

SB

269

HFIN

FILE

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: March 23, 2000

FURTHER REFERRALS:

Date of Committee Action: 3/29/00

The FINANCE Committee considered:

CSSB 269(RLS)

CS FOR SENATE BILL NO. 269(RLS) am

LEGISLATURE & STATE EMPLOYEE CONTRACTS

"An Act relating to legislative powers and responsibility with respect to collective bargaining agreements between the state and a labor or employee organization representing state employees; and providing for an effective date."

recommends it be replaced
with the following committee substitute

HCS
CS SB 269 (FIN)

the same title
 a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) DOA

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>[Signature]</i>	Therriault	X			
<i>[Signature]</i>	Mulier	X			
<i>[Signature]</i>	Bunde			✓	
<i>[Signature]</i>	Gusterman			X	
<i>[Signature]</i>	Davies			X	
<i>[Signature]</i>	Grussendorf			X	
<i>[Signature]</i>	Moses			X	
<i>[Signature]</i>	Williams			X	
<i>[Signature]</i>	Foster	X			
<i>[Signature]</i>	Davis			X	

CHAIR'S SIGNATURE: [Signature] [Signature]

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

No. 1
Bill Version: CS5B 269
(S) Publish Date: 3/6/00

Revision Date/Time (Note if Correction): _____
Title: Deadline for Submission of Monetary Terms
Sponsor: Senator Pearce
Requestor: (S) FIN

Department Affected: ALL
BRU: Centralized Admin. Service
Component: Office of the Commissioner
COMPONENT SERIAL NO. 45

Expenditures/Revenues: (Thousands of Dollars)
Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2001	FY 2002	FY2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 2000) cost: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact.

Prepared by: Assistant Commissioner David Koivuniemi
Division: Commissioner's Office
Approved by Commissioner: Robert Poe Jr.
Agency: Department of Administration

Phone: 465-2200
Date: _____
Date: 2/22/00

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(11)

Date Referred to Committee: March 23, 2000

HOUSE COMMITTEE REPORT

FURTHER REFERRALS:

3-29-0
Today
Calendar

Date of Committee Action: 3/29/00

The FINANCE Committee considered:

CSSB 269(RLS)

CS FOR SENATE BILL NO. 269(RLS) am

LEGISLATURE & STATE EMPLOYEE CONTRACT

"An Act relating to legislative powers and responsibility with respect to collective bargaining agreements between the state and a labor or employee organization representing state employees; and providing for an effective date."

recommends it be replaced with the following committee substitute

CS SB 269 (FIN)

[x] the same title
[] a new title

[] additional referral to _____ Committee
[] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[] fiscal note(s) _____

[] fiscal note(s) _____

[] zero fiscal note(s) _____

[x] ^{Senate} zero fiscal note(s) _____
Adm/all dept's 3.600

SIGNING WITH RECOMMENDATIONS		DP (4)	DNP	NR (7)	AM
<i>Gene Theriault</i>	Therriault	X			
<i>Monty Mulder</i>	Mulder	X			
<i>Carl Bunde</i>	Bunde			✓	
<i>Alm Auster</i>	Austerman			X	
<i>John M. Davies</i>	Davies			X	
<i>Ben Grussendorf</i>	Grussendorf			X	
<i>Carl E. Moses</i>	Moses			X	
<i>Bill Williams</i>	Williams			X	
<i>Frank Hill</i>	Hill			X	
<i>John Foster</i>	FOSTER	X			
<i>John Davis</i>	DAVIS			X	

CHAIR'S SIGNATURE

Gene Theriault

1-LS1386\KA.7
Cramer
3/29/00

A M E N D M E N T

Adopted -
ψ

OFFERED IN THE HOUSE

TO: CSSB 269(RLS) am

1 Page 2, line 2:

2 Delete "Unless otherwise authorized by the legislature, the final"

3 Insert "The complete monetary and nonmonetary terms of a tentative"

4 Page 2, line 4, following "year":

5 Insert ". However, if the department has submitted a tentative agreement in a
6 timely manner and the parties to the agreement decide to renegotiate the terms, the
7 renegotiated agreement shall be considered to have been submitted in a timely manner.
8 In this subsection, "tentative agreement" means an agreement that has been reached by
9 the negotiators for the employer and the bargaining unit but that ~~has~~ not yet been
10 ratified by the members of the bargaining unit"

"may" have

1-LS1386\KA.6
Cramer
3/29/00

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSSB 269(RLS) am

1 Page 2, line 2:

2 Delete "Unless otherwise authorized by the legislature, the final"

3 Insert "The complete monetary and nonmonetary terms of a tentative"

4 Page 2, line 4, following "year":

5 Insert "However, if the department has submitted a tentative agreement in a
6 timely manner and the parties to the agreement decide to renegotiate the monetary
7 terms, the renegotiated agreement shall be considered to have been submitted in a
8 timely manner."

Amendment
Amended on page 2, line 3

1-LS1386K.a

CS FOR SENATE BILL NO. 269(RLS) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE

Amended: 3/22/00

Offered: 3/20/00

Sponsor(s): SENATOR PEARCE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to legislative powers and responsibility with respect to collective
2 bargaining agreements between the state and a labor or employee organization
3 representing state employees; and providing for an effective date."

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

5 * Section 1. AS 23.40.215(a) is amended to read:

6 (a) The monetary terms of any agreement entered into under AS 23.40.070 -
7 23.40.260 are subject to funding through legislative appropriation. If the legislature
8 does not fund the monetary terms of an agreement, none of the provisions of the
9 agreement take effect. For a multiyear agreement, if the legislature funds the
10 monetary terms for a year, the nonmonetary terms take effect for that year and
11 remain in effect for the duration of the agreement.

12 * Sec. 2. AS 23.40.215(b) is amended to read:

13 (b) The Department of Administration shall submit the monetary terms of an
14 agreement to the legislature within 10 legislative days after the agreement of the

1 parties, if the legislature is in session, or within 10 legislative days after the convening
 2 of the next regular session. ~~Unless otherwise authorized by the legislature, the final~~
 3 ~~agreement shall be submitted to the legislature no later than the 15th day of the~~⁶⁰
 4 ~~legislative session to receive legislative consideration during that calendar year~~
 5 [THE LEGISLATURE SHALL ADVISE THE PARTIES BY CONCURRENT
 6 RESOLUTION IF IT APPROVES OR DISAPPROVES OF THE MONETARY
 7 TERMS WITHIN 60 LEGISLATIVE DAYS AFTER THE AGREEMENT IS
 8 SUBMITTED TO THE LEGISLATURE. THE APPROVAL OF THE MONETARY
 9 TERMS OF AN AGREEMENT UNDER THIS SUBSECTION IS A NONBINDING,
 10 ADVISORY EXPRESSION OF LEGISLATIVE INTENT. IF WITHIN 60
 11 LEGISLATIVE DAYS AFTER THE AGREEMENT IS SUBMITTED THE
 12 LEGISLATURE ADVISES THE PARTIES BY CONCURRENT RESOLUTION
 13 THAT IT DISAPPROVES THE MONETARY TERMS OF THE AGREEMENT, THE
 14 PARTIES MAY RESUME NEGOTIATIONS].

15 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

Adopted

AMENDMENT 2

OFFERED IN THE HOUSE

TO: CSSB 269(RLS) am

1 Page 1, lines 5 - 11:

2 Delete all material.

3 Page 1, line 12:

4 Delete "Sec. 2"

5 Insert "Section 1"

6 Page 2, following line 14:

7 Insert a new bill section to read:

8 "* Sec. 2. AS 23.40.250(4) is amended to read:

9 (4) "monetary terms of an agreement" means the changes in the terms
10 and conditions of employment resulting from an agreement that

11 (A) will require an appropriation for their implementation;

12 [OR]

13 (B) will result in a change in state revenues or productive work
14 hours for state employees; or

15 (C) address employee compensation, leave benefits, or
16 health insurance benefits, whether or not an appropriation is required for
17 implementation;"

Failed 5-6

3/29/00

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE DAVIES

TO: CSSB 269(RLS) am

- 1 Page 1, lines 5 - 11:
- 2 Delete all material.
- 3 Renumber the following bill sections accordingly.

Alaska State Legislature

During Interim: (June - Dec.)
716 West 4th Avenue, Suite 500
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(907) 269-0200
Fax (907) 269-0204



During Session: (Jan. - May)
State Capitol
Juneau, Alaska 99801-1182
(907) 465-4993
Fax (907) 465-3872

Senator Drue Pearce

Sponsor Statement for CSSB 269(RLS) am Deadline for the Submission of Monetary Terms

Senate Bill 269 would modify existing state law relating to collective bargaining agreements (CBAs). Specifically, SB 269 requires that the monetary terms of CBA negotiated with state employee unions must be submitted to the legislature by the 45th day of session.

In accordance with the Alaska Supreme Court's decision in University of Alaska Classified Employees Assoc., et. al. v. University of Alaska, et. al., Supreme Court No. S-8366 (Sept. 24, 1999), SB 269 provides that if the legislature does not fund the monetary terms of a CBA, none of the agreement's provisions will take effect.

The Court's ruling highlights a significant problem for the Legislature. Contract negotiations between the state and state employee unions are confidential. Often the Legislature does not receive the monetary terms of these negotiated CBAs until the final days of session. As a result, the Legislature faces the challenge of making reasoned decisions involving complex contractual terms in a short period of time.

SB 269 would alleviate this problem by requiring all monetary terms of CBAs to be submitted by the 45th day of the Legislative session. The state could begin the negotiation process at an earlier date and still provide a significant amount of time within the calendar year for legislative review of the terms.

SB 269 also gives the legislature the discretion to review changes to a timely filed but previously rejected CBA for consideration in the calendar year under which that agreement was negotiated.

LEGAL SERVICES

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LEGISLATIVE AFFAIRS AGENCY
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Juneau, Alaska 99801-1182
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MEMORANDUM

February 1, 2000

SUBJECT: Disapproval of monetary terms of state collective bargaining contracts (Work Order No. 21-LS1317)

TO: Senator Sean Parnell
Attn: Renee Howell

FROM: Teresa B. Cramer 
Legislative Counsel

You have asked for information about the recent state supreme court decision concerning the funding of collective bargaining agreements of the University of Alaska. Univ. of Alaska CEA v Univ. of Alaska, 988 P.2d 105 (Alaska 1999). In that case two unions representing University employees had completed negotiations on collective bargaining agreements with the University for which the legislature delayed appropriating funds.

Near the end of the term of a collective bargaining agreement negotiated in 1992, the Alaska Community Colleges' Federation of Teachers (ACCFT) and the University of Alaska agreed to extend the terms of the previous agreement while negotiating a new agreement. Under the terms of the 1992 agreement, the university was required to pay faculty an annual cost-of-living salary increase in accordance with a university regulation in effect at the time. The Board of Regents suspended that compensation policy in 1993 and the university refused to pay the raises. The union took the matter to arbitration and the arbitrator concluded that the university was required to pay pay raises. The governor requested funding for the pay raises for fiscal years 1995 and 1996. The legislature did not act on this request. *Id.* at 106.

In February 1995, the University of Alaska Classified Employees Association (CEA) and the university signed a collective bargaining agreement which included pay raises for the association's members effective from the date of signing through 1997. The university requested funding for the pay raises in legislation but the legislature took no action on the bill. *Id.*

Both unions filed complaints in superior court, claiming that the university was obligated to pay the raises out of its "personnel services budget." *Id.* at 107. In June of 1996, the legislature funded the CEA raise for fiscal year 1995 and both unions' raises for fiscal years 1996 and 1997. The unions then litigated their claims to the unfunded ACCFT raise for fiscal year 1995 and to CEA's claim for interest on its 1995 raise, which was funded some 18 months after it was supposed to go into effect. The superior court ruled in favor of the state and the university. The unions appealed to the state supreme court. *Id.* at 106 - 107.

Senator Sean Parnell

February 1, 2000

Page 2

The state supreme court ruled that, based on the plain language in AS 23.40.215(a), the monetary terms of a collective bargaining agreement

do not become effective unless and until the legislature specifically funds them. The statute does not direct the legislature to take action on a request for funding; nor does it provide for funding by default in the event of legislative inaction. Rather, it simply hinges the effectiveness of the monetary terms of any public-sector CBA on legislative funding.

(footnotes omitted.)

This decision supports the legislature's power over negotiated monetary terms. Based on the court's opinion, monetary terms of a collective bargaining agreement between the state and a union representing state employees are not effective unless and until they are presented to the legislature and the legislature acts to fund them. The court's decision also means that a state agency may not be required to use a general appropriation for personal services which does not include money for monetary terms to fund those terms without direction to do so from the legislature. Note that although the court set out the full text of AS 23.40.215 in a footnote, the opinion does not mention or discuss subsection (b), which provides a method for the legislature to advise the executive branch and the collective bargaining organizations about its intentions with respect to the monetary terms of a negotiated agreement. The opinion does not require the legislature to pass a resolution to effectively turn down proposed monetary terms.

In summary, the legislature is not obliged to take any specific action to turn down monetary terms of collective bargaining agreements; the court states clearly that they will not take effect "unless and until" the legislature appropriates money for them. To be on the safe side, however, when making appropriations for personal services that apply to employees covered by a proposed collective bargaining agreement, the legislature could include in the bill's legislative history a statement that the money appropriated is not intended as approval of the monetary terms.

Please let me know if you have additional questions on this matter.

TC:pl:jr

00-035.plm