

**SB**

**30001**

**SFIN**

**FILE**

SB 3001

was referred to the  
Senate Finance  
Committee

Hearing(s) were held

The bill did not move  
from Committee

**UNIVERSITY OF ALASKA  
FY01 Salary Maintenance Request**

	<b>Allocation</b>	<b>General Fund</b>	<b>Univ. Receipts</b>	<b>Federal</b>	<b>Auxiliary</b>
<b>ACCFT</b> (266 Faculty)	429.5	428.5	1.0		
<b>CEA</b> (250 Maintenance & Trade)	164.3	164.3			
<b>United Academics</b> (675 Faculty)	1,259.8	1,145.7	62.6	51.5	
<b>United Academics Adjuncts</b> (950 Temporary Faculty)	246.3	246.3			
<b>Non-Represented Employees</b> (2,500 Employees)	4,326.4	3,176.3	875.8	174.8	99.5
<b>TOTAL</b>	<b>6,426.3</b>	<b>5,161.1</b>	<b>939.4</b>	<b>226.3</b>	<b>99.5</b>

264  
 250  
 025  
 -----  
 1,191 RM

APR-17-00 MON 12:40

DIV OF PERSONNEL

FAX NO. 907 485 2576

P. JZ/UZ

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110800  
JUNEAU, ALASKA 99811-0800  
PHONE: (907)466-2300  
FAX: (907)466-2135

April 17, 2000

Darryl Tseu, Regional Director  
Inlandboatmen's Union of the Pacific  
231 S. Franklin, Suite 201  
Juneau AK 99801

Dear Mr. Tseu:

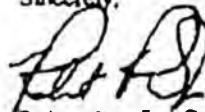
Re: HEALTH INSURANCE SAVINGS

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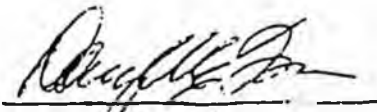
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Please acknowledge your agreement with the above by signing and dating in the space provided below. Thank you for your attention to this matter.

Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration

  
\_\_\_\_\_  
Agreed  
4/18/00  
\_\_\_\_\_  
Date

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110200  
JUNEAU, ALASKA 99911-0200  
PHONE: (907) 465-2200  
FAX: (907) 465-2135

April 17, 2000

Chuck O'Connell, Business Manager  
Alaska State Employees Association  
626 "F" Street  
Anchorage AK 99501

Dear Mr. O'Connell:

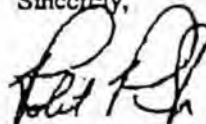
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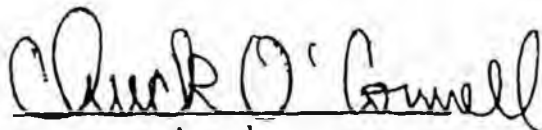
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Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration



Agreed

4-17-00

Date

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

April 17, 2000

Bruce Ludwig, Business Manager  
Alaska Public Employees Assn.  
211 Fourth Street, Suite 306  
Juneau AK 99801

Dear Mr. Ludwig:

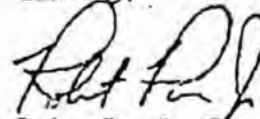
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Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration

EXISTING INTENT

  
\_\_\_\_\_  
Agreed  
4/17/00  
\_\_\_\_\_  
Date

APR-17-00 MON 15:45

P. 02

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110200  
JUNEAU, ALASKA 99811-0200  
PHONE: (907) 465-2250  
FAX: (907) 465-2135

April 17, 2000

Don Valesko, Business Manager  
Public Employees Local 71, AFL-CIO  
2510 Arctic Boulevard  
Anchorage AK 99503-2516

Dear Mr. Valesko:

Re: HEALTH INSURANCE SAVINGS

In our recently concluded contract negotiations we agreed to a three-year schedule for the State of Alaska's monthly contributions to health care premiums for each eligible employee.

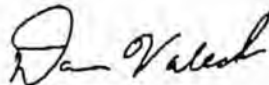
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Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration



Agreed

April 17, 2000

Date

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

April 17, 2000

Keith Perrin, Business Manager  
Public Safety Employees Assn.  
4300 Boniface Pkwy., Suite 116  
Anchorage AK 99504-4387

Dear Mr. Perrin:

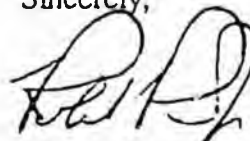
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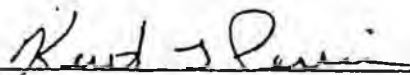
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Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration



Agreed

4-17-00

Date

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110200  
JUNEAU, ALASKA 99811-0200  
PHONE: (907) 465-2200  
FAX: (907) 465-2155

April 17, 2000

Margaret Mackinnon, President  
Alyeska Central School Education Assn.  
PO Box 20665  
Juneau AK 99802-0665

Dear Ms. Mackinnon:

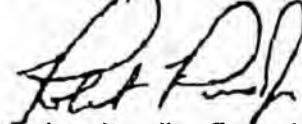
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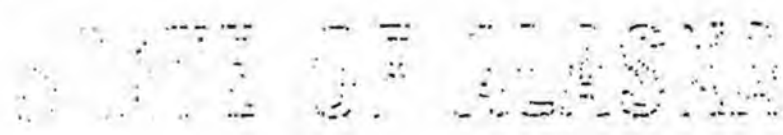
Robert Poe Jr., Commissioner  
Department of Administration

Margaret Mackinnon

Agreed

4/17/00

Date



TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110200  
JUNEAU, ALASKA 99811-0200  
PHONE: (907) 485-2200  
FAX: (907) 465-2135

April 17, 2000

Capt. Steve Demeroutis, Vice President  
Int'l. Organization of Masters, Mates & Pilots  
2333 Third Avenue  
Seattle WA 98121-1711

Dear Capt. Demeroutis:

Re: HEALTH INSURANCE SAVINGS

In our recently concluded contract negotiations we agreed to a three-year schedule for the State of Alaska's monthly contributions to health care premiums for each eligible employee. We also agreed that you may choose to implement a health benefit trust plan to provide health benefits to your bargaining unit employees and any savings achieved as a result of a reduced premium would be shared between the individual employees and the State of Alaska.

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Please acknowledge your agreement with the above by signing and dating in the space provided below. Thank you for your attention to this matter.

Sincerely,

Robert Poe Jr., Commissioner  
Department of Administration

\_\_\_\_\_  
Agreed  
4/17/2000  
\_\_\_\_\_  
Date

FAX TRANSMITTAL  
STATE OF ALASKA  
Department of Administration

To: Darryl Tseu

Date: 4/17/00

Phone: \_\_\_\_\_

Fax#: 586-8222

From: Dave K.

Phone: (907) 465-2200

Department of Administration  
Office of the Commissioner  
P.O. Box 110200  
Juneau, Alaska 99811-0200

Fax#: (907) 465-2133

Number of Pages(Including Cover Sheet): \_\_\_\_\_

Please Call On Receipt

Comments: The legislature has

clarification of what the

50% of savings that is

returned to the employer

letter reflects our agree...

state will retain 50% of any savings

realized - call me if you have any

questions - fax it back to me as soon

as possible - today - Monday - 4/17/00.

I have called, e-mailed, & faxed in an attempt to get this to Darryl Tseu. He will see it no later than Tuesday morning.

*Leif*

## Employee Contract Talking Points

05/04/00

- **State employees have held the line on payroll costs for the last four years.** For the first three of these years, state employees received increases equal to one half of the Anchorage CPI and for the last of these four years they received no increase.
- **State employees provide vital services to the people of Alaska** through their work as state troopers, public health nurses, social workers, corrections officers, architects and engineers, employment specialists, health inspectors, road maintenance crews, probation officers, fisheries managers, prosecutors, surveyors, park rangers, and many other professions.
- **State employees contribute significantly to the Alaskan economy.** State employees live and work in Alaska. In FY 99 state employees, including the university, numbered almost 21,700 with a total payroll of \$795 million. Using an economic multiplier of 1.8 (U.S. Bureau of Economic Analysis estimate), state workers earning \$795 million in 1998 injected a total of \$1.43 billion into Alaska's economy by the spending and re-spending of those dollars.
- **State employees are your neighbors.** Of the 15,768 person state workforce (not including the University of Alaska):
  - 7,000 plus (45 percent) live in the Anchorage-Mat/Su region,
  - 4,800 plus (30 percent) work in the state capital or Southeast region,
  - 1,800 plus (11.8 percent) live in the Interior,
  - 1,200 plus (8 percent) live in the Gulf Coast region,
  - 400 plus (2.6 percent) live in the Southwest region, and
  - 274 (1.7 percent) live in the Northern region.
- **Average monthly earnings for state employees, not adjusted for inflation, from 1996 to 1998 lagged far behind the increase in average earnings for other sectors of the Alaskan economy.**
  - Private sector employees in Alaska: increased by 4.9 percent
  - Federal employees in Alaska: increased by 16.0 percent.
  - Alaska state employees: increased by 0.1 percent.
- **State of Alaska contribution in 1999 for most state employees' health insurance is less than that of other public sector employers for comparable plans and employee contributions for state health insurance plans are significantly more.**
  - Fairbanks monthly employer contribution \$600.00, employee contribution \$0.
  - Kenai Peninsula monthly employer contribution \$559.00, employee contribution \$0.
  - Anchorage monthly employer contribution \$500.00, most employees pay between \$17 - \$0 per month.
  - Mat-Su Borough monthly employer contribution \$500.00, employee contribution \$0.
  - State of Alaska monthly employer contribution ranges between \$423.50 - \$550.00 with 85% of the employees receiving an employer contribution of \$488.50 or less, employee contribution ranges from \$174 - \$50.
  - Federal monthly employer contribution \$330, employee contribution \$135. However, this is a preferred provider plan and is not directly comparable to the other health plans described above.

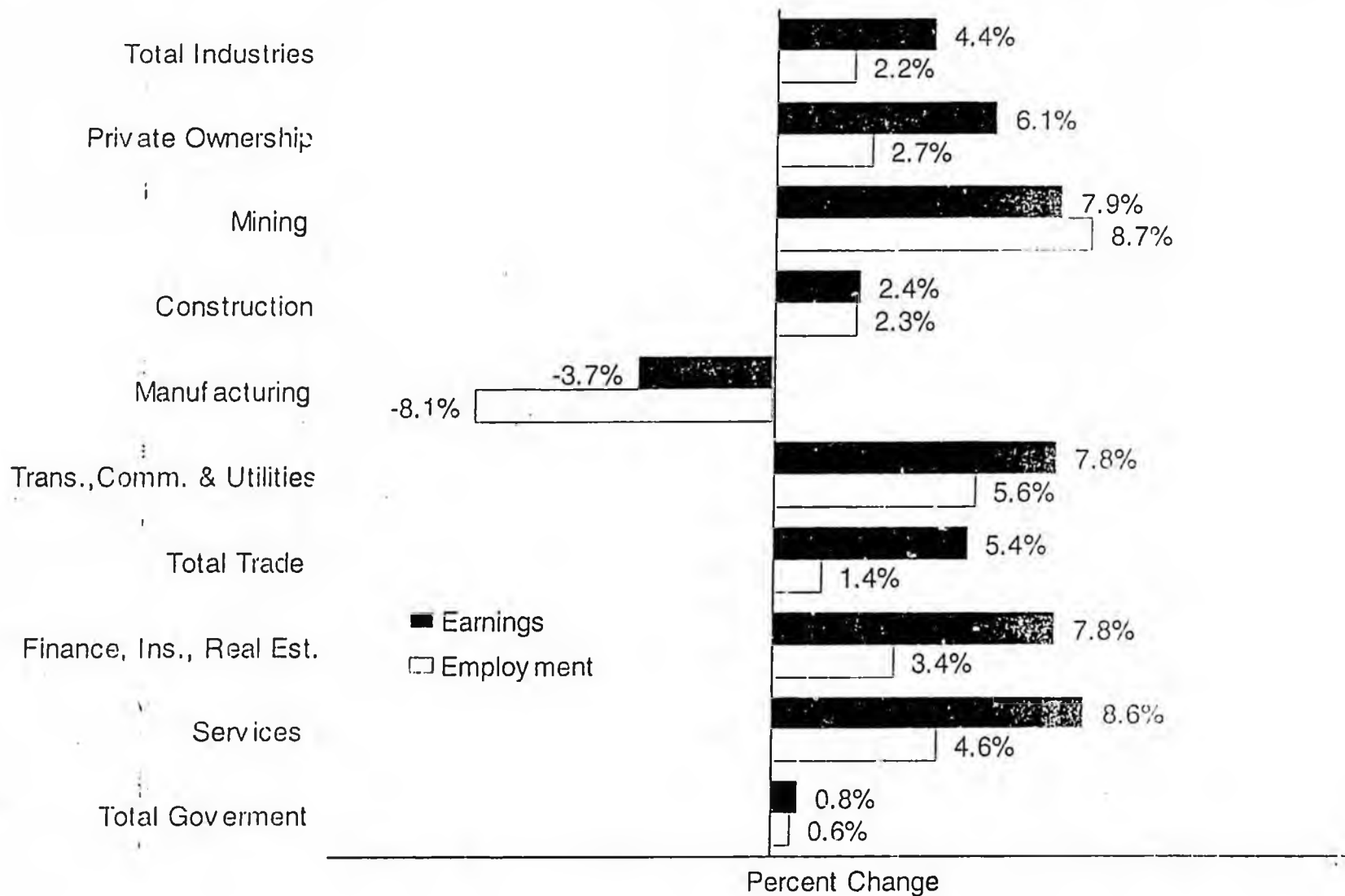
## Employee Contract Talking Points 05/04/00

- **Average monthly reported earnings in 1998, not adjusted for inflation, for state employees is significantly less than the earnings paid in the sectors in which the state competes to recruit its workforce.**
  - Top five private Alaskan industries: \$3,998
  - Federal government in Alaska: \$3,805
  - Alaska state government: \$3,078
  
- **Average mean earnings of state employees is considerably less than in the industries the state competes with for its labor force.** (based on 1998 employer reports to the Alaska Department of Labor).
  - major oil companies employees: \$111,068
  - utility employees: \$50,328
  - telecommunications employees: \$47,381
  - construction employees: \$45,768
  - transportation employees: \$41, 279
  - state employees: \$39,994
  
- **State merit increases are very much in line with ongoing compensation increases provided by other employers in Alaska.**
  - Only about 1/3 of state employees receive a merit increase in any year.
  - Merit increases are included in the wage comparison data presented above, so even with merit increases, state employees are falling significantly behind the compensation offered by our biggest competitors for employees.
  - Since many of our most experienced employees are in longevity, they receive no benefit from merit increases.
  - State employees do not receive a variety of other financial benefits offered by private sector employers including bonuses and other promotions.
  - The Federal government offers merit increases, COLA for living in Alaska.

**Notes:** The top five private sector industries are mining (including the petroleum industry), construction, durable goods manufacturing, wholesale trade and transportation, communication and utilities.

# PERCENT CHANGE IN EMPLOYMENT AND EARNINGS BY INDUSTRY 1997-1998

Source: Alaska Department of Labor and Workforce  
Development, Research and Analysis Section



# MEMORANDUM

**State of Alaska**  
**Department of Administration**  
**Division of Personnel**  
**Labor Relations Section**

To: Bob Poe  
Commissioner  
Department of Administration

Thru: Sharon Barton  
Director  
Division of Personnel

From: Art Chance  
Labor Relations Specialist  
Division of Personnel

Date: April 18, 2000

File:  
Subject: Consultant's Report

I have been asked to review the analysis of the negotiated agreements performed by the Legislature's consultants, Kempel, Huffman, and Ellis. Following is a summary of major points raised by the consultants and the Division of Personnel's response

**Consultant: The State will not benefit from health insurance savings.**

**Response:**

There is language in each contract to encourage cost containment in the purchase of health care. The premium savings rebate language is to encourage unions when establishing a health care trust or purchasing their own health insurance to achieve a premium rate less than the contractually mandated employer contribution

If the unions achieve a premium rate less than employer contribution, then fifty percent of savings go to the employee or union trust and the State retains the other fifty-percent in the form of a reduced contribution rate. Letters have been obtained from the various unions agreeing that this is the intent of the language.

**Consultant: The State showed favoritism to ASEA particularly in contribution to health insurance trusts and trust set-up costs.**

**Response:**

Union operated health insurance plans have been a State goal at least since the Cowper Administration. Union operated plans reduce the State's administrative costs and remove it from the controversies over plan composition.

There have been various methods of implementation of health trusts over the years. All have represented the state of the particular bargaining relationship at the time of implementation. All have involved some form of direct contribution to establish the trust. Some trusts have been established solely through directly appropriated funding as the result of arbitrator awards or negotiations,

The PSEA trust initially received \$400,000 from reserves previously contributed on the employees behalf by employer contributions. The balance of the \$1,050,000 that PSEA received as a result of conversion to a trust was through direct appropriation.

Local 71 received \$1,000,000 in start-up money from direct appropriation, but these funds were repaid by Local 71 through reduced employer contributions during the ten months following the conversion to the trust.

The \$4,000,000 contribution to ASEA is from reserves only. Again, the reserves accrue from employer and employee premium contributions, which are made on behalf of the employee. There is no direct appropriation requested for the GGU health trust.

The only direct contribution to ASEA is the \$144,000 to be used for printing information and an educational effort regarding the trust for GGU members. This \$144,000 is to be paid for by savings generated elsewhere in the contract.

The consultant focuses on PSEA's diversion of the bulk of the \$1200 lump-sum payment to their trust and implies that this might be more advantageous to the State than other contribution schemes. In fact, the overall economics are the same for the State as PSEA receives substantially equivalent employer contributions to all other unions (\$546.50 year 1, \$575.00 year 2, and \$630.00 year 3 per member/per month) PSEA choose to direct their \$960 of their \$1200 flat payment to their health trust for two reasons: First, is for the long term benefit of their trust and their members. They believed the additional deposit to their trust would ensure its viability and reduce required employee contributions into the future. Second, the deposit in the trust avoids employees deductions such as FWT and SBS and any required employer payroll contributions. Each unit had flexibility on how the \$1200 flat payment would be used.

**Consultant: The ASEA conversion to personal leave is of little or indeterminate benefit to the State.**

**Response:**

The consultant overlooks the primary measurable and predictable benefit to the State; reduced accrual, in this case from 45 days per year to 36 at the maximum accrual rate.

Any prediction on the impact on usage is largely speculative, but the State's experience with other units has been positive.

The speculation on the deleterious effect of leave donations is specious. While some employees may "waste" valuable leave and attempt to rely on donations, responsible employees will be reluctant to donate their valuable leave to such employees.

All bargaining units and all non-covered employees have long been allowed leave donations and leave cash-in benefits under either contracts or the State Personnel Act.

**Consultant:** The leave conversion imposes a \$22 million liability on the State.

**Response:**

The liability is only theoretical and is largely an unfunded liability since the State has never budgeted for leave except through the terminal leave account and the leave cash-in account. Contributions to these accounts are assessed against the personal services line item of each agency's budget. The rates are experience based and it is projected that the GGU conversion will result in only a modest increase in the contribution rate from the current rate 1.88% to a rate 1.93% in FY 2002. No increased appropriation is requested or required to fund the two leave accounts as a result of the GGU conversion.

The State's experience with other conversions has been that employees use the leave conservatively. There has never been a "run on the bank."

**Consultant:** Waiver of the no-strike clause significantly changes the balance of power in bargaining.

**Response:**

Waiver gives relative balance to the parties inasmuch as it does not require the union to forego the benefits of its bargain should the monetary terms not be approved. Waiver of the no-strike clause is also waiver of the no-lockout clause which gives the employer the power to lockout generally or specifically to stop hit-and-run work stoppages.

Waiver provisions are neither new nor unique to these agreements. The following is a list of known waiver provisions, which lists includes agreements negotiated in every administration since Egan's.

Masters, Mates, and Pilots

80 - 83

90 - 93

96- 99

MEBA

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89 - 92

93 - 96

APEA/SU

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90 - 92

IBU

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90 - 93

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96 - 99

Local 71  
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1983  
90 - 92  
99 - 02

APEA/GGU  
80 - 82

## I. GGU Leave Conversion

**Q.: How does the current GGU Annual/Sick Leave system work?**

**A.:**

- Employees accrue both sick and annual leave.
- Sick leave accrues at 15 days per year for all employees; annual leave accrual varies up to 30 days depending on years of service, for a combined total of 45 days.

**Q.: How will the new GGU personal leave system work?**

**A.:**

- Employees accrue up to a maximum of 36 days of personal leave, for both scheduled absences and sick leave.

**Q.: Is there a cap or limit on accrual?**

**A.:**

- Accrual will be limited to a maximum of 36 days per year, depending on years of service, and the 15 days of sick leave are eliminated.

**Q.: What savings will the new system achieve?**

**A.:**

- The average GGU employee, having 7.5 years of service, will accrue 9 fewer days (down from 45 to 36) per year under the new contracts.
- All new GGU employees hired after July 1, 2000 will accrue only personal leave after December 16, 2000.

**Q.: How does leave conversion work?**

**A.:**

- All new GGU employees hired after July 1, 2000 will accrue only personal leave.
- Leave conversion will occur, for those employees who elect to move to personal leave, on December 16, 2000.
- When the total number of eligible bargaining unit members remaining in the sick/annual leave system reaches less than 1500, all remaining GGU members shall be converted to the personal leave system.
- 100% of accrued annual leave is transferred to the employee's personal leave account.
- 50% of accrued sick leave is transferred to the employee's personal leave account.
- 50% of accrued sick leave is transferred to a medical leave bank to be accessed only for catastrophic illnesses exceeding 20 consecutive work days if the personal leave balance has been exhausted; management controls authorization of personal leave use.

**Q.: How will the employer benefit from the personal leave system?**

A.:

- Personal leave reduces total annual accrual of leave for a GGU member with over two years of service from 45 days per year of combined leave to a maximum of 36 days personal leave. These 9 fewer days of total leave result in 9 additional days of productive work hours.
- All new GGU employees hired after July 1, 2000 will accrue only personal leave.
- Ultimately, all GGU members will convert to the personal leave system when the total number of members in the sick/annual leave system drops below 1500.
- Because personal leave has a cash value and employees accrue fewer total hours, employees tend to use leave more judiciously.
- Sick leave is generally an unscheduled absence, temporarily causing delays in work completion, additional burden to other staff, and budget impacts.
- Unscheduled sick leave increases costs in certain environments, such as the pioneers' homes, where the absence of a direct care staff member must be covered by an on-call substitute employee. The decrease in leave accrual and usage is estimated to save the pioneers' homes as much as \$140,000 annually, providing additional funding that can be redirected to providing more direct care staff.
- The GGU conversion puts all state employees in the personal leave system (except two marine units and two small teacher units) equalizing leave benefits for all employees, increasing efficiency and productivity, simplifying administration of leave, and improving morale.

**Q.: What is the budget impact of the personal leave system?**

A.:

- Conversion of GGU to the personal leave system requires no additional appropriation.
- All new GGU employees hired after July 1, 2000 will accrue only personal leave.
- Ultimately, the elimination of sick leave will result in 9 additional days of additional efficiency and productivity.
- Currently the state maintains two reserve accounts – one for leave cash-in and one for terminal leave payments. Operating budget personal services line items include a contribution to each of the working reserve accounts.
- Personal services contributions to each of these accounts are adjusted annually to ensure that reserves are sufficient to cover leave cash-in and terminal leave payments.
- Currently the working reserve rates generate \$20 million annually, \$10 million for each of the working reserve accounts. It is estimated that the GGU conversion will have a minimal annual cash impact, approximately \$267,000, on each of the working reserve accounts. This may result in a small adjustment, which will be absorbed by agency operating budgets.

## II. Cost containment in health care

**Q.: Is there any incentive or encouragement to contain cost of health care?**

A.: There is language in each of the newly negotiated collective bargaining agreements to encourage cost containment in the purchase of health care. The language in each contract is similar to the following language, contained in the GGU contract :

*Article 19.03 F. Premium Savings Rebate*

In the event that the Union obtains or establishes a total premium cost per employee that is less than the per month Employer contributions described above, the Employer will remit fifty percent (50%) of the net savings to individual employees for the exclusive use as a pre-tax contribution to a Health Care Reimbursement Account or such other distribution as may be determined by the Union, subject to applicable tax rules.

**Q.: Who receives the savings, if any?**

A.: Contract language clearly states if the union obtains a total premium less than the employer contribution of \$515 in year 1, \$575 in year 2, and/or \$630 in year 3, 50% of the savings will go to the employee or union trust. The remaining 50% of savings will remain with the state.

**Q.: Where does the initial funding of the health care trust come from?**

A.: Upon establishment of an employee health care trust, the initial funding of the trust will come from the reserves collected from premiums paid, not from a separate general fund appropriation.

### **III. Merit Step "G"**

**Q.: What are merit steps?**

A.: Merit step increases (steps "b-f") are performance incentives which may be granted to employees receiving an overall "acceptable" or higher annual evaluation. Merit steps may, but are not required to, be awarded as often as annually.

**Q.: What are longevity increments?**

A.: Longevity steps ("j-m") are statutory increases awarded to long-time employees which better enable the state to retain experienced, valued employees. Longevity steps are service bonuses awarded based on years of service and acceptable or higher performance. Periods between service steps range from two to five years.

**Q.: What is the "G Step?"**

A.: This is a new merit step designed to further reward valued employees.

**Q.: Is the GGU's G Step an increase none of the other unions receive?**

A.: No. Similar service step or longevity step increases are available in other units.

**Q.: Won't the G Step make the GGU contract cost more than those of other bargaining units?**

A.: No. The GGU negotiated a contract within the same fiscal restraints as all other bargaining units.

**Q.: How did GGU pay for the G Step?**

A.: GGU agreed to the following changes in the monetary package: employees who benefit from the G Step will not receive the \$1200.00 flat payment; the effective date of the 2% wage scale increase in year 2 of the contract is delayed from July 1, 2001 to January 1, 2002; and the effective date of the the 3% increase is delayed from July 1, 2002 to December 1, 2002.

LETTER OF AGREEMENT  
between the

STATE OF ALASKA  
and the

ALASKA STATE EMPLOYEES ASSOCIATION  
representing

GENERAL GOVERNMENT UNIT EMPLOYEES

Re: ELECTION TO CONVERT TO PERSONAL LEAVE

LOA 00-GG-

Upon legislative approval of the monetary terms of the 2000-2003 collective bargaining agreement the parties agree that the following terms and conditions of employment apply to leave eligible bargaining unit members. No provision of the master agreement not specifically referenced herein is modified by this agreement.

Whereas, it was the intention of the parties, in the recently completed contract negotiations, to follow the principles in the January 1, 1990 to December 31, 1992 collective bargaining agreement between the Employer and the Alaska Public Employees Association, representing Supervisory Unit employees, regarding conversion from a sick and annual leave system to a personal leave system.

And whereas, Article 26 of the General Government Contract for the period of July 1, 2000 through June 30, 2003 does not clearly define all the parameters of the conversion to personal leave, and it is important to eligible bargaining unit members to have a clear understanding of the impact of the conversion when they make their election, it is agreed that the election form will provide the following details of the conversion:

1. A bargaining unit member who has accrued annual leave shall have one-hundred percent (100%) of the annual leave balance transferred to the member's personal leave account.
2. A bargaining unit member who has accrued sick leave shall have fifty percent (50%) of the sick leave balance transferred to the member's personal leave account.
3. A bargaining unit member, upon separation from state service, shall receive the total value of all unused leave including that leave which was converted from sick to personal leave.
4. A bargaining unit member may cash-in up to seventy-five (75) hours of the leave converted from sick to personal leave in any fiscal year.

5. A bargaining unit member may cash in additional hours of the leave converted from sick to personal leave in exigent circumstances on a case-by-case basis at the discretion of the Employer.

This Agreement remains in effect from July 1, 2000 through June 30, 2002.

For the State of Alaska:

For ASEA/AFSCME Local 52

*SIGNED COPY ON FILE*

\_\_\_\_\_  
Robert Poe, Jr., Commissioner  
Department of Administration

\_\_\_\_\_  
Charles O'Connell  
Business Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## Summary of Contract Changes

### ALASKA PUBLIC EMPLOYEES ASSOCIATION APEA—Supervisory Unit

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 19—Positions, Classifications & Reclassifications Section 19.1 E page 43	In the event that a position is determined to be reclassified to a higher range, the effective date of the reclassification shall be sixty (60) days prior to the filing of an appeal under Art. 19 or the date a PDQ was submitted by the employee requesting the reclassification which ever is shorter.	To ensure that reclassifications are processed timely	No cost. Provides disincentive for delays of reclass actions.	Union
Article 24-Wages Sect. 24.1 A2 page 47 Sect. 14.1 B2 page 52	Effective 7/1/00 each employee will receive payment equal to \$50 for each pay period during FY2000 they were in pay status.	Lump sum payment defrays cost of living increases and past increases in the cost of health insurance for employees without changing the base salary schedule.	\$1,587,700.00 total funds	State / Agreement does not exceed State economic package.

Contract Article	Summary of Change	Rationale	Impact	Requestor
Sect. 24.1 A3 page 48 Sect. 24.1 B3 page 53	Effective 7/1/01 2% salary increase	Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.	\$1,911,085.00 total funds	State / Agreement does not exceed State economic package.
Sects. 24.1 A4, A5, & A6 pages 49-51 Sects. 24.1 B4, B5, & B6 Pages 54-56	In CY2003 there are three separate wage actions: (July 1: The 4 Longevity Steps are replaced with 5 Service Steps resulting in 256 employees receiving a 3% increase; August 1: The 1044 employees who did not receive a step adjustment receive a 3 percent Salary Adjustment; and finally on Dec 1: the 256 employees who did not receive the step adjustment receive a 3% salary adjustment.	Recognize the service of long term employees to retain them and compete with other employers	\$2,923,761.00 total funds	State / Agreement does not exceed State economic package.
Sect. 24.3 C3 page 58	To increase geographical differential of five SU members that directly supervise PSEA Troopers who have a higher geographical differential.	Adjustment was made in PSEA Trooper contract which increased their geographical differential to a higher level than the supervisors.	\$11,116.08 (Paid from savings from frozen salaries)	State/Union

Contract Article	Summary of Change	Rationale	Impact	Requestor
Sect. 24.7 C5 page 60	When an employee promotes into SU and there is not a match between two unit's wage schedules, the employee will be placed at the next higher step on the Supervisory schedule or at Step A, whichever is greater.	To insure that an employee does not take a pay decrease when moving to supervisory position.	No identifiable cost; increase-promotes morale.	Union
Article 25-Overtime, Recall, & Standby Sect. 25.11 B12 page 69	Once an employee has completed a Flexible Time Plan as provided in B 1 through 11 in a calendar year by which they have earned a minimum of 30.0 hours of Flexible Time, the Employer may sign a new Flexible Time Plan for future periods in that year. This next Flexible Time Plan for that year will use 45.0 hours as the threshold described in 25.11.B.3.c.	To facilitate the use of the Flexible Time Plan for management and to recognize hardship on employee being asked to work unusually long work weeks during more than one period in a year.	Allows more management flexibility in meeting workload requirements.	Union
Article 28-Health & Security Sect. 28.3 B, C, & D page 73	Sets employer contribution at \$515.00/month effective 7/1/00, \$575.00/month effective 7/1/01, \$630.00/month effective 7/1/02	Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.	FY 01 \$1,028,500 total funds FY 02 \$952,076 total funds FY 03 \$872,736 total funds	State / Agreement does not exceed State economic package.

Contract Article	Summary of Change	Rationale	Impact	Requestor
Sect. 28.7 page 76	Defines process and conditions for moving the SU to a health trust	One of the goals of the administration is to explore the merits of a health trust environment for cost containment purposes; provides incentives for all parties to save on health costs.	Employee directed healthcare coverage may be better tailored to individual unit needs	State
Article 29-Leave Sect. 29.1 G page 79	Allows access to Medical Leave Bank after 5 consecutive days of illness with a Doctor's certificate. Allows use of medical bank for a death in the family. Transfers 2 days of a resigning members medical leave bank to an Association Medical Leave Bank. Upon the death of an employee, any unused sick leave balance shall be paid in cash to the employee's beneficiaries at the employee's base pay rate.	Increases access to medical leave bank for long term illness or death of family member.	No increased cost or no increase in lost of productive work hours.	Union
Sect. 29.1 H page 80	Deleted provision capping the number of leave cash ins.	No need to limit the number of withdrawals when the requirement that a balance of 37.5 hours must be maintained.	No increased cost or loss of productive work hours.	Union

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 36- Legislative Action Sect. 36.2 page 85	Parties agree that they are at impasse if legislature fails to approve contract.	Desire to establish what action will occur in the event of non-approval.	Return to bargaining table and possible union work action.	Union
Article 40-Duration of Agreement Sects. 40.1 & 40.2 page 91	Duration of contract and date for bargaining successor agreement	Three year contracts were a goal of the administration for all units.	Provides stable labor-management environment for the longest term permitted by the Public Employment Relations Act.	State

## Summary of Contract Changes

### GENERAL GOVERNMENT UNIT AGREEMENT GGU

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 2 - Union Representatives Section 2.02B (page 2)	Reallocates Steward release time to allow up to 7.5 hours of training in the first year, and 4 hours in subsequent years	Better trained standards benefits both state and union.	Increase efficiency of contract administration	Union
Section 2.02E (page 3)	Requires 6 months service as steward to acquire super-seniority.	Prevents abuse of Steward position	The 6 month period will prevent employees with disciplinary issues or facing lay off from using Stewardship as a refuge.	
Section 2.05 (page 3)	Requires union to adhere to State's Technology Policy when using State telecommunications.	Assures consistency and prevents abuse.	Less time spent dealing with problems.	
Article 3 - Union Security Section 3.02C (page 3)	Requires Union to provide procedural safeguards to fee-payers that meet Constitutional minima.	Brings agreement into compliance with current law.	No economic impact.	State

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 6 - Non-discrimination Section 6.01 (page 6)	Adds "mental disability" to list of contractually protected classes.	Conforms with legally protected classes	No economic impact.	Union
Article 7 - Labor Management Committees Section 7.02G (page 8)	Requires that training be given to all members of a LMC, if employer provides training	Ensures that equally skilled parties participate in committees.	Joint training will reduce communication difficulties and make LMCs more productive.	Union
Article 9 – Nonpermanent Appointments Section 9.06 C, 4 (page 10)  Section 9.07D (page 11)	On-call substitutes retain earned salary steps if appointed to non-permanent or permanent position  Provides that mentoring of Alaska Temporary Assistance Program workers will not be considered supervision for purposes of bargaining unit placement.	Equity - gives credit for time actually worked.  Prevents general government employees from becoming supervisors if they serve as mentors.	Minimal cost  Reduced adjudication of unit clarification requests.	Union

Contract Article	Summary of Change	Rationale	Impact	Requestor
<p>Article 10 - Recruitment and Examination (page 11)</p> <p>Section 10.02C (page 13)</p>	<p>Extensive rewrite to reflect conversion from manual list system to computerized Workplace Alaska system</p> <p>Requires State to check for layoff candidates at beginning and close of recruitment period and to consider candidate laid off during recruitment period.</p>	<p>Reflects process and technological changes, and prior adjudication.</p> <p>Technical change in layoff procedures protects employee laid off during a recruitment period.</p>	<p>Avoids disputes.</p> <p>Incorporation of the new system in the agreement will reduce administrative costs and avoid adjudication.</p> <p>Avoids disputes.</p>	<p>State</p> <p>Union</p>
<p>Article 11 - Employment Status Section 11.05 (page 21)</p>	<p>Seasonal employees allowed to carry over 187.5 hours of annual/personal leave when placed on seasonal leave without pay (SLWOP). If anticipated SLWOP is less than 45 days, employee may carry over entire leave balance. Previously, employee was restricted to 5 days carry over.</p>	<p>Reflects employee desire to retain accrued leave for use upon return from SLWOP; with conversion to personal leave, allows seasonal employees to occur more leave in case of illness.</p>	<p>No economic impact or change in productive hours.</p>	<p>Union</p>
<p>Article 12 - Layoff Section 12.05 (page 27)</p>	<p>In instances where 1.5% or more of the employees in a job class family are in lay off, the State will close open recruitment in that class family and recruit only from among lay off eligibles in parallel or closely related classes.</p>	<p>Job security provision where large number of employees are laid off due to organizational or technological change.</p>	<p>No economic impact.</p>	<p>Union</p>

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 14 - Notice of Discipline and Discharge (page 32)	Possession, viewing, or accessing pornography at work defined as egregious misconduct and therefore just cause for immediate dismissal.	Reflects societal and technological changes.	No economic impact. Incorporates State technology policy into contract	State
Article 18 - Performance Evaluations Section 18.02 (page 40)  Section 18.04 (page 42)	Performance incentive steps granted unless affirmatively denied.  18.04 - Eliminates appeals of evaluations in which employee is rated mid-acceptable or higher.	Provides management with incentive to perform timely evaluations.  Eliminates frivolous appeals.	Employer can mitigate any potential impact by performing timely evaluations.  Efficiency measure.	Union  State
Article 19 - Health and Security Section 19.03A (page 43)	Enables Employee Directed Health Benefit Plan on or after July 1, 2000.  Establishes Employer Health Benefit contribution at \$515.00/employee/month effective July 1, 2000.	Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.	\$2485.8	State / Agreement does not exceed State economic package.

Contract Article	Summary of Change	Rationale	Impact	Requestor
Section 19.03B (page 43)	Establishes Employer Health Benefit contribution at \$575.00/employee/month effective July 1, 2001.	Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.	\$5583.9	
Section 19.03C (page 44)	Establishes Employer Health Benefit contribution at \$630.00/employee/month effective July 1, 2002.	Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.	\$5118.5	

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 21 – Wages Section 21.01M (page 46)	No change in salary schedule in first year. NOTE: Published prior contract salaries are for 1 <sup>st</sup> year of prior agreement and do not reflect 2 <sup>nd</sup> and 3 <sup>rd</sup> year CPI increases.	The proration of the lump sum payment and delayed implementation of percentage increases are used to finance		State
Section 21.01D (page 49)	All employees who have been in Steps A - F for one year or less and who do NOT advance to Step G shall receive a lump sum payment of \$50.00/pay period for each month in which the State made a health insurance contribution on the employee's behalf in the prior twelve months up to a total payment of \$1200.00. Payment to be made prior to July 31, 2000.	Lump sum payment defrays cost of living increases and past increases in the cost of health insurance for employees without changing the base salary schedule.	\$5,795.4	State / Agreement does not exceed State economic package.
Section 21.01 A & F (page 49)	Step G is established as a performance incentive step for employees who have been at Step F for more than one year.	Step G is funded from within the total economic package by proration of lump sum payment.		
Article 21.02 Section B (page 50)	Levelized longevity steps at 3.75%.	Levelized longevity steps are consistent with statute.	\$521.6 Funded by the delay in implementation of the 3% increase.	State / Agreement does not exceed State economic package.



Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 24 – Holidays (page 59)	Overtime exempt employees required to work a holiday compensated by crediting a day of leave.	Equity - OT eligible employees receive holiday pay and time and one half for hours worked on a holiday.	Change of work hours.	Union
Article 26 - Personal Leave (page 70)	Enables transition to Personal Leave system supplanting the current sick/annual system.	Satisfies long term State objective of moving all bargaining units to the personal leave system, which system is less susceptible to abuse and results in cost savings over time as well as increased productive hours.	No appropriation required. The general government unit is the last remaining white collar unit in the old annual/personal leave system. When the staged conversion is complete, all major employee groups will be on same system.	State
Article 40 – Legislative Action (page 84)	No strike - no lockout provision waived if Legislature fails or refuses to fund the agreement.			Union
Article 42 – Duration of Agreement (page 85)	Parties agree that the 1996 - 1999 agreement is extended as to its terms to June 30, 2000, if successor agreement is approved.  Successor agreement is effective from July 1, 2000, to June 30, 2003.	Three year contracts were a goal of the administration for all units.	Provides stable labor-management environment for the longest term permitted by the Public Employment Relations Act	State

Contract Article	Summary of Change	Rationale	Impact	Requestor
Labor Management Committee on Delivery of Public Services (page 116)	Establishes a joint labor and management committee to review the modernization, effectiveness, and efficiency of the delivery of public services.		Provides a relatively informal and non-adversarial forum to address issues such as telecommunications changes and privatization issues.	State

## Summary of Contract Changes

### ALASKA VOCATIONAL TECHNICAL EDUCATION CENTER AVTECA

Contract Article	Summary of Change	Rationale	Impact	Requestor
<p>Article 9-Labor Management Committee Page 7</p>	<p>Clarifies that there will be no monetary or leave cost to the union as a result of their participation in the Statewide Labor Management Committee on Delivery of Public Services</p>	<p>State request to participate in LMC. Smaller units do not have sufficient business leave to allow participation</p>	<p>Minimal-LMC should result in minimal cost</p>	<p>Union and state</p>
<p>Article 18-Health &amp; Safety Sect 3A 1,2, &amp; 3 page 17</p>	<p>Sets employer health care contribution at \$515.00/month effective 7/1/00, \$575.00/month effective 7/1/01, \$630.00/month effective 7/1/02</p>	<p>Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.</p>	<p>FY 01 \$25,700 (total funds) FY 02 \$23,811 (total funds) FY 03 \$21,825 (total funds)</p>	<p>State / Agreement does not exceed State economic package.</p>

	Summary of Change	Rationale	Impact	Requestor
	Defines process and conditions for moving to a health trust	<i>One</i> of the goals of the administration is to explore the merits of a health trust environment for cost containment purposes; provides incentives for all parties to save on health costs.	Employee directed healthcare coverage may be better tailored to individual unit needs.	State
Article 19-Salary Sect. 2A page 19	\$1200 one time flat payment less required employee deductions and employer contributions 7/1/00	Lump sum payment defrays cost of living increases and past increases in the cost of health insurance for employees without changing the base salary schedule.	\$40,500.00 (total funds)	State / Agreement does not exceed State economic package.
Sect. 2B page 19	2% salary increase effective 7/1/01	Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.	\$40,759.00 (total funds)	State / Agreement does not exceed State economic package.
Sect. 2C page 19	3% salary increase effective 7/1/02	Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.	\$62,361.00 (total funds)	State / Agreement does not exceed State economic package.

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 30-Substitute Teachers Sect. 3 page 34  Sect. 5 page 34	Defines how negotiation of pay for substitutes will take place  Defines process if substitute teacher assignment exceeds 10 months	Allowing the substitute to request re-negotiation of pay is good policy and improves morale  Clarify how subs are used and improve morale	No monetary impact  No monetary impact	Union  Union
Article 37-Duration page 38	Specifies 3 year contract with no re-openers	Three year contracts were a goal of the administration for all units.	Provides stable labor-management environment for the longest term permitted by the Public Employment Relations Act.	State

## Summary of Contract Changes

ALEYKA CENTRAL SCHOOL EDUCATION ASSOCIATION  
ACSEA

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 4--Security of Parties (page 4) Section 7	Clarifies that there will be no monetary or leave cost to the union as a result of their participation in the Statewide Labor Management Committee on Delivery of Public Services	State request to participate in LMC. Smaller units do not have sufficient business leave to allow participation.	Minimal—LMC meetings should not result in travel costs to this union	Union and state
Article 14--Salary (page 27) Section 1-C          Section 1-D	\$1200 lump sum payment, less required employee deductions and employer contributions, to all bargaining unit members no later than July 31, 2000       Current salary schedule stays in effect until June 30, 2001	Lump sum payment defrays cost of living increases and past increases in the cost of health insurance for employees without changing the base salary schedule.   Maintain same base salary schedule	\$29,400.00 (total cost)      \$0	State / Agreement does not exceed State economic package.      State



Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 35—Duration of Agreement (page 47) Section A	Specifies 3 year agreement	Three year contracts were a goal of the administration for all units.	Provides stable labor-management environment for the longest term permitted by the Public Employment Relations Act.	State
Section D	Waives provisions of Article 4, Sect. 1, no strike no lockout if legislature fails to fund monetary terms and negotiations do not result in a new agreement	Standard contract language if there is no negotiated agreement after failure to fund	Possible labor action	Union and state
Section E	Specifies time period, December 1, 2002 for beginning negotiation of successor agreement	Need to specify time for notice and time to re-enter negotiations for successor agreement	Re-enter negotiations with union for successor agreement	State

## Summary of Contract Changes

### CONFIDENTIAL EMPLOYEES ASSOCIATION, APEA/AFT CEA

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 7.01 – Workweek (page 7) second paragraph	Add the phrase “within the pay period.”	Clarifies the section and complies with current practice.	No cost	Union
Article 7.06 – Holidays (page 8) subsection A, last paragraph	Add the phrase “long-term nonpermanent.”	Conforming language to the rest of the contract.	No cost	Union
Article 8.03 – Medical Leave Bank and transfer of Accrued Sick Leave (page 11) subsection A	Employees transferring into the Confidential unit shall have fifty per cent (forty percent under the prior agreement) of sick leave converted to personal leave and fifty per cent (sixty per cent under the prior agreement) to a medical leave bank.	Conforms to all other collective bargaining agreements.	No cost	State and union

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 8.07 – Leave Cash-In (page 13)	Add the phrase “at the annualized hourly rate of pay.”	Clarifies the section and complies with current practice.	No cost	Union
Article 8.13 – Other Approved Absences (page 15)	Allows leave of absence with pay and clarifies that service credit shall not accrue during a period of leave without pay.	Gives managers the option to grant an extended leave for the good of the organization with or without pay and clarifies current practice of not allowing accrual of service credit while an employee is on leave without pay.	No cost	Union
Article 13.01 – Wages Subsection A (page 22)  Subsection C (page 23)	Effective July 1, 2000, steps J, K, L and M shall be established at 3.75% above the previous step at each range.  Controls movement and pay for longevity increments during the period of July 1, 2000 to July 31, 2001 when a new longevity pay schedule goes into effect.	“Squares” the salary schedule to the statutory amount and gives an equal increase in wages at all longevity step levels.  Retains current longevity increment system before a new system begins.	\$10,000 Funded from proration of \$1200 lump sum amount.  No cost	Union  State and union

Contract Article	Summary of Change	Rationale	Impact	Requestor
Subsection D (page 23)	Provides a lump sum payment equal to \$50, less mandatory employer and employee contributions, for each period during FY 2000 in which a person was in pay status – same as the \$1,200 lump sum payment to other bargaining units – specifies that individual employees may elect to contribute all or part of the payment to their Deferred Compensation Plan. This subsection applies specifically to employees in steps A through F.	Lump sum payment defrays cost of living increases and past increases in the cost of health insurance for employees without changing the base salary schedule.	\$246,100 (total funds) – includes employees in all pay ranges. Proration creates cost savings to fund a portion of increased employer contribution to health insurance.	State / Agreement does not exceed State economic package.
Subsection E (page 23)	Same \$50 lump sum payment for employees in steps J through M – also provides that the lump sum payment will be reduced by \$5 for each \$5 increase in pay under the salary schedule in subsection A.	Lump sum payment defrays cost of living increases and past increases in the cost of health insurance for employees without changing the base salary schedule.	See above total funds	State / Agreement does not exceed State economic package.

Contract Article	Summary of Change	Rationale	Impact	Requestor
Subsection F (page 23)	2% salary increase effective August 1, 2001 and establishes a new Service step J – no one currently in the bargaining unit will move to the new step during the life of the agreement.	Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.	\$205,858 (total funds) Delayed implementation of 2% increase. Funds increased costs of Subsection A.	State / Agreement does not exceed State economic package.
Subsection G (page 24)	3% salary increases effective August 1, 2002. Delayed employee to help cover increased cost to health insurance.	Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.	\$314,960 (total funds) Delayed implementation funds increased costs in Section A	State / Agreement does not exceed State economic package.
Subsection H (page 25)	Changes the time required to move from step K to step L from five years to three years and from step L to step M from four years to three years and establishes that it will take three years to move from step M to the new step N.	Assists the state with recruitment and retention concerns, recognizes the need to retain trained and qualified individuals.	No cost	State
Subsection I (page 25)	After August 1, 2001, changes any reference to “longevity increments” or “longevity steps” to “service increments” or “service steps.”	Clean up language	No cost	State and union

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 13.15 Overpayments (page 28)	Adds new section to the contract providing that overpayments to an employee discovered after one year are forgiven provided the employee was not involved in the error.	Specifies how long the state has to find and correct an overpayment problem.	Incentive to resolve overpayment problems in a timely manner.	Union
Article 14.01 – Employee Health Insurance Plan (page 28) second, third and fourth paragraphs	Sets employer contribution at \$540.00/month effective 7/1/2000; \$575.00 effective 7/1/2001 and \$630/month effective 7/1/2002	Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.	FY 01 \$98,100 (total funds) FY 02 \$85,977 (total funds) FY 03 \$135,103 (total funds)	State / Agreement does not exceed State economic package.
Article 14.03 – Health Trust (page 29)	Provides for the process for the Association to move to a health insurance trust, participation in a health care coalition or other appropriate delivery mechanism. Adds language for remission of fifty percent of any savings if plan costs are less than the monthly employer contribution.	One of the goals of the administration is to explore the merits of a health trust environment for cost containment purposes; provides incentives for all parties to save on health costs.	Employee directed healthcare coverage may be better tailored to individual unit needs.	State

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 27 – Term of Agreement (page 43)	Specifies 3-year agreement from 7/1/00 to 6/30/03. Specifies dates for giving notice of negotiations for successor agreement and what will occur should the legislature not fund the agreement.	Three year contracts were a goal of the administration for all units.	Provides stable labor-management environment for the longest term permitted by the Public Employment Relations Act.	State

## Summary of Contract Changes Wage and Health Reopener Only

INLANDBOATMEN'S UNION OF THE PACIFIC  
(IBU-P)

Contract Article	Summary of Change	Rationale	Impact	Requestor
<p>Rule 17 – Pay Plan Note: 2000-2003 CBA Section 17.01 A (page 19)</p>	<p>\$1,200 lump sum payment, less required employee deductions and employer contributions, to all bargaining unit members no later than July 31, 2000. This payment will be prorated based on employee pay status from May 1999 to June 2000.</p> <p>The proration creates a savings to provide a slightly higher lump sum payment to Jr. Engineers and Oilers.</p> <p>Current salary schedule stay in effect until June 30, 2001.</p>	<p>Lump sum payment defrays cost of living increases and past increases in the cost of health insurance for employees without changing the base salary schedule.</p> <p>This additional amount recognizes the Union's desire to restructure the package for these classifications.</p>	<p>\$675,000 (total cost)</p> <p>No economic impact beyond package provided above.</p>	<p>State / Agreement does not exceed State economic package.</p> <p>Union and State</p>

Contract Article	Summary of Change	Rationale	Impact	Requestor
<p>Rule 17 – Pay Plan            Note: 2000-2003 CBA            Section 17.01 (page 20)</p>	<p>2% salary increase effective            July 1, 2001.</p>	<p>Salary adjustment            offsets anticipated cost            of living increases;            and will help make the            state more competitive            as an employer than it            currently is.</p>	<p>\$554,738 (total cost)</p>	<p>State / Agreement does            not exceed State            economic package.</p>
<p>Rule 17 – Pay Plan            Note: 2000-2003 CBA            Section 17.01 (page 20)</p>	<p>3% increase effective July 1,            2002.</p>	<p>Salary adjustment            offsets anticipated cost            of living increases;            and will help make the            state more competitive            as an employer than it            currently is.</p>	<p>\$848,748 (total cost)</p>	<p>State / Agreement does            not exceed State            economic package.</p>
<p>Rule 17 – Pay Plan            Note: 2000-2003 CBA            Section 17.10</p>	<p>Delete Rule 17.10</p>	<p>Employer complied            with this requirement            in the previous            agreement.</p>	<p>No economic impact</p>	<p>State</p>

Contract Article	Summary of Change	Rationale	Impact	Requestor
Rule 29 – Health and Welfare Section A-F (page 46)	Sets employer contribution at \$515.00/month effective 7/1/2000, \$575.00 effective 7/1/2001, \$630/month effective 7/1/2002. Lays out detail for eventual health trust authorized in previous contract.	Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.	FY 01 \$452,400 (total cost) FY 02 \$417,600 (total cost) FY 03 \$382,800 (total cost)	State / Agreement does not exceed State economic package.
Rule 39—Term of Agreement (page 53)	Specifies 3 year agreement	Three year contracts were a goal of the administration for all units.	Provides stable labor-management environment for the longest term permitted by the Public Employment Relations Act.	State

# Summary of Contract Changes

## MARINE ENGINEERS BENEFICIAL ASSOCIATION MEBA

Contract Article	Summary of Change	Rationale	Impact	Requestor
Rule 1 – Scope (page 1) Section 1.03	Adds language that defines Union membership for negotiating team comprising representation from Southeast and Southwest regions.	Recognizes the Union representatives for negotiation purposes.	No economic impact	Union
Rule 1 – Scope (page 1) Section 1.05	Defines Union jurisdiction	Clarifies MEBA jurisdiction.	No economic impact. Does not change current relationship, but does acknowledge a role for MEBA in future operations.	Union
Rule 5 – Union Membership (page 4) Section 5.04	Added Hudson language from U.S. Supreme Court decision.	Releases the employer from liability when the union requests termination of employee for non-payment of dues.	Hold employer harmless. Provides protection if union incorrectly requests termination of an employee.	State

Contract Article	Summary of Change	Rationale	Impact	Requestor
Rule 9 – Occupational Injury and Illness Benefits (page 6) Section 9.03	Reflects a change in the State's group insurance carrier.	Change carrier name.	No economic impact	State
Rule 11 – Cash Allowance for Subsistence and Quarters (page 7) Section 11.02	Meal rate increase from \$41/day to \$42/day.	Comports with Administrative Manual rate.	\$3,000 (total cost). Funded increase with a portion of \$1,200 lump sum amount.	Union
Rule 16 – Shipyard and Terminal Work (page 14) Section 16.10	The parties will meet and negotiate if initiating conditions found in Rule 35 are met.	The State sought this change to provide for negotiation of this non-mandatory term when required by impacts to the AMHS.	Impacts to the AMHS as defined in Rule 35.	State
Rule 17 - Pay Plan (page 14) Section 17.01 A	Current salary schedule stay in effect until June 30, 2001.	Maintain same base salary schedule.	\$0 In lieu of \$1,200 lump sum amount MEBA elected to use this amount to fund increase for Rules 11, 17, 22, and 28.	Union and State

Contract Article	Summary of Change	Rationale	Impact	Requestor
Rule 17 Pay Plan (page 14) Section B	Increase in Nonwatch Pay effective July 1, 2001.	Recognizes cost of living increases for employees and does not change base salary schedule. Note: in lieu of \$1,200 flat payment.	\$49,133 (total cost for FY02 and FY03) Allows the employer to recognize the contribution of the most experienced Engineer Officers without increasing their base rate of pay.	Union and State
Rule 17 - Pay Plan (page 15) Section 17.02 B	Addresses calculation for COLD payments when working in another classification.	Provides clarification language regarding treatment of COLD payment related to classification matters.	No economic impact. Reduces admin. burden by using the PFD as a crosscheck provided for in Alaska State Statute.	State
Rule 17 Pay Plan (page 16) Section 17.05	2% salary increase effective July 1, 2001.	Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.	\$64,800 (total cost)	State / Agreement does not exceed State economic package.
	3% increase effective July 1, 2002.	Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.	\$59,400 (total cost)	State / Agreement does not exceed State economic package.

Contract Article	Summary of Change	Rationale	Impact	Requestor
Rule 17 Pay Plan (page 16) Section 17.07 A	Adds language identifying MEBA and corrects error from previous contract when referring to wrong section.	Clean up language	No economic impact	Union
Rule 22 – Overtime (page 20) Section 22.04	Increase in penalty pay rate effective July 1, 2000. Refer to Rule 15.02 A – F for specific conditions that apply.	Penalty pay increase from \$6.94/hr to \$13/hr.	\$22,977 (total cost) Note: in lieu of \$1,200 flat sum amount.	State
Rule 23 – Leave (page 21) Section 23.03 E  Rule 23 - Leave (page 21) Section 23.05	Establishes guidelines for personal leave account balances for officers.  Establishes the calculation for determining personal leave payrate associated with temporary upgrade classifications.	Defines personal leave account balance that may be maintained by officers.  Memorializes the practice of the employer with regard to pay when Officer works in a temporary upgrade position.	No economic impact. This reinforces that the employer may force employees on to vacation to provide work opportunities for other employees.  No economic impact. This allows the employer to continue to use Engineer officers in temporary upgrades without creating new positions.	Union  State

Contract Article	Summary of Change	Rationale	Impact	Requestor
<p>Rule 23 - Leave (page 23) Section 23.06 C</p> <p>Rule 23 - Union Business Leave Bank (page 23) Section 23.07 A</p>	<p>Establishes leave conversion between Southeast and Southwest systems.</p> <p>Defines how employer will make payments to Union Business Leave Bank.</p>	<p>Provides mechanism that allows officers to work in both systems without penalizing them financially.</p> <p>Internal Union equity matter.</p>	<p>No economic impact. Provides the Engineer Officer a method to maintain consistent paychecks by using their own leave.</p> <p>No economic impact</p>	<p>Union and State</p> <p>Union</p>
<p>Rule 24 - Holidays (page 26) Section 24.06</p>	<p>Adds prior agreement language regarding Lincoln's Holiday.</p>	<p>Clean up language that incorporates prior agreement into current master agreement.</p>	<p>No economic impact</p>	<p>State and Union</p>
<p>Rule 26 - Seniority (page 28) Section 26.07 A</p> <p>Section 26.07 B</p>	<p>Establishes time periods related to posting and filling positions.</p> <p>Defines time periods associated with employer filling vacancies.</p>	<p>Provides flexibility for employer when filling positions.</p> <p>Specifies that a position will be filled within 30 days of closing bid.</p>	<p>No economic impact</p> <p>No economic impact</p>	<p>State and Union</p> <p>Union</p>

Contract Article	Summary of Change	Rationale	Impact	Requestor
<p>Section 26.08</p> <p>Rule 27 – Health and Welfare (page 28) Section A-G</p> <p>Rule 27 – Health and Welfare (page 30) Section 27.04 A</p> <p>Rule 27 -Health and Welfare (page 30) Section 27.05 A and B</p>	<p>Defines who will participate in providing recommendations for transfer or bid opportunities.</p> <p>Sets employer contribution at \$515.00/month effective 7/1/2000, \$575.00 effective 7/1/2001, \$630/month effective 7/1/2002</p> <p>Increase in benefit for Temporary Relief Engineer. In lieu of \$1,200 flat payment amount.</p> <p>Adds language for MEBA retirees.</p>	<p>Establishes how recommendation process will work.</p> <p>Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.</p> <p>Provide increase from \$27.50/day to \$31.00/day effective January 1, 2000.</p> <p>Provides MEBA with a communication vehicle associated with retiree benefits.</p>	<p>No economic impact</p> <p>FY 01 \$70,200 (total cost) FY 02 \$131,419 (total cost) FY 03 \$201,071 (total cost)</p> <p>\$4,291 (total cost a year)</p> <p>No economic impact</p>	<p>Union</p> <p>State / Agreement does not exceed State economic package.</p> <p>Union</p> <p>Union</p>

Contract Article	Summary of Change	Rationale	Impact	Requestor
Rule 28 – Pensions (page 31) Section 28.04	Outlines amount of MPB employer contribution that will be allocated for each permanent Engineer Officer in order to fund UBLB.	Provides MEBA with a communication vehicle associated with retiree benefits.	No economic impact	Union
Rule 28 – Pensions (page 30) Section 28.05 A, B, C, D and E	Adds language for MEBA retirees.	Provides MEBA with a communication vehicle associated with retiree benefits.	No economic impact	Union
Rule 32 – Pass Privileges (page 33) Section 32.01 A, 32.03, Section 32.07 A and D	Clarifies pass privileges for Engineer Officers.	Provides enhancements to Engineer Officers while balancing operational needs.	No economic impact. Benefit continues to be on a space available basis only. A shift from weight privilege to length; standardizes program with tariff schedule.	State

Contract Article	Summary of Change	Rationale	Impact	Requestor
Rule 37 – Education (page 36) Section 37.02 A, B, C and D	Clarifies educational requests.	Provides guidelines for determining training opportunities.	No economic impact. Recognizes that employer will maintain discretion in non-mandatory training area in order to manage limited resources.	Union and State
Rule 39 - Term of Agreement (page 36) Section 39.01	Specifies 3 year agreement	Three year contracts were a goal of the administration for all units.	Provides stable labor- management environment for the longest term permitted by the Public Employment Relations Act.	State

Contract Article	Summary of Change	Rationale	Impact	Requestor
M/V Tustumena Supplemental Rule 22 Overtime (page 42) Section 22.03	Provides pay benefit to officer if employer fails to relieve them as scheduled.	Acts to ensure that employer schedules in advance in order to avoid cost of premium pay.	Minimal cost impact. Employee morale enhanced.	Union
M/V Tustumena Supplemental Rule 23 - Personnel Leave (page 42) Section 23.01	Provides personal leave accrual option in lieu of 23.01.	Creates alternative option to personal leave accrual.	No economic impact. Provides standardization of leave accrual system with this one vessel. Changes employees from an accruing leave to a non accruing leave.	Union
M/V Bartlett Supplemental Agreement, Rule 22 - Overtime (page 48) Section 22.03	Requires employer to pay overtime to an officer in the event he is not relieved after assignment is complete.	Compensates officer not to exceed five (5) days if the officer is required to work beyond assignment.	Minimal cost impact	Union

Contract Article	Summary of Change	Rationale	Impact	Requestor
M/V Bartlett Supplemental Rule 23 - Personnel Leave (page 48) Section 23.01	Alternative personal leave accrual option in lieu of Rule 23.01.	Creates an alternative option to the personal leave accrual noted in 23.01.	No economic impact. Provides standardization of leave accrual system with this one vessel. Changes employees from an accruing leave to a non accruing leave.	Union
M/V Bartlett Supplemental Rule 23 - Personnel Leave (page 48) Section 23.05	Defines rate of pay for personal leave accrual in instances when officer is working in a temporary upgrade position.	Creates an alternative option to the personal leave accrual noted in 23.01.	No economic impact	Union
Port Engineers Supplemental Agreement Rule 17 - Pay (page 54) Section 17.01	Defines how engineering officers will accrue personal leave.	Clarifies how personal leave will be accrued for officers working in temp. assignments.	No economic impact. Encourages fleet engineers to work ashore for temporary assignments.	State
M/V Kennicott Supplemental Rule 23 - Personal Leave (page 64) Section 23.11	Reduces the time period associated with leave accrual from 30 days to 28.	Time period to reflect 28 days. Reflects current practice in work scheduling.	Minimal economic impact. Allows the employer to more reliably hire temporary relief workers.	Union

## Summary of Contract Changes

### MASTERS, MATES AND PILOTS MMP

Contract Article	Summary of Change	Rationale	Impact	Requestor
Rule 1 – Scope (page 1) Section 1.01	Add M/V Kennicott to the list of vessels covered under the scope provision.	Clarifies the vessels under agreement with MMP.	No economic impact	Union
Rule 5 – Union Membership (page 2) Section 5.03	Added Hudson language from U.S. Supreme Court decision.	Releases the employer from liability when the Union requests termination of employee for non-payment of dues.	Holds employer harmless. Protects employer's liability if the union mistakenly or incorrectly requests termination.	State
Rule 9 – Occupational Injury and Illness Benefits (page 4) Section 9.02  Section 9.03	Increase payment of maintenance under doctrine of maintenance and cure.  Change carrier name.	Provides increased benefit to employees in the event they are unable to work due work related injury.  Reflects a change in the State's group health insurance carrier.	The cost is approximately \$10,000 per year and is offset by the elimination of year long "set up" pay in Rule 17.04.  No economic impact	Union  State



Contract Article	Summary of Change	Rationale	Impact	Requestor
<p>Rule 17.01 (page 14) Section C</p> <p>Rule 17.04 Vacation Relief Deck Officers' (page 15)</p>	<p>3% increase effective July 1, 2002.</p> <p>Modifies the pay received for the Vacation Reliefs.</p>	<p>Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.</p> <p>Pay modification for Vacation Reliefs to reflect majority of time worked in job class.</p>	<p>Approximately \$17,000 in savings; offsets the improvements received in Rule 9.</p> <p>No economic impact</p>	<p>State</p> <p>Union and State</p>
<p>Rule 18 – Hours – Vessels on the Run (page 15)</p>	<p>Incorporates work hours for the M/V Tustumena supplemental into Master Agreement.</p>	<p>Operational efficiency</p>	<p>Cost savings associated with incorporating the M/V Tustumena supplemental into Master Agreement.</p>	<p>State and Union</p>
<p>Rule 19 – Monthly Work (page 16) Section 19.04</p>	<p>Incorporates work assignment for the M/V Tustumena supplemental into Master Agreement.</p>	<p>Operational efficiency</p>	<p>Cost savings associated with incorporating the M/V Tustumena supplemental into Master Agreement.</p>	<p>State and Union</p>

Contract Article	Summary of Change	Rationale	Impact	Requestor
Rule 22 -- Overtime (page 17) Section 22.02 B	Incorporates work assignment for purposes of overtime calculation regarding the M/V Tustumena supplemental into Master Agreement.	Operational efficiency	Cost savings associated with incorporating the M/V Tustumena supplemental into Master Agreement.	State and Union
Rule 23 -- Use of Vacation (page 19) Section 23.03 C	Provides additional guidance to the Union Vacation Committee representatives.	Memorializes current practice and limits its expansion.	No economic impact.	Union and State
Rule 26 - Seniority (page 23) Section 26.01 B	Adds language that precludes seniority from accruing in instances of temporary emergency assignments.	Maintains and clarifies seniority provision.	No economic impact.	Union
Rule 27 -- Health and Welfare (page 25) Section A-F	Sets employer contribution at \$515.00/month effective 7/1/2000, \$575.00 effective 7/1/2001, \$630/month effective 7/1/2002	Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.	FY 01 \$58,500 (total cost) FY 02 \$119,275 (total cost) FY 03 \$182,491 (total cost)	State

Rule 29 - Sick Leave (page 27) Section 29.04	Defines time period associated with requirement for providing a doctor's certificate.	In the event an employee is sick, it allows relief for up to five (5) days before requiring a doctor's certificate.	No economic impact. Relieves parties of administrative burden by recognizing that leave abuse does not occur with professional deck officers.	Union
Rule 29 - Sick Leave (page 28) Section 29.06	Clarification language related to FMLA and Alaska Family Leave Act (AFLA).	Clean up language.	No economic impact.	State
Rule 32 Pass Privileges (page 29) Section 32.01 A, B, C; Section 32.02; Section 32.03; A, B, C and D; Section 32.05; Section 32.07 A and B	Clarifies pass privileges for deck officers.	Balances operational needs with employee benefit.	No economic impact. All benefits remain space available. Shift from weight privilege to length which is consistent with tariff.	State
Rule 37--Term of Agreement (page 33) Section 37.01	Specifies 3 year agreement	Three year contracts were a goal of the administration for all units.	Provides stable labor-management environment for the longest term permitted by the Public Employment Relations Act.	State
Appendix B	Delete	Eliminate Me Too	Precludes MMP from receiving benefits they did not specifically bargain for.	State

Appendix C	Delete	Eliminate Me Too	Precludes MMP from receiving benefits they did not specifically bargain for.	State
Supplemental Agreement M/V Tustumena	Delete Supplemental Agreement and incorporate into Master Agreement.	Operational efficiency	Cost savings associated with incorporating the M/V Tustumena supplemental into Master Agreement. Administrative burden should decrease with standardization.	State and Union

## Summary of Contract Changes

PUBLIC EMPLOYEES LOCAL 71  
LTC

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 13.02 – Wage Schedule & Step Placement (page 9) new section 1	\$1200 lump sum payment, less required employee deductions and employer contributions, to all bargaining unit members with a pro ration of the payments for seasonal and new employees – payable no later than July 31, 2000.	Lump sum payment defrays cost of living increases and past increases in the cost of health insurance for employees without changing the base salary schedule.	\$1,740,200 (total funds)	State / Agreement does not exceed State economic package.
Article 13.02 – Wage Schedule & Step Placement (page 9) new section 2	Provides for effective dates of the agreement.	Clarifies the dates of the agreement during which the salary schedules are in effect.	No cost	State and union
Article 13.02 – Wage Schedule & Step Placement (page 10) Section A	New wage schedules for the period 7/1/99 to 6/31/01 adding new wage group 49 and 61	Clean up language to comply with current wage groups.	No cost	State and union

Contract Article	Summary of Change	Rationale	Impact	Requestor
<p>Article 13.02 – Wage Schedule &amp; Step Placement</p> <p>(page 10) new wage schedule added</p> <p>(page 10) ' </p>	<p>2% salary increase effective 7/1/2001</p> <p>3% salary increase effective 7/1/2002</p>	<p>Saiary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.</p> <p>Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.</p>	<p>\$1,606,612 (total funds – includes 2% increase to Service Bonus steps in 13.04)</p> <p>\$2,458,135 (total funds – includes 3% increase to Service Bonus steps in 13.04)</p>	<p>State / Agreement does not exceed State economic package.</p> <p>State / Agreement does not exceed State economic package.</p>
<p>Article 13.03 – Job Classification</p> <p>(page 10) Section A</p>	<p>Job titles changed to reflect new job classifications.</p>	<p>Clean up language</p>	<p>No cost</p>	<p>State and union</p>
<p>Article 13.04 – Service Bonus</p> <p>(page 14)</p>	<p>Add reference to new step E.</p>	<p>Conforming language to the rest of the contract.</p>	<p>No cost</p>	<p>State and union</p>

Contract Article	Summary of Change	Rationale	Impact	Requestor
(page 14)  New wage schedules (page 14)	Add a new step E, beginning July 1, 2002 for employees with 15 or more years of service and who have been at step D for at least 2 years.  New wage schedules set out in contract.	Recruitment and retention of employees, especially well trained employees, with more than 15 years of service.  Clean up to keep contract consistent.	\$547,744 (total funds) – savings from employees in frozen salaries who will not receive the 2% and 3% raises.  No cost	State / Agreement does not exceed State economic package.  State and union
Article 13.05 – Subsistence (page 15) first paragraph	Adds reference to new wage groups 49 and 61.	Conforming language to the rest of the contract.	No cost	State and union
Article 22.01 – Duty Station Seniority (page 31) first paragraph	Deletes reference to Division of Design and Construction within DOT/PF as it no longer exists and clarifies that this subsection only applies to employees working in design and construction in DOT/PF.	Clean up language to reflect reorganization of DOT/PF.	No cost	State and union

Contract Article	Summary of Change	Rationale	Impact	Requestor
<p>Article 23.01 – Health Insurance (page 33) third, fourth and fifth paragraphs</p> <p>Seventh paragraph</p>	<p>Sets employer contribution at \$570.00/month effective 7/1/2000; \$590.00 effective 7/1/2001 and \$630/month effective 7/1/2002</p> <p>Adds language for remission of fifty percent of any savings if plan costs are less than the monthly employer contribution.</p>	<p>Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.</p> <p>Employer and employee incentive to save on the cost of health insurance.</p>	<p>FY 01 \$352,400 (total funds) FY 02 \$352,155 (total funds) FY 03 \$704,309 (total funds)</p> <p>No cost</p>	<p>State / Agreement does not exceed State economic package.</p> <p>State</p>
<p>Article 23.03 Health Insurance Rate Adjustment (page 33)</p>	<p>Clean up language to delete reference to re-negotiation of the health insurance language and changes the date by which the union will provide an actuarial analysis of their trust fund to the state.</p>	<p>Proposed three-year agreement does not need re-opener language.</p>	<p>No cost</p>	<p>State and union</p>

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 25 – Tool Allowance (page 34) first paragraph	Changes titles of wage groups to reflect changes made in Article 13.03.	Conforming language to the rest of the contract.	No cost	State and union
Article 29 – Term of Agreement (page 39) 29.01  29.04 (old contract)  29.05 (old contract)  29.06 (old contract)  29.04 (new contract)	Specifies 3 year agreement  Delete  Delete  Delete  Language the same as old contract 29.07.	Three year contracts were a goal of the administration for all units.  Language not required – standard procedure.  Re-negotiation language not needed – three-year contract.  Language not needed – no re-negotiation language.  Re-number section to reflect elimination of sections listed above.	Provides stable labor-management environment for the longest term permitted by the Public Employment Relations Act.  No cost  No cost  No cost  No cost	State  State and union  State and union  State and union  State and union

## Summary of Contract Changes

### PUBLIC SAFETY EMPLOYEES ASSOCIATION CORRECTIONAL OFFICERS

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 9-Employment Status (page 10) Section 9.8-Transfers	Reduced the number from 5 to 3 most senior candidates on the transfer list to be given first consideration and opportunity to interview for transfer to vacant position	Provide more opportunity for more senior employees to be selected for transfer	No economic impact	Union
Article 17--Insurance (page 30) Section 17.3	Sets employer contribution at \$515.00/month effective 7/1/2000, \$575.00 effective 7/1/2001, \$630/month effective 7/1/2002	Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.	FY 01 \$285,800.00 (total cost) FY 02 \$511,701.00 (total cost) FY 03 \$469,059.00 (total cost)	State / Agreement does not exceed State economic package.

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 21--Wages (page 40) Section 21.1	\$1200 lump sum payment, less required employee deductions and employer contributions, to all bargaining unit members no later than July 31,2000	Lump sum payment defrays cost of living increases and past increases in the cost of health insurance for employees without changing the base salary schedule.	\$853.200.(total cost)	State / Agreement does not exceed State economic package.
	Current salary schedule stays in effect until June 30, 2001	Maintain same base salary schedule	\$0	State
	2% salary increase effective 7/1/2001	Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.	\$798.694.00 (total cost)	State / Agreement does not exceed State economic package.
	3% salary increase effective 7/1/2002	Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.	\$1,302,549.00 (total cost)	State / Agreement does not exceed State economic package.

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 24-Safety and Health (page 46) Section 24.2B Monitored Health	Remove language requiring annual physical evaluations to include tests for occupational exposures	Change makes contract consistent with previous contract requirement for receiving annual physical reimbursement	Minimal Impact- Employer reimbursement of \$105.00 for annual physical evaluation remains unchanged	Union
Article 37--Duration of Agreement (page 54)	Specifies 3 year agreement  Specifies time period, November 1-30, 2002, for giving notice to begin negotiation of successor agreement	Three year contracts were a goal of the administration for all units  Need to specify time for notice and time to re-enter negotiations for successor agreement	Provides stable labor-management environment for the longest term permitted by the Public Employment Relations Act.  Re-enter negotiations with union for successor agreement	State  State

## Summary of Contract Changes

### PUBLIC SAFETY EMPLOYEES ASSOCIATION PSEA--Troopers

Contract Article	Summary of Change	Rationale	Impact	Requestor
<p>Article 8-Travel &amp; Per Diem Sect. 1 page 13</p> <p>Sect. 3 page 13</p>	<p>Members may receive a higher allowance with department approval</p> <p>Sets meal allowance equal to that in the Administrative Manual</p>	<p>Clarify current practice</p> <p>Standardize meal allowance</p>	<p>No cost impact</p> <p>Minimal cost impact</p>	<p>Union &amp; State</p> <p>State</p>
<p>Article 14-Leaves of Absence for Permanent Employees Sect 1h page 39</p>	<p>Section reformatted with the following changes: Balance required to be maintained after leave cash in reduced from 45 days to 40 hrs., number of cash in allowed changed to 3 from 1 and others with hardship, payment will be no later than 1 pay period instead of within 10 days</p>	<p>Change brings this contract closer to practice in other bargaining units.</p>	<p>No major administrative impact and no cost impact.</p>	<p>State</p>

Contract Article	Summary of Change	Rationale	Impact	Requestor
Sect. 6f page 42	Clean-up language on administrative leave. Final sentence allows for a delay in the onset of coverage for a work related injury or illness	Clarification eliminates interpretation questions	No cost impact	Union & State
<p>Article 15-Wages Sect. 1b page 44</p> <p>Sect. 1c page 44</p> <p>Sect. 3 page 44</p>	<p>2% salary increase effective 7/1/01</p> <p>3% salary increase effective 7/1/02</p> <p>Geographic Differential steps increased for Klawock from 2 to 3, Kodiak from 2 to 4</p>	<p>Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.</p> <p>Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.</p> <p>Recognize the higher cost of living in Klawock and Kodiak</p>	<p>\$669,433.00 (total funds)</p> <p>\$1,024,238.00 (total funds)</p> <p>Funded by a reduction in the \$1200 lump sum payment of \$280 per member.</p>	<p>State / Agreement does not exceed State economic package.</p> <p>State / Agreement does not exceed State economic package.</p> <p>Union</p>

Contract Article	Summary of Change	Rationale	Impact	Requestor
Sect. 9 page 47	Deleted language that specified that this section applied to Department of Public Safety only Incorporates letter of agreement into the contract. LOA allows a 7 day on, 7 day off, 84 hr. week at Anchorage airport	Apply same contract provisions to all members of the bargaining unit	Minimal cost. Administrative efficiency	Union
Sect. 13c page 52	All compensatory time agreements must be in accordance with Fair Labor Standards Act	Contract terms reflect practice as agreed on in the letter of agreement	None—reflects current practice	Union & State
Sect. 13e page 52		Assure contract compliance with FSLA	Avoids future disputes or contract problems	State
Article 22-Insurance Entire article reformatted with the following major changes: Sect. 2A page 62	Sets employer health care contribution at \$546.50/month effective 7/1/2000	Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.	FY 01 \$127,100.00 (total funds)	State

Contract Article	Summary of Change	Rationale	Impact	Requestor
Sect. 2B page 62	Employer health care contribution \$575.00 per month effective 7/1/2001	Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.	FY 02 \$136,752.00 (total funds)	State
Sect. 2C page 62	Employer health care contribution \$630.00 per month effective 7/1/2002	Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.	FY 03 \$263,907.00 (total funds)	State
Sect. 2D page 62	Contributes a one time payment of \$920 per member to the health trust on 7/1/2000.	Union wants to insure that their health trust is funded adequately to maintain its long term viability and to provide quality health care to its members	Remainder of \$1200 lump sum payment funds this provision (\$920 per member).	Union

Contract Article	Summary of Change	Rationale	Impact	Requestor
Sect. 2E page 62	Provides if PSEA trust obtains health care at a cost less than the employer contribution 50% of savings will be remitted to state and 50% to employee	One of the goals of the administration is to explore the merits of a health trust environment for cost containment purposes; provides incentives for all parties to save on health costs.	Employee directed healthcare coverage may be better tailored to individual unit needs.	State
Sect. 2F page 62	Specifies employee contribution until changed by health trust board of trustees	Allows members to know what their contribution rate will be and how changes in employee contribution is made	None to state	Union
Sect. 2G-I page 62	Clarifies relationship between trust and state	Avoid future disputes on reporting etc.	Increased efficiency	State
Article 36-Duration of Agreement page	Specifies term of agreement from 3/1/2000 through 2/28/2003 with no re-openers. Specifies that bargaining for a successor agreement will begin on or after January 1, 2003	Three year contracts were a goal of the administration for all units.	Provides stable labor-management environment for the longest term permitted by the Public Employment Relations Act.	State

## Summary of Contract Changes

### TEACHERS' EDUCATION ASSOCIATION OF MT. EDGE CUMBE TEAME

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 1-General Provisions (page 1) Section 1- Nondiscrimination	Add the terms physical or mental disability, pregnancy, and parenthood to nondiscrimination provision.	Clarify scope of nondiscrimination to make language consistent with AS18.80.200.	No economic impact	Union and State
Article 2 -Negotiations Procedure Section 2-inaugurating Negotiations (page 2)	Specifies time period, December 1, 2002 for beginning negotiation of successor agreement.	Need to specify time for notice and time to re-enter negotiations for successor agreement.	Re-enter negotiations with union for successor agreement.	Union and State
Article 3—Duration of Agreement (page 3) Section 1	Specifies 3 year agreement	Three year contracts were a goal of the administration for all units.	Provides stable labor- management environment for the longest time permitted by the Public Employ- ment Relations Act	State

Contract Article	Summary of Change	Rationale	Impact	Requestor
Article 4-Association Rights (page 3& 4) Section 5	Add section to clarify that there will be no monetary or leave cost to the Union as a result of participation in statewide labor management Committee on Delivery of Public Services.	State request to participate in LMC. Smaller units do not have sufficient business leave to allow participation.	Impact minimal-LMC meetings should not result in travel costs to this union.	Union
Article 12-Leave (page 18) Section 3 Family Leave	Add heading "Parental Leave" to section 3 and change the word annual to personal leave and change the words "sick leave" to "banked sick leave."	Textual changes required to clarify and make contract terms consistent with practice.	No economic impact	State
Article 13--salary (page 24) Section 1	<p>\$1200 lump sum payment, less required employee deductions and employer contributions, to all bargaining unit members no later than July 31, 2000.</p> <p>Current salary schedule stays in effect until June 30, 2001.</p>	<p>Lump sum payment defrays cost of living increases and past increases in the cost of health insurance for employees without changing the base salary schedule.</p> <p>Maintain same base salary schedule.</p>	<p>\$21,100.00 (total cost)</p> <p>\$0</p>	<p>State / Agreement does not exceed State economic package.</p> <p>State</p>

Contract Article	Summary of Change	Rationale	Impact	Requestor
Section 2- (page 25) Salary placement credit	2% salary increase effective 7/1/2001.	Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.	\$21,733.00 (total cost)	State / Agreement does not exceed State economic package.
	3% salary increase effective 7/1/2002	Salary adjustment offsets anticipated cost of living increases; and will help make the state more competitive as an employer than it currently is.	\$33,241.00 (total cost)	State / Agreement does not exceed State economic package.
	Specify that education credits earned by teachers for intern teacher program qualify toward existing applicable education courses for salary placement credit.	Intern credits count toward credit to maintain teacher certification and intern work could be approved as a substitution for education courses.	Impact minimal-provision existed on a discretionary basis in previous contract.	Union

Contract Article	Summary of Change	Rationale	Impact	Requestor
Section 6 (page 28-31) Student Activity Sponsorship	Effective in year two of the agreement, implement adjusted Student Activity Sponsorship compensation scale and range. Some activities such as basketball coach were adjusted up and year book advisory adjusted down, while compensation for other activities remain unchanged.	Equalize compensation for student activity sponsorships based on time required for sponsoring activity.	No economic impact in year one. Impact minimal for year two and three due to adjustment offset.	State
Article 13—Health Insurance (page 26 ) Section 3	Sets employer contribution at \$515.00/month effective 7/1/2000, \$575.00 effective 7/1/2001, \$630/month effective 7/1/2002.	Recognize the increasing cost of health care by increasing employer contribution; large factor in recruitment and retention of employees; over the three years, equalize employer participation in all units.	FY 01 \$8,200.00 (total cost) FY 02 \$12,509.00 (total cost) FY 03 \$11,467.00 (total cost)	State / Agreement does not exceed State economic package.

**UNIVERSITY OF ALASKA**  
**SUMMARY OF CONTRACT SETTLEMENT WITH UNITED ACADEMICS**  
**February 2000**

Introduction

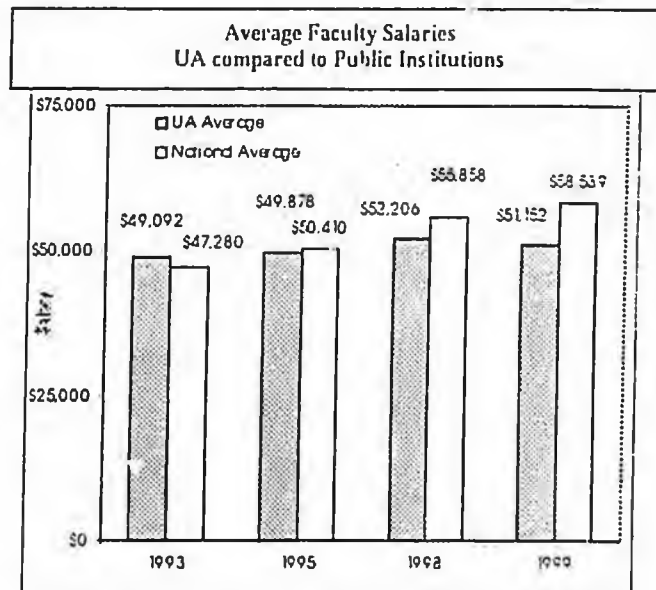
The University's ability to recruit and retain the most qualified faculty is critical to achieving our teaching, research, and service mission. The faculty members represented by United Academics (675) deliver high quality instruction and research, and provide university and public service on UA's Anchorage, Fairbanks, and Southeast campuses.

Background

Collective bargaining negotiations often divert faculty and administrative resources from our students to the battle at the bargaining table. Last month, the administration and United Academics agreed to an expedited negotiation that would not harm the educational process. The process resulted in a reasonable agreement, meeting the needs of the administration, the faculty and most important our students.

The National Context

The University of Alaska recruits its faculty from a national (and in some cases international) market, in large part because the University has a limited number of programs that prepare faculty for university teaching and research. As the following figure demonstrates, faculty salaries across the nation have increased much more than salaries at UA and now exceed them.



Economic Highlights

Provide 2.6% annual across the board increases; provide a 0.6% pool for promotions, equity, and retention; provide a 0.8% pool for non-base merit bonuses to recognize extraordinary performance as determined by administration; and maintain that increases are subject to legislative approval and funding. (Note, last year, faculty contracts nationally, resulted in a 4.8% average increase.) The general fund increment request for FY01 is \$1,145,700. Based on the current membership, additional funding requirements for FY02 and FY03 are estimated at \$1,375,000 and \$1,400,000 respectively.

Provide three health benefits options to the union – (1) maintain current coverage, (2) withdraw from all UA health plans, (3) or participate in another UA health plan – such as the UA 2000 plan currently offered to non-represented employees; and clarify that costs in excess of the university's defined contribution are based on the participants in a particular plan.

Discontinue annual \$400 lump sum payment.

Operational Highlights

The agreement is for three years, January 1, 2001 through December 31, 2003. Streamline and improve faculty evaluation processes.

**Highlights of  
January 01, 2001 to December 31, 2003  
Agreement Between  
United Academics & University of Alaska**

**Duration**

- 3 years, January 1, 2001 to December 31, 2003

**Compensation**

- Lift salary cap for purpose of raises;
- 2.6% across the board raises on July 1 2001, 2002 & 2003;
- .6% pool for promotions, retention and equity;
- .8% pool for non-base merit bonuses determined solely by management – awards not subject to grievance process;
- FY01 Merit paid Across the Board.

**Health Benefits**

- Retain current defined contribution plan with no entitlement to participant pool;
- Discontinue annual \$400 lump sum payment.

**Sabbatical Leaves**

- Add one-semester leaves at 3 months pay. Eliminate grievances.

**Evaluation of Faculty**

- Streamline and improve evaluation processes;
- Clarify confidentiality of faculty evaluator votes.

**Contract Extensions**

- Allow sick leave accrual on certain contract extensions.

**Department Heads/Chairs**

- Increase discretion of dean to compensate heads/chairs;
- Provide heads/chairs an optional role in evaluating faculty.

**Dispute Resolution**

- Limit arbitrations to grievances filed by United Academics;
- Limit discrimination grievances to union activity.

**Negotiations**

- Limit compulsory negotiation window.

UNIVERSITY OF ALASKA  
SUMMARY OF CONTRACT SETTLEMENT WITH ACCFT  
February 2000

Introduction

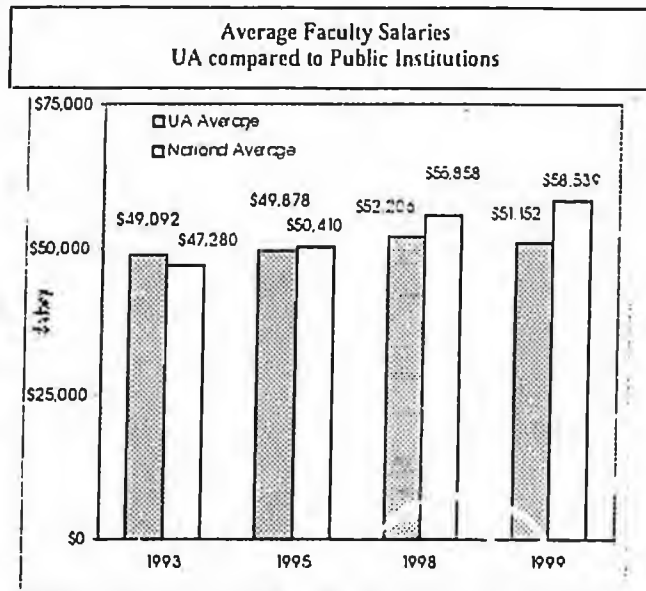
The University's ability to recruit and retain the most qualified faculty is critical to achieving our teaching, research, and service mission. The faculty members (266) represented by ACCFT deliver high quality instruction and provide university and public service on all UA campuses across the state.

Background

Collective bargaining negotiations often divert faculty and administrative resources from our students to the battle at the bargaining table. Last year, the administration and ACCFT agreed to an expedited negotiation that would not harm the educational process. The process resulted in a reasonable agreement, meeting the needs of the administration, the faculty, and most important our students.

The National Context

The University of Alaska recruits its faculty from a national (and in some cases international) market, in large part because the University has a limited number of programs that prepare faculty for university teaching and research. As the following figure demonstrates, faculty salaries across the nation have increased much more than salaries at UA and now exceed them.



Economic Highlights

Continue 2.6% annual across the board increases; continue an annual \$200 lump sum bonus; and clarify that increases are subject to legislative approval and funding. (Note, last year, faculty contracts nationally, resulted in a 4.8% average increase.) The general fund increment request for FY01 is \$428,500. Based on the current membership, additional funding requirements for FY02 and FY03 are estimated at \$440,000 and \$450,000 respectively.

Provide three health benefits options to the union – (1) maintain current coverage, (2) withdraw from all UA health plans, (3) or participate in another UA health plan – such as the UA 2000 plan currently offered to non-represented employees; and clarify that costs in excess of the university's defined contribution are based on the participants in a particular plan.

Operational Highlights

The agreement is for three years, July 1, 2000 through June 30, 2003. Non-tenure track term faculty will be given notice of non-retention, based on longevity.

SUMMARY OF JULY 1, 2000-JUNE 30, 2003  
AGREEMENT BETWEEN ACCFT & UNIVERSITY OF ALASKA

- **TERM**—Provide a three-year collective bargaining agreement, beginning July 1, 2000, ending June 30, 2003.
- **BARGAINING UNIT**—Expand the bargaining unit by including faculty with ACCFT workloads who work more than 50 but less than 60 per cent of a full time workload, while excluding adjunct faculty. This brings this unit into line with the other bargaining units by using a threshold of 50%.
- **ECONOMIC**—Continue 2.6% across the board salary increases in FY01, 02 and 03 (adjusting salary maximums for each rank by 2.6% in FY01 only); continue a ten per cent salary increase in the year of a promotion, with no other increase that year; continue an annual \$200 lump sum bonus; and clarify that across the board salary increases are subject to legislative approval and funding.
- **HEALTH BENEFITS**—Provide three health benefits options to the union - maintain current coverage, withdraw from any university plan and use the defined contribution amount (pegged at \$439.59/employee/month on July 1, 2000) for health coverage, or elect another university plan; clarify that costs in excess of the university's defined contribution are based on the participants in a particular plan. The defined contribution MAY increase by up to 3% per year, if the cost of benefits increases that much.
- **EVALUATION**—Continue the promotion/tenure/post-tenure review evaluation processes currently in place at the three MAUs.
- **NON-RENEWAL OF TERM EMPLOYEES**—Provide for minimum notice periods based on longevity, or payment in lieu of notice, when the university does not renew the appointment of a fixed term faculty member with more than two consecutive years of uninterrupted service.
- **INCORPORATION OF UNIVERSITY POLICY** -Continue to use the April 12, 1997, versions of Regents' Policy and University Regulation (those used in the current CBA) wherever they are referenced in the CBA, except as otherwise agreed.
- **OTHER PROVISIONS**—Continue the balance of the current collective bargaining agreement with appropriate adjustments in dates, and with modifications agreed to during the life of the current agreement.