbs NW & N					
Boston	City	Suburbs SW & S	Suburbs NW & N					
Chicago	City	Suburbs S	Suburbs W	Cook Co & Lake Co	N Suburbs E of Hwy 21	N Lake Co	McHenry Co	
Cincinnati	City	OH Suburbs						
Cleveland	City	Suburbs E	Suburbs S	Suburbs W				
Dallas	City	Suburbs Dallas	Fort Worth City & Suburbs					
Denver	City	Suburbs W	Suburbs N, E & S					
Detroit	City	Wayne Co	Oakland & Macomb Co					
Houston	City	Suburbs in City Limits	Suburbs N of I-10	Suburbs S of I-10				
Kansas City	City, KS	Suburbs MO	Suburbs KS	City, MO				
Los Angeles	City & LA Co S of I-10	W City & LA Co N of I-10 W of Pasadena Fwy	E City & LA Co N of I-10 E of Pasadena Fwy	San Bernardino/ Riverside Co	Orange Co			
Miami	City	Suburbs S & SW	Suburbs W & NW Dade Co	Suburbs NE Broward Co				
Milwaukee	City	Suburbs N	Suburbs W	Suburbs S of I-94				
Minneapolis	City	City of St. Paul	Suburbs					
Montreal	West Island	Laval and North	South Shore	City Lower CT Fairfield Co	Long Island	NENJ-Bergen, Essex Co-NJ	NENJ-Morris, Somerset, Sussex Co	NENJ-Middlesex, Monmouth, Union Co
New York City	5 Boroughs	NE NJ	Lower NY Westchester Co					
Philadelphia	City	Suburbs N	Suburbs W	NJ Suburbs				
Pittsburgh	City	Suburbs N & E	Suburbs S & W					
St. Louis	City	Suburbs N & W	Suburbs S & W	Suburbs IL				
San Diego	City	Suburbs						
San Francisco	City	San Mateo Co to San Jose	East Bay Area	Marin Co				
Seattle	City	Suburbs	City & Suburbs of Tacoma					
Toronto	City	Etobicoke & W Mississauga	N York, N Scarborough & E					
Washington DC	City	Suburbs MD	Suburbs VA					

## 5.5 — GOODS & SERVICES INDEX COMPUTATION

The Goods & Services Index is based on local pricings performed in all locations included in this Report. Over 120 marketbasket items are priced in three representative outlets per location, each individually selected by Runzheimer Research.

Price data are never more than six months old and prices are adjusted separately for any time difference between the dates of their collection.

The relative importance of each of the ten Goods & Services categories has been researched for each income level. Furthermore, within each of these categories the relative weight of each individual item has again been determined. Using this technique, Runzheimer and Company, Inc., has developed an income-sensitive weighting pattern for the Goods & Services component.

The dollar amount of the Goods & Services component is based on the total living costs at Standard City. For each homeowner profile at Standard City, the current living costs, based on a three-year-old mortgage, are so computed that they equal the profiled income level. For a rental family profile at Standard City the current living costs are also computed so that they equal the income level. The Goods & Services dollar amount for all locations other than Standard City is computed using the total Goods & Services Index.

Sales tax is calculated based on the Revenue Services' state or provincial sales tax formulas together with all city and/or county sales taxes which apply to each location in the study. Since sales tax is an integral element in the total cost of Goods & Services, the total Goods & Services Indexes have been adjusted for the appropriate sales taxes at each location.