

HB

1001

<TARGET><BILL>HB1001</BILL><SUBJECT>HB1001</SUBJECT><COMM>
HFIN29</COMM></TARGET>

*Adopted
4/29/15*

29-GH1318\W
Wallace
4/28/15

CS FOR HOUSE BILL NO. 1001(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SPECIAL SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act making appropriations for the operating and loan program expenses of state**
 2 **government and for certain programs; making appropriations for the operating and**
 3 **capital expenses of the state's integrated comprehensive mental health program;**
 4 **capitalizing funds and repealing appropriations; making appropriations under art. IX,**
 5 **sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve**
 6 **fund; and providing for an effective date."**

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

8 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

1 * **Section 1.** The following appropriation items are for operating expenditures from the
 2 general fund or other funds as set out in section 2 of this Act to the agencies named for the
 3 purposes expressed for the fiscal year beginning July 1, 2015 and ending June 30, 2016,
 4 unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated
 5 reduction set out in this section may be allocated among the appropriations made in this
 6 section to that department, agency, or branch.

	Allocations	Appropriation Items	General Funds	Other Funds
	*****	*****		
	***** Department of Education and Early Development *****			
	*****	*****		
12		2,599,700	2,599,700	
13	Alaska Learning Network	599,700		
14	Pre-Kindergarten Grants	2,000,000		
15	*****	*****		
16	***** Department of Health and Social Services *****			
17	*****	*****		
18	Children's Services	1,330,500	330,500	1,000,000
19	Front Line Social Workers	1,000,000		
20	Family Preservation	330,500		
21	Departmental Support Services	0	1,175,000	-1,175,000
22	Public Affairs	0		
23	Commissioner's Office	0		
24	Administrative Support	0		
25	Services	0		
26	Information Technology	0		
27	Services	0		
28	Agency-wide Appropriation	2,218,500	2,218,500	
29	Agency-wide Unallocated	2,218,500		
30	Appropriation			
31	*****	*****		

825
125 } 1.175 mil

	Appropriation	General	Other
	Allocations	Items	Funds
3	***** Department of Natural Resources *****		
4	*****		
5	Administration & Support Services	4,900,000	4,900,000
6	North Slope Gas	4,900,000	
7	Commercialization		
8	*****		
9	***** Department of Public Safety *****		
10	*****		
11	Alaska State Troopers	500,000	500,000
12	Alaska Wildlife Troopers	500,000	
13	Aircraft Section		
14	Council on Domestic Violence and	1,500,000	1,500,000
15	Sexual Assault		
16	Council on Domestic	1,500,000	
17	Violence and Sexual Assault		
18	*****		
19	***** Department of Transportation and Public Facilities *****		
20	*****		
21	Marine Highway System	7,000,000	7,000,000
22	Marine Vessel Operations	7,000,000	
23	*****		
24	***** University of Alaska *****		
25	*****		
26	University of Alaska	7,000,000	7,000,000
27	Budget Reductions/Additions	7,000,000	
28	- Systemwide		
29	*****		
30	***** State-wide Unallocated Appropriations *****		
31	*****		
32	State-wide Unallocated	35,367,600	24,436,300
33	The amounts appropriated in this appropriation fund the FY2016 COLA increases for the		

1	Appropriation	General	Other
2	Allocations	Items	Funds
3	bargaining unit contracts and remove the funding for the 2016 COLA increases for non-		
4	covered employees. The funding is to be allocated among the departments, agencies, or		
5	branches from which COLA funding was decremented in section 1 of HB 72 and HB73.		
6	State-Wide All Employees	56,386,100	
7	COLA		
8	State-wide Non-Covered	-21,018,500	
9	Employees COLA		
10	(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)		

1 * **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of
 2 this Act.

3 Funding Source	Amount
4 Department of Education and Early Development	
5 1004 Unrestricted General Fund Receipts	2,599,700
6 *** Total Agency Funding ***	2,599,700
7 Department of Health and Social Services	
8 1003 General Fund Match	125,000
9 1004 Unrestricted General Fund Receipts	3,599,000
10 1007 Interagency Receipts	-1,175,000
11 1188 Federal Unrestricted Receipts	1,000,000
12 *** Total Agency Funding ***	3,549,000
13 Department of Natural Resources	
14 1004 Unrestricted General Fund Receipts	4,900,000
15 *** Total Agency Funding ***	4,900,000
16 Department of Public Safety	
17 1004 Unrestricted General Fund Receipts	2,000,000
18 *** Total Agency Funding ***	2,000,000
19 Department of Transportation and Public Facilities	
20 1004 Unrestricted General Fund Receipts	7,000,000
21 *** Total Agency Funding ***	7,000,000
22 University of Alaska	
23 1004 Unrestricted General Fund Receipts	7,000,000
24 *** Total Agency Funding ***	7,000,000
25 State-wide Unallocated Appropriations	
26 1002 Federal Receipts	4,501,900
27 1003 General Fund Match	1,130,900
28 1004 Unrestricted General Fund Receipts	16,122,600
29 1005 General Fund/Program Receipts	1,053,200
30 1007 Interagency Receipts	1,646,400
31 1014 Donated Commodity/Handling Fee Account	4,100

1	1017	Group Health and Life Benefits Fund	74,400
2	1018	Exxon Valdez Oil Spill Trust--Civil	1,200
3	1021	Agricultural Revolving Loan Fund	10,300
4	1023	FICA Administration Fund Account	300
5	1024	Fish and Game Fund	208,800
6	1026	Highways Equipment Working Capital Fund	63,500
7	1027	International Airports Revenue Fund	400,400
8	1029	Public Employees Retirement Trust Fund	144,800
9	1031	Second Injury Fund Reserve Account	3,900
10	1032	Fishermen's Fund	4,600
11	1033	Federal Surplus Property Revolving Fund	4,000
12	1034	Teachers Retirement Trust Fund	59,000
13	1036	Commercial Fishing Loan Fund	63,700
14	1037	General Fund / Mental Health	672,000
15	1040	Real Estate Recovery Fund	2,000
16	1042	Judicial Retirement System	800
17	1045	National Guard & Naval Militia Retirement System	1,900
18	1048	University of Alaska Restricted Receipts	4,018,200
19	1049	Training and Building Fund	9,400
20	1050	Permanent Fund Dividend Fund	115,800
21	1052	Oil/Hazardous Release Prevention & Response Fund	261,200
22	1054	State Training & Employment Program	19,300
23	1055	Inter-Agency/Oil & Hazardous Waste	3,900
24	1061	Capital Improvement Project Receipts	2,952,500
25	1066	Public School Trust Fund	400
26	1070	Fisheries Enhancement Revolving Loan Fund	6,700
27	1074	Bulk Fuel Revolving Loan Fund	1,000
28	1076	Alaska Marine Highway System Fund	296,300
29	1081	Information Services Fund	236,000
30	1092	Mental Health Trust Authority Authorized Receipts	-26,200
31	1093	Clean Air Protection Fund	66,400

1	1104	Alaska Municipal Bond Bank Receipts	1,400
2	1105	Permanent Fund Corporation Gross Receipts	73,700
3	1106	Alaska Student Loan Corporation Receipts	191,500
4	1108	Statutory Designated Program Receipts	242,700
5	1133	CSSD Administrative Cost Reimbursement	14,700
6	1141	Regulatory Commission of Alaska Receipts	113,200
7	1147	Public Building Fund	19,300
8	1151	Technical Vocational Education Program Receipts	33,400
9	1153	State Land Disposal Income Fund	97,300
10	1154	Shore Fisheries Development Lease Program	6,700
11	1155	Timber Sale Receipts	6,800
12	1156	Receipt Supported Services	201,300
13	1157	Workers Safety and Compensation Administration Account	102,900
14	1162	Alaska Oil & Gas Conservation Commission Receipts	11,200
15	1164	Rural Development Initiative Fund	900
16	1166	Commercial Passenger Vessel Environmental Compliance Fund	15,800
17	1168	Tobacco Use Education and Cessation Fund	22,000
18	1169	Power Cost Equalization Endowment Fund Earnings	600
19	1170	Small Business Economic Development Revolving Loan Fund	800
20	1172	Building Safety Account	20,700
21	1200	Vehicle Rental Tax Receipts	-700
22	1203	Workers Compensation Benefits Guarantee Fund	1,900
23	1205	Berth Fees for the Ocean Ranger Program	6,700
24	1209	Alaska Capstone Avionics Revolving Loan Fund	2,000
25	1215	Unified Carrier Registration Receipts	5,900
26	1220	Crime Victim Compensation Fund	4,600
27	1223	Commercial Charter Fisheries RLF	300
28	1224	Mariculture RLF	300
29	1225	Community Quota Entity RLF	600
30	1227	Alaska Microloan RLF	100
31	1230	Alaska Clean Water Administrative Fund	8,300

1	1231	Alaska Drinking Water Administrative Fund	8,200
2	1232	In-State Natural Gas Pipeline Fund--Interagency	15,500
3	1236	Alaska Liquefied Natural Gas Project Fund I/A	1,400
4		*** Total Agency Funding ***	35,367,600
5		***** Total Budget *****	62,416,300
6		(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)	

1 * **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of
 2 this Act.

3 Funding Source	Amount
4 Unrestricted General	
5 1003 General Fund Match	1,255,900
6 1004 Unrestricted General Fund Receipts	43,221,300
7 1037 General Fund / Mental Health	672,000
8 *** Total Unrestricted General ***	45,149,200
9 Designated General	
10 1005 General Fund/Program Receipts	1,053,200
11 1021 Agricultural Revolving Loan Fund	10,300
12 1031 Second Injury Fund Reserve Account	3,900
13 1032 Fishermen's Fund	4,600
14 1036 Commercial Fishing Loan Fund	63,700
15 1040 Real Estate Recovery Fund	2,000
16 1048 University of Alaska Restricted Receipts	4,018,200
17 1049 Training and Building Fund	9,400
18 1050 Permanent Fund Dividend Fund	115,800
19 1052 Oil/Hazardous Release Prevention & Response Fund	261,200
20 1054 State Training & Employment Program	19,300
21 1066 Public School Trust Fund	400
22 1070 Fisheries Enhancement Revolving Loan Fund	6,700
23 1074 Bulk Fuel Revolving Loan Fund	1,000
24 1076 Alaska Marine Highway System Fund	296,300
25 1141 Regulatory Commission of Alaska Receipts	113,200
26 1151 Technical Vocational Education Program Receipts	33,400
27 1153 State Land Disposal Income Fund	97,300
28 1154 Shore Fisheries Development Lease Program	6,700
29 1155 Timber Sale Receipts	6,800
30 1156 Receipt Supported Services	201,300
31 1157 Workers Safety and Compensation Administration Account	102,900

1	1162	Alaska Oil & Gas Conservation Commission Receipts	11,200
2	1164	Rural Development Initiative Fund	900
3	1166	Commercial Passenger Vessel Environmental Compliance Fund	15,800
4	1168	Tobacco Use Education and Cessation Fund	22,000
5	1169	Power Cost Equalization Endowment Fund Earnings	600
6	1170	Small Business Economic Development Revolving Loan Fund	800
7	1172	Building Safety Account	20,700
8	1200	Vehicle Rental Tax Receipts	-700
9	1203	Workers Compensation Benefits Guarantee Fund	1,900
10	1205	Berth Fees for the Ocean Ranger Program	6,700
11	1209	Alaska Capstone Avionics Revolving Loan Fund	2,000
12	1223	Commercial Charter Fisheries RLF	300
13	1224	Mariculture RLF	300
14	1225	Community Quota Entity RLF	600
15	1227	Alaska Microloan RLF	100
16	*** Total Designated General ***		6,510,800
17	Other Non-Duplicated		
18	1017	Group Health and Life Benefits Fund	74,400
19	1018	Exxon Valdez Oil Spill Trust--Civil	1,200
20	1023	FICA Administration Fund Account	300
21	1024	Fish and Game Fund	208,800
22	1027	International Airports Revenue Fund	400,400
23	1029	Public Employees Retirement Trust Fund	144,800
24	1034	Teachers Retirement Trust Fund	59,000
25	1042	Judicial Retirement System	800
26	1045	National Guard & Naval Militia Retirement System	1,900
27	1092	Mental Health Trust Authority Authorized Receipts	-26,200
28	1093	Clean Air Protection Fund	66,400
29	1104	Alaska Municipal Bond Bank Receipts	1,400
30	1105	Permanent Fund Corporation Gross Receipts	73,700
31	1106	Alaska Student Loan Corporation Receipts	191,500

1	1108	Statutory Designated Program Receipts	242,700
2	1215	Unified Carrier Registration Receipts	5,900
3	1230	Alaska Clean Water Administrative Fund	8,300
4	1231	Alaska Drinking Water Administrative Fund	8,200
5		*** Total Other Non-Duplicated ***	1,463,500
6		Federal Receipts	
7	1002	Federal Receipts	4,501,900
8	1014	Donated Commodity/Handling Fee Account	4,100
9	1033	Federal Surplus Property Revolving Fund	4,000
10	1133	CSSD Administrative Cost Reimbursement	14,700
11	1188	Federal Unrestricted Receipts	1,000,000
12		*** Total Federal Receipts ***	5,524,700
13		Other Duplicated	
14	1007	Interagency Receipts	471,400
15	1026	Highways Equipment Working Capital Fund	63,500
16	1055	Inter-Agency/Oil & Hazardous Waste	3,900
17	1061	Capital Improvement Project Receipts	2,952,500
18	1081	Information Services Fund	236,000
19	1147	Public Building Fund	19,300
20	1220	Crime Victim Compensation Fund	4,600
21	1232	In-State Natural Gas Pipeline Fund--Interagency	15,500
22	1236	Alaska Liquefied Natural Gas Project Fund I/A	1,400
23		*** Total Other Duplicated ***	3,768,100

24 (SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

1 * **Sec. 4.** The following appropriation items are for operating expenditures from the general
 2 fund or other funds as set out in section 6 of this Act to the agencies named for purposes
 3 related to Medicaid Expansion for the fiscal year beginning July 1, 2015 and ending June 30,
 4 2016, unless otherwise indicated.

	Appropriation	General	Other
	Allocations	Items	Funds
	*****	*****	
	***** Department of Corrections *****		
	*****	*****	
10	Health and Rehabilitation Services	-4,108,200	-4,108,200
11	Physical Health Care	-4,108,200	
12	*****	*****	
13	***** Department of Health and Social Services *****		
14	*****	*****	
15	Behavioral Health	-1,558,700	-1,558,700
16	Behavioral Health Treatment	-1,558,700	
17	and Recovery Grants		
18	Health Care Services	-1,000,000	-1,000,000
19	Catastrophic and Chronic	-1,000,000	
20	Illness Assistance (AS		
21	47.08)		
22	Medicaid Services	145,438,400	145,438,400
23	Behavioral Health Medicaid	4,799,500	
24	Services		
25	Adult Preventative Dental	5,381,200	
26	Medicaid Services		
27	Health Care Medicaid	132,348,900	
28	Services		
29	Senior and Disabilities	2,908,800	
30	Medicaid Services		

31 (SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)

1 * **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of
2 this Act.

3	Funding Source	Amount
4	Department of Corrections	
5	1004 Unrestricted General Fund Receipts	-4,108,200
6	*** Total Agency Funding ***	-4,108,200
7	Department of Health and Social Services	
8	1002 Federal Receipts	145,438,400
9	1004 Unrestricted General Fund Receipts	-1,000,000
10	1037 General Fund / Mental Health	-1,558,700
11	*** Total Agency Funding ***	142,879,700
12	***** Total Budget *****	138,771,500

13 (SECTION 6 OF THIS ACT BEGINS ON THE NEXT PAGE)

1 * **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of
2 this Act.

3	Funding Source	Amount
4	Unrestricted General	
5	1004 Unrestricted General Fund Receipts	-5,108,200
6	1037 General Fund / Mental Health	-1,558,700
7	*** Total Unrestricted General ***	-6,666,900
8	Federal Receipts	
9	1002 Federal Receipts	145,438,400
10	*** Total Federal Receipts ***	145,438,400

11 (SECTION 7 OF THIS ACT BEGINS ON THE NEXT PAGE)

1 * **Sec. 7. FUND TRANSFERS.** (a) The sum of \$118,000,000 is appropriated from the in-
2 state natural gas pipeline fund (AS 31.25.100) to the public education fund (AS 14.17.300).

3 (b) The amount necessary, after the appropriations made in (a) of this section and in
4 sec. 28(c), ch. 16, SLA 2014, as amended by sec. 31 of CCS HB 72(brf sup maj fld H),
5 Twenty-Ninth Alaska State Legislature, when added to the balance of the public education
6 fund (AS 14.17.300) on June 30, 2015, to fund the total amount for the fiscal year ending
7 June 30, 2016, of state aid calculated under the public school funding formula under
8 AS 14.17.410(b), estimated to be \$1,006,027,900, is appropriated from the general fund to the
9 public education fund (AS 14.17.300).

10 (c) If the amount of the appropriation made in (a) of this section is less than
11 \$118,000,000, the appropriation made in (b) of this section shall be reduced on a dollar-for-
12 dollar basis, equal to the amount of the reduction in (a) of this section.

13 * **Sec. 8. SALARY AND BENEFIT ADJUSTMENTS.** (a) The operating budget
14 appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments
15 for public officials, officers, and employees of the executive branch, Alaska Court System
16 employees, employees of the legislature, and legislators and to implement the terms for the
17 fiscal year ending June 30, 2016, of the following ongoing collective bargaining agreements:

18 (1) Alaska Correctional Officers Association, representing the correctional
19 officers unit;

20 (2) Confidential Employees Association, for the confidential unit;

21 (3) Alaska Public Employees Association, for the supervisory unit;

22 (4) Alaska State Employees Association, for the general government unit;

23 (5) Public Safety Employees Association;

24 (6) Alaska Vocational Technical Center Teachers' Association;

25 (7) Inlandboatmen's Union of the Pacific, Alaska Region, for the unlicensed
26 marine unit;

27 (8) International Organization of Masters, Mates, and Pilots, for the masters,
28 mates, and pilots unit;

29 (9) Marine Engineers' Beneficial Association, representing licensed engineers
30 employed by the Alaska marine highway system.

31 (b) The operating budget appropriations made to the University of Alaska in sec. 1 of

1 this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30,
2 2016, for university employees who are not members of a collective bargaining unit and to
3 implement the terms for the fiscal year ending June 30, 2016, of the following collective
4 bargaining agreements:

5 (1) Fairbanks Firefighters Union, IAFF Local 1324;

6 (2) United Academics - American Association of University Professors,
7 American Federation of Teachers;

8 (3) United Academic - Adjuncts - American Association of University
9 Professors, American Federation of Teachers;

10 (4) Alaska Higher Education Crafts and Trades Employees, Local 6070;

11 (5) University of Alaska Federation of Teachers (UAFT).

12 (c) If a collective bargaining agreement listed in (a) of this section is not ratified by
13 the membership of the respective collective bargaining unit, the appropriations made by this
14 Act applicable to the collective bargaining unit's agreement are reduced proportionately by the
15 amount for the collective bargaining agreement, and the corresponding funding source
16 amounts are reduced accordingly.

17 (d) If a collective bargaining agreement listed in (b) of this section is not ratified by
18 the membership of the respective collective bargaining unit and approved by the Board of
19 Regents of the University of Alaska, the appropriations made in this Act applicable to the
20 collective bargaining unit's agreement are reduced proportionately by the amount for the
21 collective bargaining agreement, and the corresponding funding source amounts are reduced
22 accordingly.

23 * **Sec. 9. CONSTITUTIONAL BUDGET RESERVE FUND.** (a) If the unrestricted state
24 revenue available for appropriation in fiscal year 2015 is insufficient to cover the general fund
25 appropriations that take effect in fiscal year 2015, the amount necessary to balance revenue and
26 general fund appropriations is appropriated to the general fund from the budget reserve fund
27 (art. IX, sec. 17, Constitution of the State of Alaska).

28 (b) If the unrestricted state revenue available for appropriation in fiscal year 2016 is
29 insufficient to cover the general fund appropriations that take effect in fiscal year 2016, the
30 amount necessary to balance revenue and general fund appropriations is appropriated to the
31 general fund from the budget reserve fund (art. IX, sec. 17, Constitution of the State of

1 Alaska).

2 (c) Unrestricted interest earned on investment of the general fund balances for the
3 fiscal years ending June 30, 2015, and June 30, 2016, is appropriated to the budget reserve
4 fund (art. IX, sec. 17, Constitution of the State of Alaska). The appropriation made by this
5 subsection is intended to compensate the budget reserve fund (art. IX, sec. 17, Constitution of
6 the State of Alaska) for any lost earnings caused by use of the budget reserve fund's balance to
7 permit expenditure of operating and capital appropriations in the fiscal years ending June 30,
8 2015 and June 30, 2016, in anticipation of receiving unrestricted general fund revenue.

9 (d) The appropriations made by (a) and (b) of this section are made under art. IX, sec.
10 17(c), Constitution of the State of Alaska.

11 * **Sec. 10. HIGHER EDUCATION INVESTMENT FUND.** If, and only if, the appropriation
12 made in sec. 9(a) of this Act fails to pass upon an affirmative vote of three-fourths of the
13 members of each house of the Twenty-Ninth Alaska State Legislature in the First Special
14 Session and the unrestricted state revenue available for appropriation in fiscal year 2015 is
15 insufficient to cover the general fund appropriations that take effect in fiscal year 2015, the
16 amount necessary to balance revenue and general fund appropriations is appropriated from the
17 Alaska higher education investment fund (AS 37.14.750) to the general fund.

18 * **Sec. 11.** Sections 26(c), 26(d), 26(e), 28, 32, 33, and 36, CCS HB 72(brf sup maj fld H),
19 Twenty-Ninth Alaska State Legislature, are repealed.

20 * **Sec. 12. RETROACTIVITY.** The appropriations made in sec. 1 of this Act that
21 appropriate either the unexpended and unobligated balance of specific fiscal year 2015
22 program receipts or the unexpended and unobligated balance on June 30, 2015, of a specified
23 account are retroactive to June 30, 2015, solely for the purpose of carrying forward a prior
24 fiscal year balance.

25 * **Sec. 13. CONTINGENCY.** The appropriation from the Alaska higher education
26 investment fund (AS 37.14.750) made in sec. 10 of this Act is contingent on the failure of the
27 failure of the appropriations made in sec. 9(a) of this Act to pass upon an affirmative vote of
28 three-fourths of the members of each house of the Twenty-Ninth Alaska State Legislature in
29 the First Special Session.

30 * **Sec. 14.** Sections 9(a), 9(c), 10, 12, and 13 of this Act take effect June 30, 2015.

31 * **Sec. 15.** Section 11 of this Act takes effect immediately under AS 01.10.070(c).

1 * **Sec. 16.** Except as provided in secs. 14 and 15 of this Act, this Act takes effect July 1,
2 2015.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

5/1/15 HFIN mtg
Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
Pat Pitney, Director

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May 7, 2015

The Honorable Steve Thompson
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 515
Juneau, AK 99801-1182

The Honorable Mark Neuman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 505
Juneau, AK 99801-1182

Dear Co-Chair and Co-Chair,

Thank you for the opportunity to present highlights of the Governor's FY2016 Special Session budget bill before the House Finance committee on May 6. The following is in response to questions posed by the committee during the meeting for distribution to the members.

Representative Wilson: What restrictions have been placed on departments by commissioners (I.E. Travel holds, personnel policies etc.) to save money?

The Commissioners have all implemented policies and initiatives to reduce expenditures that are tailored to their respective departments. Some examples:

- A Fiscal Stability Strategy Task Force is hosting a Cross Departmental Efficiencies Workshop May 13 where Commissioners and Administrative Services Directors will identify prioritize initiatives aimed at reducing the cost of state government.
- Departments are working with human resources on layoffs and position vacancies. There are 100 union positions in the queue for layoffs.
- The University of Alaska has announced a furlough: 167 top administrators will take five to 10 days of mandatory unpaid leave as part of a larger plan to pare spending.
- The Department of Revenue is creating an 18 – 24 month plan that included creating shared pools of IT resources that bridged the divisional boundaries. DOTPF has also restructured IT services and IT restructuring is being reviewed on a statewide level.

Representative Neuman: For AKLN, what is the structure of how the funding mechanism works between Rural Attendance Areas, Organized areas, and boroughs and where the money comes from?

The funding from the state pays for course development, professional training, student support, dual credits, and more. Districts all pay \$150 per semester course. The funding to school districts is adjusted in the funding formula by incorporating such components as school size and geographic cost differentials. All districts are treated equally in regards to offering AKLN courses to their students.

Representative Neuman: Is there a sustainability plan for Pre-K?

The sustainability plan was submitted to the chairs of the education committees of both bodies on February 23rd, 2015. In our move towards self-sustainability our current proposal

anticipates a higher enrollment for a lower cost to the state. I have attached the sustainability plan that was sent.

Representative Neuman: Can we see some evaluations/results for Pre-K?

Several tools are used to check for a child's growth during the program. Some of them with accompanying data is below. All tools align with each other and are determined to be valid and reliable tools.

Tool: PPVT (Peabody Picture Vocabulary Test) Based on national norms: Latest results- **In the fall 67% of students were in the lowest two quartiles. By spring it was 47%. 66% of students showed greater than a year's growth in the course of one year**

Tool: DLAL-3 (Developmental Indicators for the Assessment of Learning)
76% of students began in the bottom 2 quartiles. By spring it was 40%.

Tool: TSG (Teaching Strategies Gold) Has several measures. One example is below.
Standard 8 Comprehends language. Fall- 44% met expectations Spring- 91% met or exceeded expectations.

Representative Wilson: What has been done to make sure grantee school districts can sustain the Pre-K program?

As with all of our public schools, there is no mechanism to ensure that districts or communities can sustain the program without state funding. All we can ensure is that on an annual basis we have met the needs of as many students as possible who have been given the resources and opportunity to have a better chance at success when they enter kindergarten. Those opportunities may not always be in the same building or the same community but they do meet the needs of children where they are offered.

Representative Sadler: If you have evidence advantage in the job market, I'd sure like to see it.

The most recognized longitudinal study was the Perry Preschool Program that followed students until age 40. The study showed increased employment and earnings, decreased welfare dependency, and reduced arrests compared to peers not in a preschool program. There are other studies that show clear correlations between Head Start involvement and lower rates of arrest.

Representative Wilson: Has Head Start been reduced?

No. Alaska contributes approximately 7.3 million to leverage approximately 36 million in federal funds for the Head Start program.

Representative Gara: What was the \$18 million in nonformula Education funding cuts?

See the conference committee close-out document (attached).

Representative Thompson: In 1988 60% of operations were covered by fares but now only 30% are covered. What are the cost drivers of the Alaska Marine Highway System?

Data from 1988 (as reported in the 1990 AMHS Annual Financial Report, which is the first such report published) and the 2014 Annual Financial Report:

Year	# of Ships in Fleet	# of Ports	Operating Expenses	Revenue	Cost Recovery
1988	9 (incl: Chilkat, Bartlett)	33	\$ 64,000,000	\$ 34,300,000	53.6%
2014	11 (incl: FWX, CHE, KEN, LIT)	35	\$ 166,000,000	\$ 50,900,000	30.7%

There are many factors that impact our cost recovery percentage. The largest factor is that operating costs have significantly increased, while tariffs have stayed relatively flat and low over the past 17 years. Fuel prices have more than tripled since 1988 (average price of diesel in 1988 was \$0.85/gal compared to ~\$3.00/gal today). Labor costs have gone up significantly, not necessarily because there are more employees, but because they cost more. Commodities and maintenance costs have all risen as well, including shipyard labor and materials that have gone up like everything else. Until this financial crisis, there was very little political support for raising or even leveling fares, hence they stayed where they were. Today's fleet of ships, including the two fast vehicle ferries and the Kennicott, consume more fuel than the previous fleet which included Chilkat and Bartlett. Traffic volumes have fluctuated, peaking in 1992 (with 420,436 Passengers and 112,985 vehicles) and declining since then to 2014 traffic of 319,004 Passengers and 108,478 vehicles. This is a 24% reduction in passengers but only a 3.9% decline in vehicle traffic, which indicates to me a shift from passenger based (easily replaced by faster and more efficient air travel) to roll-on/roll off vehicle traffic, which is not easily replaced. AMHS served 32 ports in 1988, we serve 35 today. We added Gustavus, Old Harbor, and Ouzinkie; all communities not connected to the road system, to connect and serve more Alaskans. All but seven of these ports are isolated communities with no road connection. The seven that do have road connections (Bellingham, Prince Rupert, Haines, Skagway, Valdez, Whittier, and Homer) are the connector ports used to link isolated communities to the road system. The only routes that "Parallel" roads are Whittier to Valdez (Ferry 90 miles, 2.5 hours; Road 358 miles, 8.5 hours) and Haines to Skagway (Ferry 15 miles, 45 minutes; Road 352 miles, 8.2 hours).

Representative Gattis: What routes would be put back into service with this \$7 million addition?

Without the \$7M addition, the October-June schedule will be more significantly impacted. Specifically:

- o During October and November, the Malaspina won't run to Bellingham (Taku would have to run to both Prince Rupert and Bellingham these two months resulting in service to both ports cut in half)
- o During May and June, the Malaspina won't run Bellingham
- o Two month additional layup for the Kennicott on cross-gulf run
- o Two month additional layup for the Fairweather on Sitka and Angoon run

Representative Gattis: How much revenue does AMHS get from these 10,000 reservations that would need to be canceled without the \$7 million in additional funding?

As of May 1st, on the summer service that was under threat of budget cut cancellation, there are 3,216 itineraries that include 11,172 passengers and 3,193 vehicles. The total revenue generated by that traffic is \$1.25M, but this figure does not include all the revenue that these routes will generate, only that which has been sold on reservations so far. Rebooking a ferry reservation, which can include the passenger(s), a vehicle, a cabin, pets, and other items, is

not as easy as rebooking an airline passenger from one flight to another. All of our ships are different, with different accommodations and amounts of space available. They do not run as frequently as airline service (we are potentially talking days delayed, not hours), and the real impact is not to the ferry system but to the hundreds of other businesses that these ferry travelers utilize. Rebooking a resort lodge, fishing excursion, flightseeing trip, hotel rooms, campground space, etc. will all be massively disrupted if the ferry dates the traveler was planning on suddenly change by several days at the last minute...and they may not be able to be rebooked due to availability resulting in total trip cancellations.

Representative Wilson: What is the Philosophy on which routes to cut back on?

AMHS intentionally cut service on routes where there was more than one vessel providing service so as to not cut off any community completely. Two examples will illustrate the philosophy: Example 1: We cannot cut the Tustumena running in Southwest Alaska because there are some ports that only the Tustumena can serve. Without the Tustumena, those communities get zero AMHS service. Example 2: We can cut one of the two vessels running in Prince William Sound since both vessels can (with limited exceptions) serve all the ports in that service area. The cutting of one vessel reduces the frequency of service (fewer port calls) and the total ferry capacity (less available car deck space to haul vehicles and cargo vans full of fish products) in and out of those ports, but they still get some service from the remaining vessel. In Northern Lynn Canal, the Malaspina provides a large capacity to meet a traffic demand that cannot totally be met by the smaller LeConte and transiting mainliners that only are present on 2 out of 7 days per week.

Representative Wilson: Is there something on the schedule alerting people that this is a best guess and it may not happen

There are notices on the AMHS website, on the passengers schedule confirmation, and on the back of passenger tickets. It is not a good business practice to tell customers that your schedule is a "best guess", or that "it may not happen" as that does not instill confidence in the traveling public:

On the website <http://dot.alaska.gov/amhs/policies.shtml>

Representative Wilson: Since the price of oil is down, you must be realizing savings in fuel costs, how much have you saved on fuel?


The price of crude oil is not directly tied to the price of ultra-low sulphur diesel fuel at the pump. There is usually a substantial lag time. Never, during this oil price crisis, has the price we pay at the pump for fuel dropped to the \$2.56 per gallon price our budget is based on. Some places got close, but most remained in the \$2.85-\$3.00 range. The fact that fuel prices have dropped and that there are some savings just means that we don't need all the fuel trigger funding that the fuel trigger produced in FY15. That is good, because that excess fuel trigger funding is what will be rolled over to FY 16 to restore most of the planned summer schedule cuts. If oil remains low, and fuel prices stay low, as long as they are above \$2.56/gallon we would still be relying on the FY16 fuel trigger to make up the difference – but there will not be a FY16 fuel trigger since oil prices are not high enough to trigger one. To say we are saving on fuel implies we have spare funding lying around to restore

The Honorable Steve Thompson
The Honorable Mark Neuman
May 7, 2015
Page 5

these service reductions, but it misses the key point that we are not funded for 100% of our fuel needs to begin with, so the "savings" are just offsetting the deficit.

Please let me know if you have additional questions.

Sincerely,



Pat Pitney
Director

Enclosures

1. Finance Overview Re-Appropriation Balances

cc: David Teal, Director, Legislative Finance

ALASKA DEPARTMENT OF ADMINISTRATION
**UNDERSTANDING
LABOR CONTRACTS**



Presentation to
**House Finance
Committee**

May 8, 2015

DOA Commissioner Sheldon Fisher
DOA Deputy Comm. Leslie Ridle

Agenda

- Monetary Terms and Other Financial Terms
 - COLA
 - Merit and Pay Increments
- Bargaining
 - 101
 - Priorities
- Contracts Before the Legislature

BARGAINING UNITS (BU)

Contracts That Expired on June 30, 2014

Number of Employees

IBU – Inlandboatmens’ Union of the Pacific	624
MEBA - Marine Engineers Beneficial Association	94
MMP - Masters, Mates and Pilots	98

Contracts That Expire on June 30, 2015

ACOA - Alaska Correctional Officers Association	947
LTC - Public Employees, Local 71	1,690
TEAME – Teachers’ Education Association of Mt. Edgecumbe	29

Contracts That Expire on June 30, 2016

ASEA - Alaska State Employees Association	8,303
APEA - Alaska Public Employees Association	2,278
CEA - Confidential Employees Association	188

Contracts That Expire on June 30, 2017

AVTECTA - Alaska Vocational Technical Center Teachers	38
PSEA - Public Safety Employees Association	491

Non-Covered - Exempt, Partially Exempt and Excluded 1,378

MONETARY TERMS

In addition to negotiated Cost of Living Adjustments, State employees receive:

- **Merit Increases**
 - Steps A-F (A-G for General Government Unit members) on the salary schedule;
 - Represent an increase of approximately 3.5% every year providing the employee's performance is considered "acceptable or better;"
 - Automatically awarded unless a proactive action is taken to deny the merit increase through a timely performance evaluation.

- **Pay Increments**
 - 3.25% increase awarded every two years providing the employee's performance is "acceptable or better;"
 - For administrative purposes, pay increments are designated as steps J and above on the salary schedule;
 - No limit as to how many pay increments an employee can earn.

MONETARY TERMS

Examples of other monetary terms found in State collective bargaining agreements

Marine Units

- Cost of living differential (COLD)
- Travel pay
- Training funding
- Pass privileges
- Non-watch pay

Correctional Officers

- Uniform allowance
- Duty station incentive pay (Spring Creek)
- Education incentive pay
- Prisoner transportation officer cert pay
- CDL Cert pay

Public Safety

- Uniform allowance
- State provided medical exams
- Pilot, diver, and canine pay

General Government Unit

- Sea duty pay
- Uniform provision
- Life, Travel, and Accident insurance
- Travel and per diem

Labor Trades and Crafts

- First Aid training
- Subsistence pay
- Tool allowance
- Bunkhouse and housing rentals

Mt. Edgecumbe Teachers

- Family night pay
- Activities and extracurricular pay

SAMPLE HISTORICAL COLAS & CPI

COMPARISON

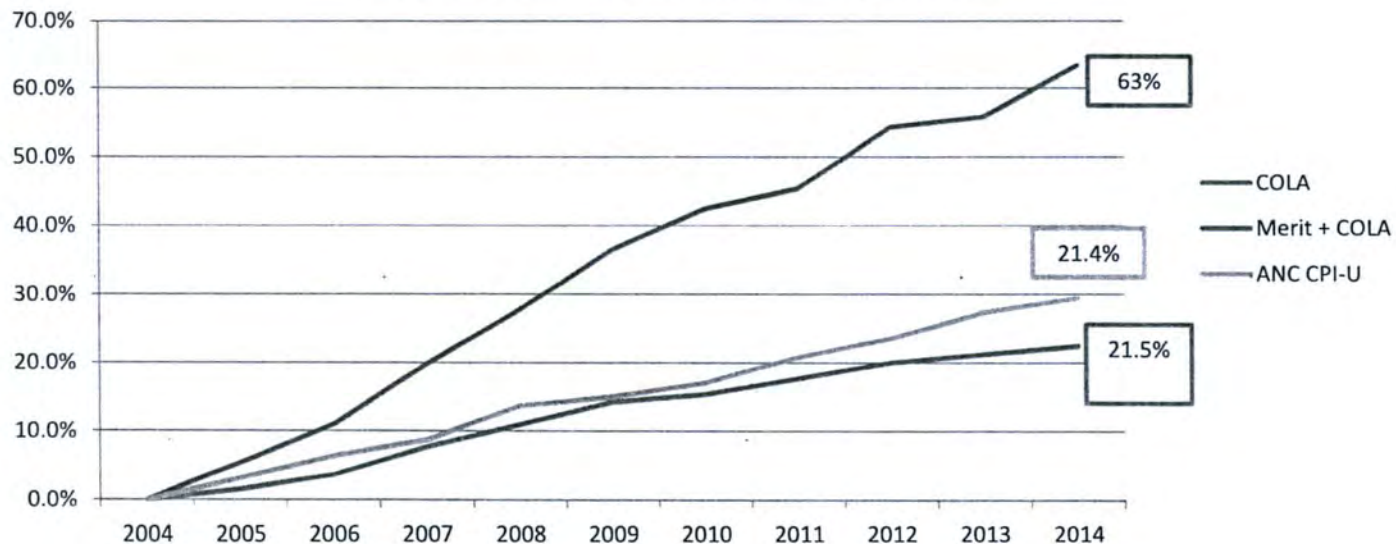
Year	CPI	Non-Covered	ACOA	ASEA	APEA	AVTECTA	CEA	IBU	LTC	MEBA	MMP	PSEA	TEAME
2006	3.2%	2%	4%	2%	2%	1%	2%	6%	2%	6%	6%	3%	3%
2007	2.2%	5.5%	3%	4%	5.5%	3%	4%	0%	5%	3%	3%	3%	3%
2008	4.6%	3%	3%	3%	3%	3%	3%	Lump	2/1%	Lump	Lump	5%	3%
2009	1.2%	3%	3%	3%	3%	2.5%	3%	5%	Lump	5%	5%	3%	0%
2010	1.8%	2%	3%	1%	2%	2.5%	2%	4%	2.5%	4%	4%	3%	0%
2011	3.2%	2%	3%	2%	2%	2%	2%	2%	2.5%	0%	0%	2%	1%
2012	2.1%	2%	2%	2%	2%	2%	2%	2%	2%	0%	0%	2%	2%
2013	1.5%	1%	2%	1%	1%	1%	1%	1%	1%	0%	0%	1%	1%
2014	1.6%	1%	2%	1%	1%	1%	1%	0%	1%	0%	0%	1%	1%
2015	1.6%*	2.5%	1%	2.5%	2.5%	1%	2.5%	1%	0%	1%	1%	1%	0%
Totals	23%	24%	24%	21.5%	24%	19%	22.5%	21%	18/17%	19%	19%	24%	14%

*Estimated CPI

BUILT-IN WAGE ESCALATION + LONGEVITY

Over 10 years, combined COLA + Longevity results in a
63% increase in hourly wage
≠ promotion increases
(\$40,000 to \$65,000 over 10 Years)

Mid-Level Professional Salary Adjustments (COLA & MERIT)
Range 16 GGU Salary Schedules effective July 2006-2015



AVERAGE YEARLY BASE SALARY FOR FY 14

	Yearly Average Pay*
ASEA - Alaska State Employees Association	\$57,972.36
APEA - Alaska Public Employees Association	\$83,854.08
CEA - Confidential Employees Association	\$58,917.96
AVTECTA - Alaska Vocational Technical Center Teachers	\$78,665.04
IBU – Inlandboatmen’s Union of the Pacific.....	\$52,820.04
MEBA - Marine Engineers Beneficial Association	\$73,417.44
MMP - Masters, Mates and Pilots	\$84,009.84
PSEA - Public Safety Employees Association	\$86,770.68 (AA), \$72,760.20 (AP)
ACOA - Alaska Correctional Officers Association	\$61,907.64
LTC - Public Employees, Local 71	\$54,851.88
TEAME – Teachers’ Education Association of Mt. Edgecumbe	\$64,038.60
Non-Covered – Exempt, Partially Exempt and Excluded	\$100,705.32

Average employee benefits percentage is approximately 50%

* *Includes geographic differential*

AA – Troopers, AP – Airport, Police and Fire Officers

SOURCE: Workforce and Unit Profiles, collected June 30, 2014

LEAVE BENEFITS

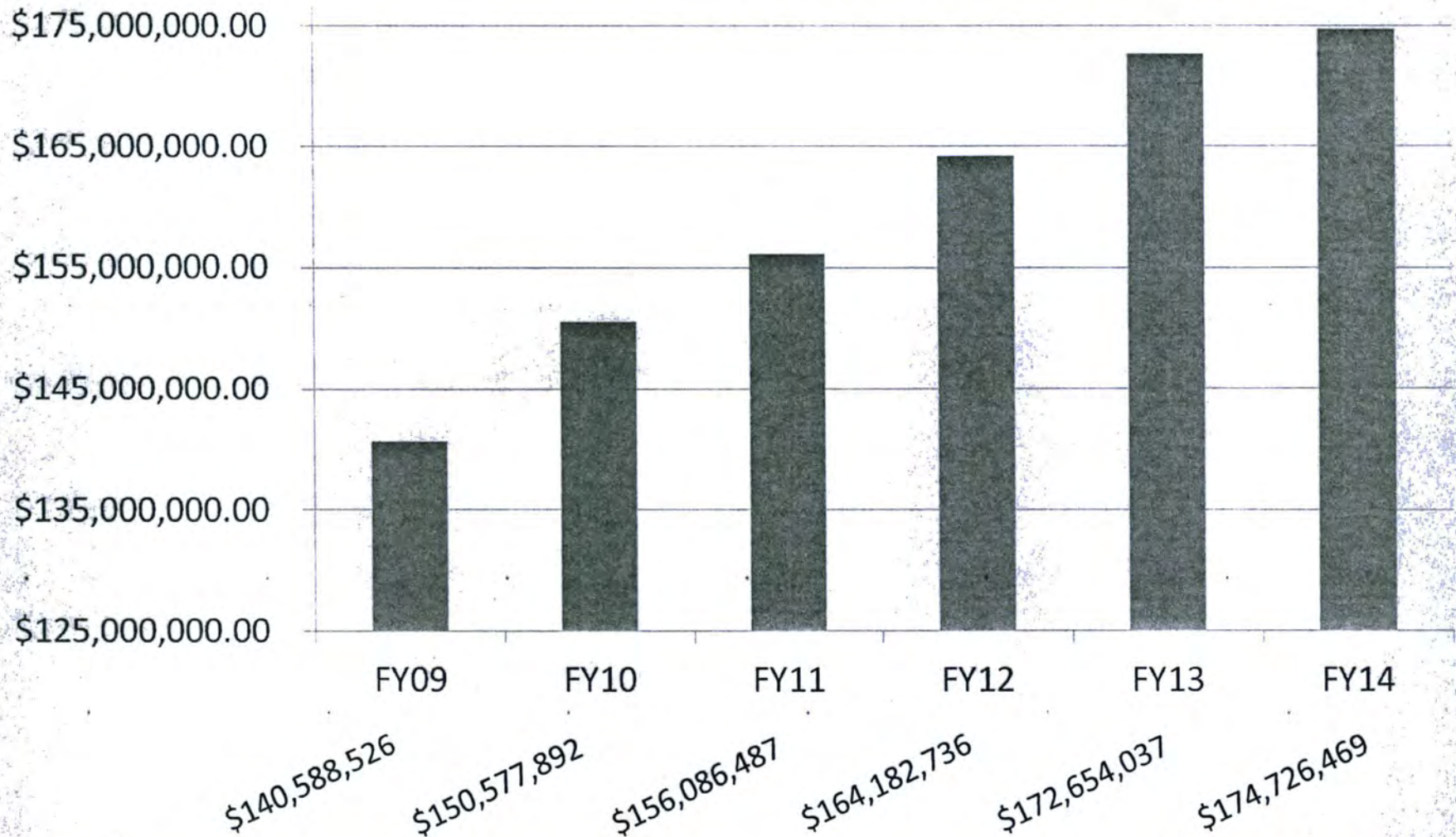
Beginning in 2012-2013 the State began to specifically address our increasing leave liability through bargaining. Inroads were made by:

- Reducing leave accrual for new employees
- Implementing cash-value leave for new GGU employees
- Increasing mandatory leave usage for all employees
- Implementing leave caps for each bargaining unit

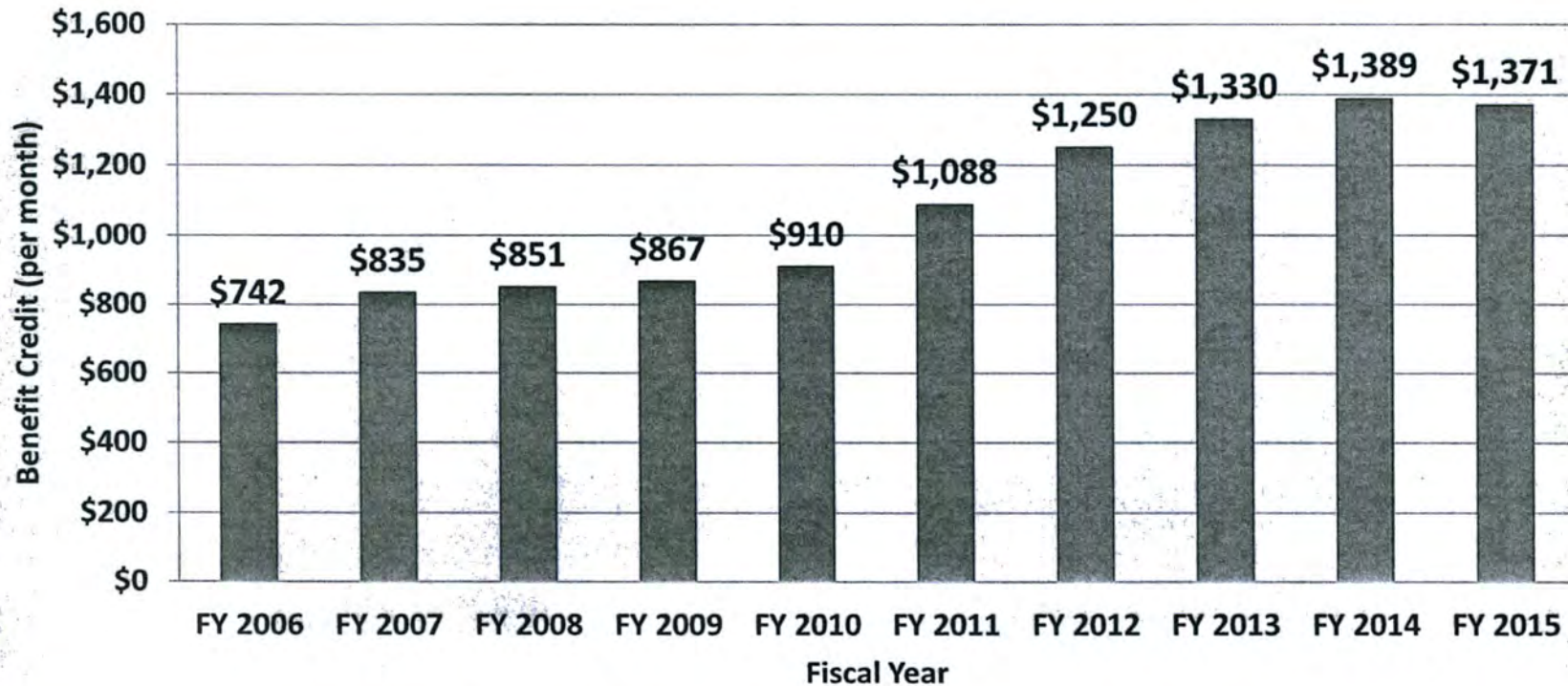
GROWING LEAVE LIABILITY

Total Leave Liability

Note: State begins to bargain leave caps in 2012-13



MONTHLY HEALTH INSURANCE BENEFIT CREDIT



- Average annual growth of 7%
- Almost doubled in 10 years
- Recent effort to proactively management of costs
- FY 2015 -- beginning to bend the curve down

DEPARTMENT OF ADMINISTRATION'S BARGAINING PRIORITIES AND CONCERNS

- Fiscally Prudent Monetary Terms
 - COLA
 - Step increases
 - Leave
 - Benefits (ex. health care)
- Operational Productivity Improvements
 - Managing overtime
 - Programs which improve employee productivity, ex. Lean
- Recruitment and Retention
- Voluntary, Balanced Agreements

BARGAINING 101

- Negotiations are mandated by the Public Employment Relations Act (AS 23.40.070-23.40.250).
- The State begins bargaining successor agreements between the months of October and December; this start date may be accelerated if both parties agree.
- Wages, hours and other terms and conditions of employment are mandatory subjects of bargaining.
- The State may, but is not required to, negotiate permissive subjects of bargaining.
 - Example: classification, benefits for retirees, representation of non-permanent employees
- Monetary terms of agreements must be submitted to the Legislature no later than the 60th day of the legislative session to receive consideration during that calendar year.
- If negotiations do not lead to agreement and mediation fails, employees (except protective service personnel) have the right to strike.
- Employees who are on strike do not get paid, but may not be terminated because they choose to lawfully strike.
- Striking employees may be replaced – either temporarily for the duration of the strike, or permanently under certain circumstances.

NEXT STEPS

- The Legislature decides whether to fund the monetary terms.
 - The monetary terms of a collective bargaining agreement are subject to funding by legislative appropriation. (AS 23.40.21)
 - If the Legislature fails to fund the monetary terms of an agreement, the next steps vary by bargaining unit and may be affected by whether a tentative agreement was reached with sufficient time to permit submittal by the 60th day of session.
- A contract submitted to the Legislature after the 60th day does not prevent the Legislature from either considering or funding the contract.
- If a union fails to ratify the agreement, then the funding is reduced proportionately, and we operate under status quo and return to negotiations.

STRIKING

AS § 23.40.200 specifies the three strike classes of public employees.

Strike Class 1

- This class is composed of police and fire protection employees, jail, prison and other correctional institution employees, and hospital employees.
- These employees may not strike.

Strike Class 2

- This class is composed of public utility, snow removal, sanitation and educational institution employees other than employees of a school district, a regional educational attendance area, or a state boarding school and AMHS vessel employees through the Alaska Labor Relations Agency decision.
- These employees may strike after mediation, subject to a vote (requiring a majority voting by secret ballot). The strike may only last for a limited time which is determined by the interests of the health, safety or welfare of the public.

Strike Class 3

- This class is composed of all other public employees who are not included in Strike Classes 1 or 2.
- These employees may strike if a majority of the employees in the collective bargaining unit vote by a secret ballot to do so.

STRIKE CLASSES

1 – Prohibited

2 – Limited Right

3 – Unlimited Right

N – Non-unionized position

Exceptions by Position's Department:

Dept of Public Safety = 1 for all positions

Exceptions by Position's Facility:

Adult Corr. Institutions = 1 for all positions

AK Pioneers' Homes = 1 for all positions

AK Psychiatric Institute = 1 for all positions

Juvenile Justice Youth Centers = 1 for all positions (except Soc Svcs Assoc and clerical positions that support a juvenile probation office collocated in a facility)

Exceptions by Position's Job Class:

Adult and Juvenile Probation Officers = 1 for all positions

Wildland Fire Dispatchers = 1 for all positions

Wildland Fire and Resource Technicians = 1 for all positions

Exceptions by a Combination of Elements:

Radio Dispatchers at Airports = 1

GP/GG positions in the Enterprise Technology Services division, Department of Administration, in the following job classes = 2

Data Communications Specialist, Data Processing Technician, Data Security Administrator, Data Security Specialist, Database Specialist, and Systems Programmer.

Strike Class by Bargaining Unit

Code	Unit	Strike Class
AA	PSEA Public Safety Officers	1
AP	PSEA Airport Police & Fire Officers	1
BB	MEBA Licensed Engineer Officers	2
CC	MM&P Deck Officers	2
EE	Executive Branch, Excluded Employees	N
GC	Correctional Officer Unit	1
GP/GG	General Government Unit	3 (with exceptions, see below)
GZ/GY	General Government Unit	1
KK	Confidential Employees Assoc	3 (with exceptions, see below)
LL	Labor, Trades, and Crafts Unit	3 (with exceptions, see below)
MM	IBU Unlicensed Marine Unit	2
NG	National Guard	N
RR	Retirees	N
SS	Supervisory Unit	3 (with exceptions, see below)
TA	AVTEC Teachers Assoc	2
TM	Teachers' Education Assoc of Mt. Edgecumbe	3
XA	Alaska Aerospace Corporation	N
XE	Partially Exempt and Exempt Exec Branch	N
XJ	Judicial Branch	N
XL	Legislative Branch	N

CONTRACTUAL TERMS

If the monetary terms of an agreement are rejected the following contractual provisions apply:

- ASEA: Re-enter negotiations for 10 days; if no agreement, Class 2 and Class 3 employees may take a strike vote
- APEA: Not required to enter negotiations; impasse exists and members may call for a strike vote
- CEA: Must re-enter negotiations upon demand by either party; negotiations last for 10 days but may be extended by mutual agreement; if no agreement, impasse exists and members may call for a strike vote
- IBU: Must re-enter negotiations within five days
- MEBA: Must re-enter negotiations immediately
- MMP: Must re-enter negotiations immediately
- PSEA: Upon written request, immediately negotiate a mutually satisfactory supplemental agreement
- ACOA: Must re-enter negotiations immediately
- LTC: Impasse exists and parties agree to pursue reasonable efforts to obtain a mutually satisfactory resolution
- AVTECTA: Must re-enter negotiations
- TEAME: Must re-enter negotiations immediately

**Note: No definition of "immediately" is provided for in the collective bargaining agreements.*

STATUS OF CONTRACTS BEFORE THE LEGISLATURE

IBU	MEBA	MMP	ACOA	LTC and TEAME
Contract expired June 30, 2014	Contract expired June 30, 2014.	Contract expired June 30, 2014.	Contract expires June 30, 2015.	Contracts expire June 30, 2015.
Agreement reached July 2014, ratified by members.	Agreement reached July 2014.	Agreement reached July 2014.	Agreement reached October 2014.	Bargaining on-going.
Contract pending Legislative approval.	Contract has not been sent to members for a vote.	Agreement not ratified by members.	Contract pending Legislative approval.	
<u>Terms Include:</u> COLA 0-1-2% Health Insurance Training Fund Pass Privileges	Disagreement before the parties regarding terms, Unfair Labor Practice filings by both the State and MEBA.	Interest arbitration took place December 2014 (decision and award January 2015). Contract pending Legislative approval.	<u>Terms Include:</u> COLA 1-1-2.25% Health Insurance Life Insurance Leave Provisions	
	Contract pending Legislative approval. <u>Terms Include:</u> COLA 0-1-2% Health Insurance Pension Contribution Training Fund Pass Privileges	<u>Terms Include:</u> COLA 0-1-2% Health Insurance Training Fund Pass Privileges		

Thank you!

Visit **www.DOA.alaska.gov**

for more information about our department.

Questions?

BARGAINING UNIT SUMMARY

Alaska State Employees Association

Represents the General Government Unit (GGU)



Total Bargaining Unit Members	9,000
Average age of all members:	44
Average years of service:	7.81
Average monthly pay for permanent full-time member:	\$4,831.03
Average yearly pay for permanent full-time member:	\$57,976.36
Total overtime for all members:	\$19,799,269.07
Total FY14 gross pay for all members:	\$443,191,336.19

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY

Alaska Public Employees Association

Represents the Supervisory Bargaining Unit (SU)



Total Bargaining Unit Members	2,281
Average age of all members:	48
Average years of service:	13.24
Average monthly pay for permanent full-time member:	\$6,987.84
Average yearly pay for permanent full-time member:	\$83,854.08
Total overtime for all members:	\$850,274.95
Total FY14 gross pay for all members:	\$186,420,957.83

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY

Confidential Employees Association

Represents the Confidential Unit (KK)



Total Bargaining Unit Members	210
Average age of all members:	42
Average years of service:	8.01
Average monthly pay for permanent full-time member:	\$4,909.83
Average yearly pay for permanent full-time member:	\$58,917.96
Total overtime for all members:	\$91,330.82
Total FY14 gross pay for all members:	\$10,402,062.08

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY

Inlandboatmen's Union of the Pacific

IBU Bargaining Unit



Total Bargaining Unit Members	623
Average age of all members:	48
Average years of service:	7.08
Average monthly pay for permanent full-time member:	\$4,401.67
Average yearly pay for permanent full-time member:	\$52,820.04
Total overtime for all members:	\$3,996,290.81
Total FY14 gross pay for all members:	\$31,852,636.82

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY

Marine Engineers' Beneficial Association

MEBA Bargaining Unit



Total Bargaining Unit Members	105
Average age of all members:	50
Average years of service:	6.31
Average monthly pay for permanent full-time member:	\$6118.12
Average yearly pay for permanent full-time member:	\$73,417.44
Total overtime for all members:	\$1,177,392.87
Total FY14 gross pay for all members:	\$10,396,480.32

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY

Masters, Mates & Pilots

MMP Bargaining Unit



Total Bargaining Unit Members	98
Average age of all members:	44
Average years of service:	11.39
Average monthly pay for permanent full-time member:	\$7,000.82
Average yearly pay for permanent full-time member:	\$84,009.84
Total overtime for all members:	\$1,090,701.63
Total FY14 gross pay for all members:	\$10,605,132.13

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY

Public Safety Employees Association

PSEA Bargaining Unit



Total Bargaining Unit Members	436 (AA), 90 (AP)
Average age of all members:	40 (AA), 38 (AP)
Average years of service:	10.01 (AA), 8.44 (AP)
Avg. monthly pay for permanent full-time member:	\$7,230.89 (AA) \$6,063.35 (AP)
Avg. yearly pay for permanent full-time member:	\$86,770.68 (AA) \$72,760.20 (AP)
Total overtime for all members:	\$5,222,548.91 (AA) \$866,974.88 (AP)
Total FY14 gross pay for all members:	\$44,121,875.27 (AA) \$6,491,197.43 (AP)

** Includes premium pays, excludes benefits*

**AA – DPS;
AP – DOTPF**

BARGAINING UNIT SUMMARY



Alaska Correctional Officers Association

ACOA Bargaining Unit

Total Bargaining Unit Members	945
Average age of all members:	41
Average years of service:	7.37
Average monthly pay for permanent full-time member:	\$5,158.97
Average yearly pay for permanent full-time member:	\$61,907.64
Total overtime for all members:	\$4,008,004.44
Total FY14 gross pay for all members:	\$59,145,887.37

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY



Labor Trades and Crafts

LTC Bargaining Unit

Total Bargaining Unit Members	1819
Average age of all members:	46
Average years of service:	8.57
Average monthly pay for permanent full-time member:	\$4,570.99
Average yearly pay for permanent full-time member:	\$54,851.88
Total overtime for all members:	\$11,083,734.77
Total FY14 gross pay for all members:	\$93,589,462.98

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY



Alaska Vocational Technical Teachers Association

AVTECA Bargaining Unit

Total Bargaining Unit Members	35
Average age of all members:	51
Average years of service:	8.65
Average monthly pay for permanent full-time member:	\$6,555.42
Average yearly pay for permanent full-time member:	\$78,665.04
Total FY14 gross pay for all members:	\$2,586,410.57

** Includes premium pays, excludes benefits*

BARGAINING UNIT SUMMARY



Teachers Association of Mt. Edgecumbe

TEAME Bargaining Unit

Total Bargaining Unit Members	27
Average age of all members:	43
Average years of service:	8.30
Average monthly pay for permanent full-time member:	\$5,336.50
Average yearly pay for permanent full-time member:	\$64,038.60
Total FY14 gross pay for all members:	\$1,755,426.51

** Includes premium pays, excludes benefits*

**2015 Legislature - Operating Budget
Agency Summary - FY16 Conference Structure**

**Numbers and Language
Fund Groups: Unrestricted General**

<u>Agency</u>	<u>[1] GovSpecial T</u>	<u>[2] 1 CSHB01 Med</u>	<u>[3] 1 CSHB 01 Oth</u>	<u>[4] 1 CS HB1001 T</u>	<u>[4] - [1] GovSpecia to 1 CS HB10</u>
Agency Budgets					
Corrections	-4,108.2	-4,108.2	0.0	-4,108.2	0.0
Education & Early Dev	19,071.9	0.0	19,071.9	19,071.9	0.0
Health & Social Services	1,165.3	-2,558.7	3,724.0	1,165.3	0.0
Natural Resources	4,900.0	0.0	4,900.0	4,900.0	0.0
Public Safety	2,000.0	0.0	2,000.0	2,000.0	0.0
Transportation	7,000.0	0.0	7,000.0	7,000.0	0.0
University of Alaska	7,000.0	0.0	7,000.0	7,000.0	0.0
State-wide Unallocated Approp	17,925.5	0.0	17,925.5	17,925.5	0.0
Total	54,954.5	-6,666.9	61,621.4	54,954.5	0.0
Statewide Total	54,954.5	-6,666.9	61,621.4	54,954.5	0.0
Funding Summary					
Unrestricted General (UGF)	54,954.5	-6,666.9	61,621.4	54,954.5	0.0
Non-Additive Items					
Fund Transfers	39,000.0	0.0	39,000.0	39,000.0	0.0
Total	39,000.0	0.0	39,000.0	39,000.0	0.0

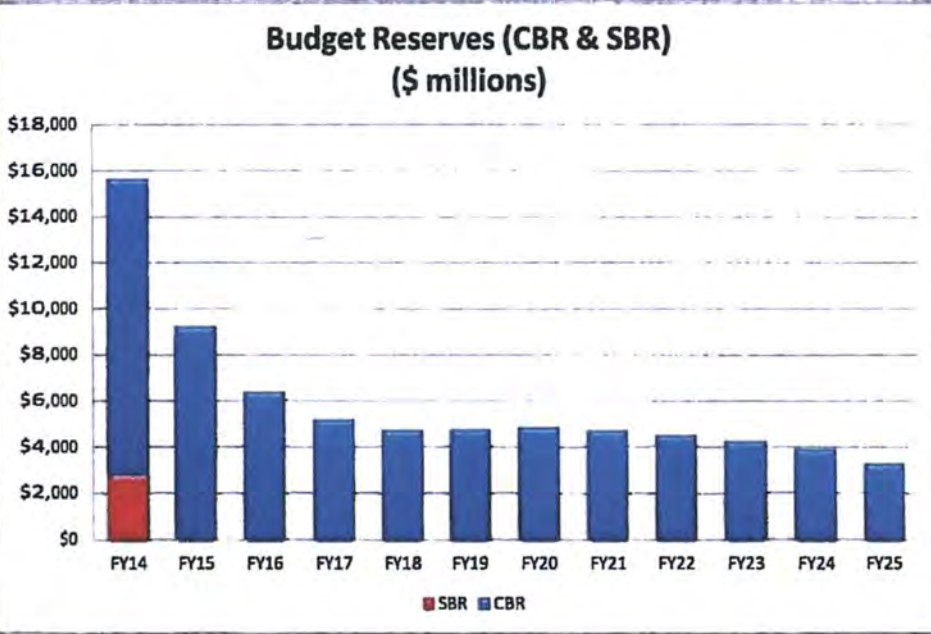
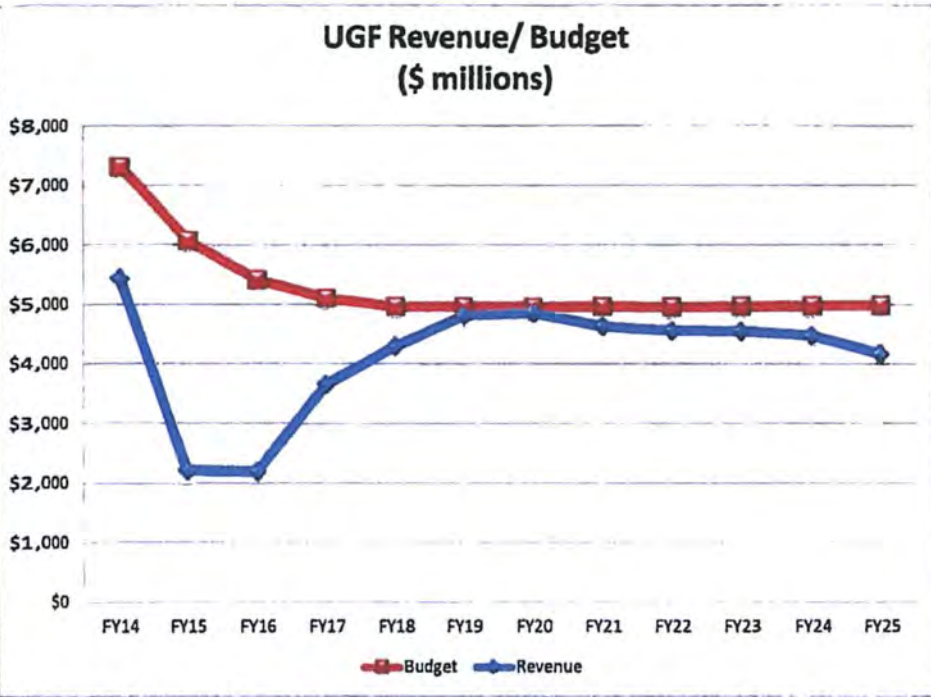
**2015 Legislature - Operating Budget
Agency Summary - FY16 Conference Structure**

Numbers and Language

Agency	[1] GovSpecial T	[2] 1 CSHB01 Med	[3] 1 CSHB 01 Oth	[4] 1 CS HB1001 T	[4] - [1] GovSpecia to 1 CS HB10
Agency Budgets					
Corrections	-4,108.2	-4,108.2	0.0	-4,108.2	0.0
Education & Early Dev	19,071.9	0.0	19,071.9	19,071.9	0.0
Health & Social Services	146,428.7	142,879.7	3,549.0	146,428.7	0.0
Natural Resources	4,900.0	0.0	4,900.0	4,900.0	0.0
Public Safety	2,000.0	0.0	2,000.0	2,000.0	0.0
Transportation	7,000.0	0.0	7,000.0	7,000.0	0.0
University of Alaska	7,000.0	0.0	7,000.0	7,000.0	0.0
State-wide Unallocated Approp	35,367.6	0.0	35,367.6	35,367.6	0.0
Total	217,660.0	138,771.5	78,888.5	217,660.0	0.0
Statewide Total	217,660.0	138,771.5	78,888.5	217,660.0	0.0
Funding Summary					
Unrestricted General (UGF)	54,954.5	-6,666.9	61,621.4	54,954.5	0.0
Designated General (DGF)	6,510.8	0.0	6,510.8	6,510.8	0.0
Other State Funds (Other)	5,231.6	0.0	5,231.6	5,231.6	0.0
Federal Receipts (Fed)	150,963.1	145,438.4	5,524.7	150,963.1	0.0
Non-Additive Items					
Fund Transfers	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0

"Variables" Control Switch **on**

Price Scenario **Fall Forecast**



New Revenue Variables

Indirect Exp. Adjustments	n
Motor Fuel Tax	n
Income Tax	n
Sales Tax	n
Endowment Options	n
AKLNG	n
ERA Draw	0%

Operating Budget Variables

K-12 Formula	0.0%
Medicaid Formula	0.0%
Other Formula	0.0%
Non-Formula	0.0%

Statewide Budget Variables

Revenue Sharing	0.0
Debt Service	Existing

Capital Budget Variables

Federal Match	75.0
School Construction/Maintenance	10.0
Grants to Munis/Unis/Recipients	-
Deferred Maintenance	5.0
Other Agency Capital	20.0
Total Capital	110.0

Mega Projects

AKLNG	n
Susitna-Watana	n
(Insert Other)	n

Minimum PFD \$ -

**Figure 1. Forecast of Total UGF Revenue--Fall 2014 vs. March 2015
(\$ millions)**

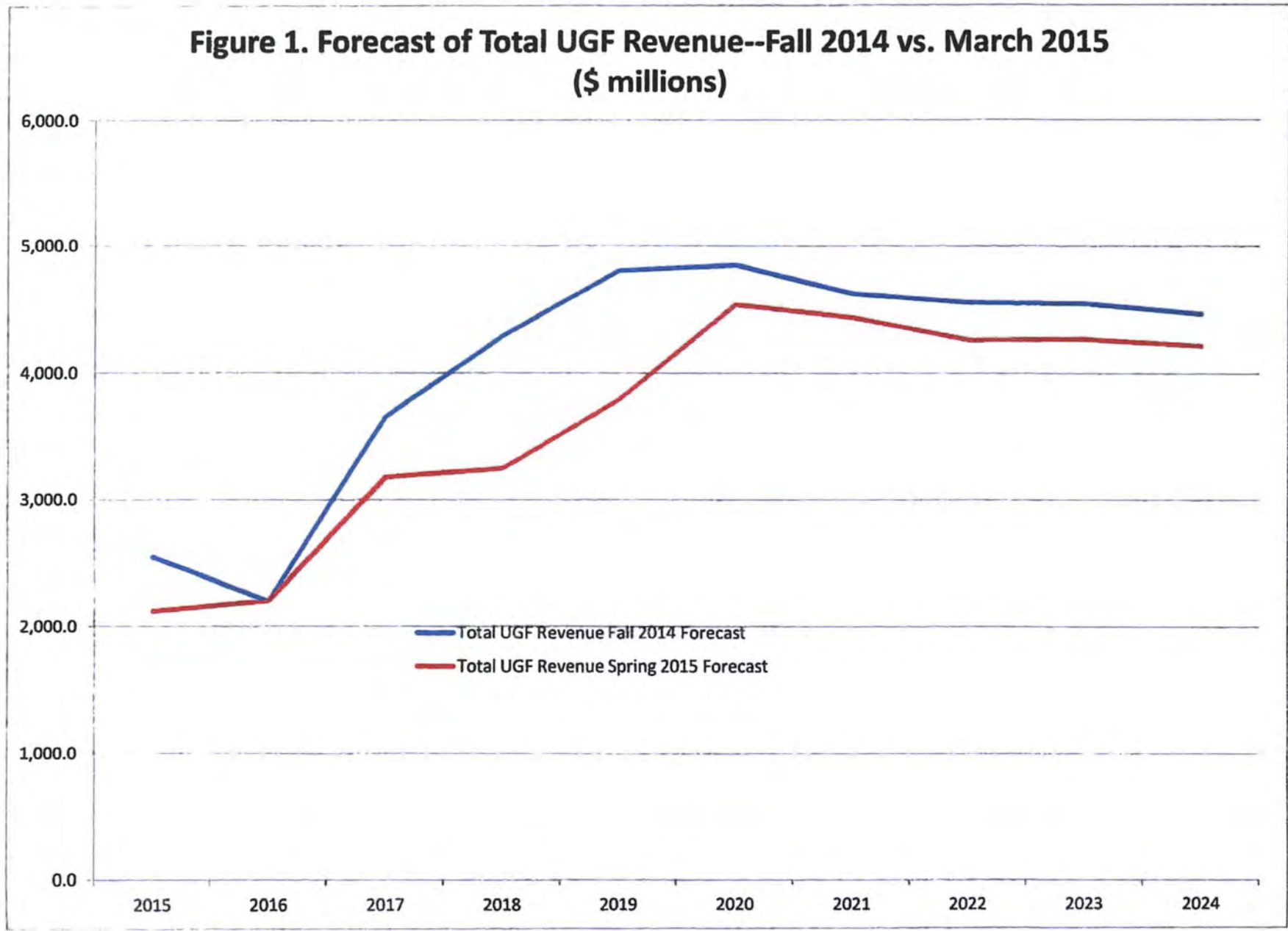


Figure 2. Alaska Unrestricted General Fund Revenue (Left Axis) and Average ANS Price/bbl (Right Axis)

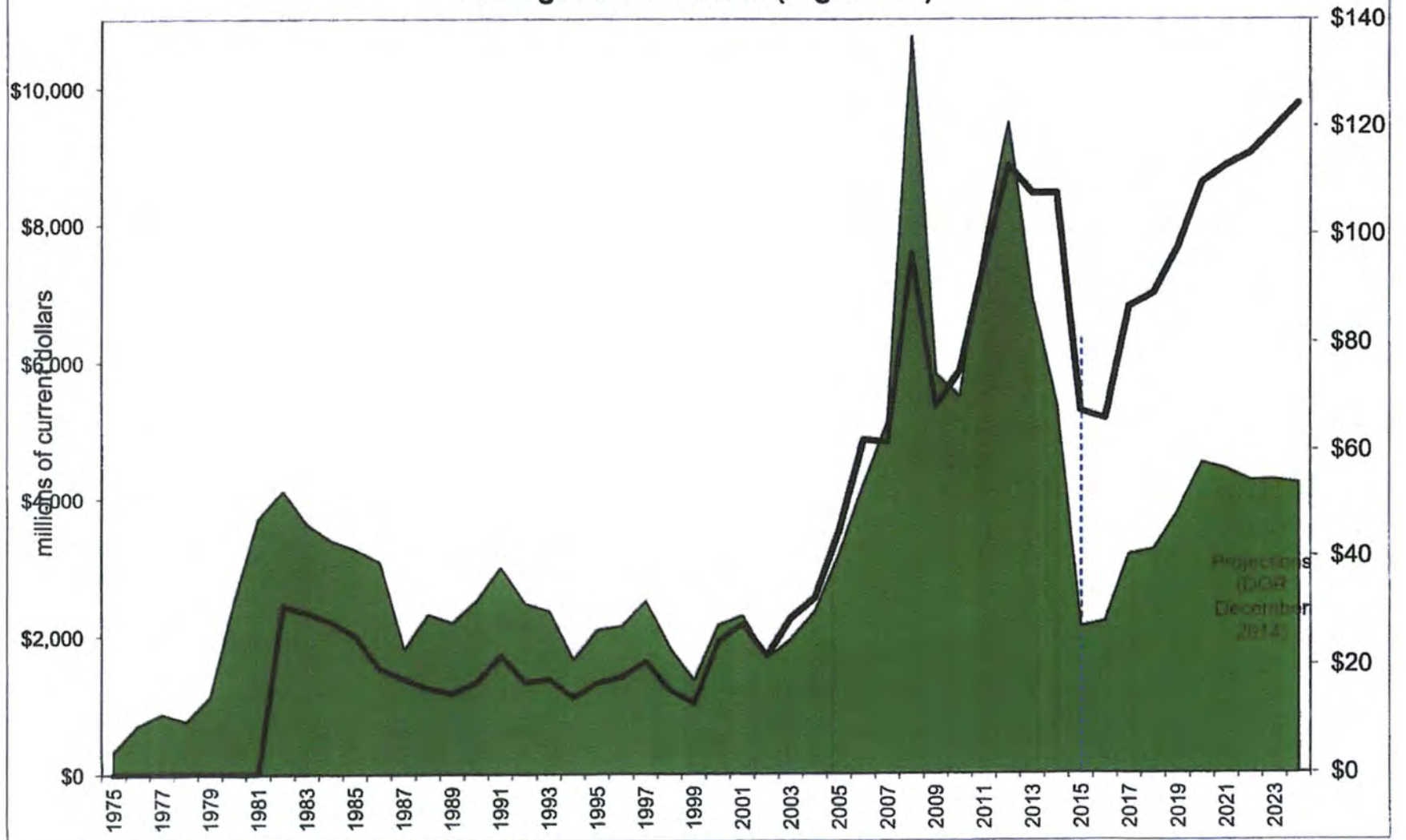
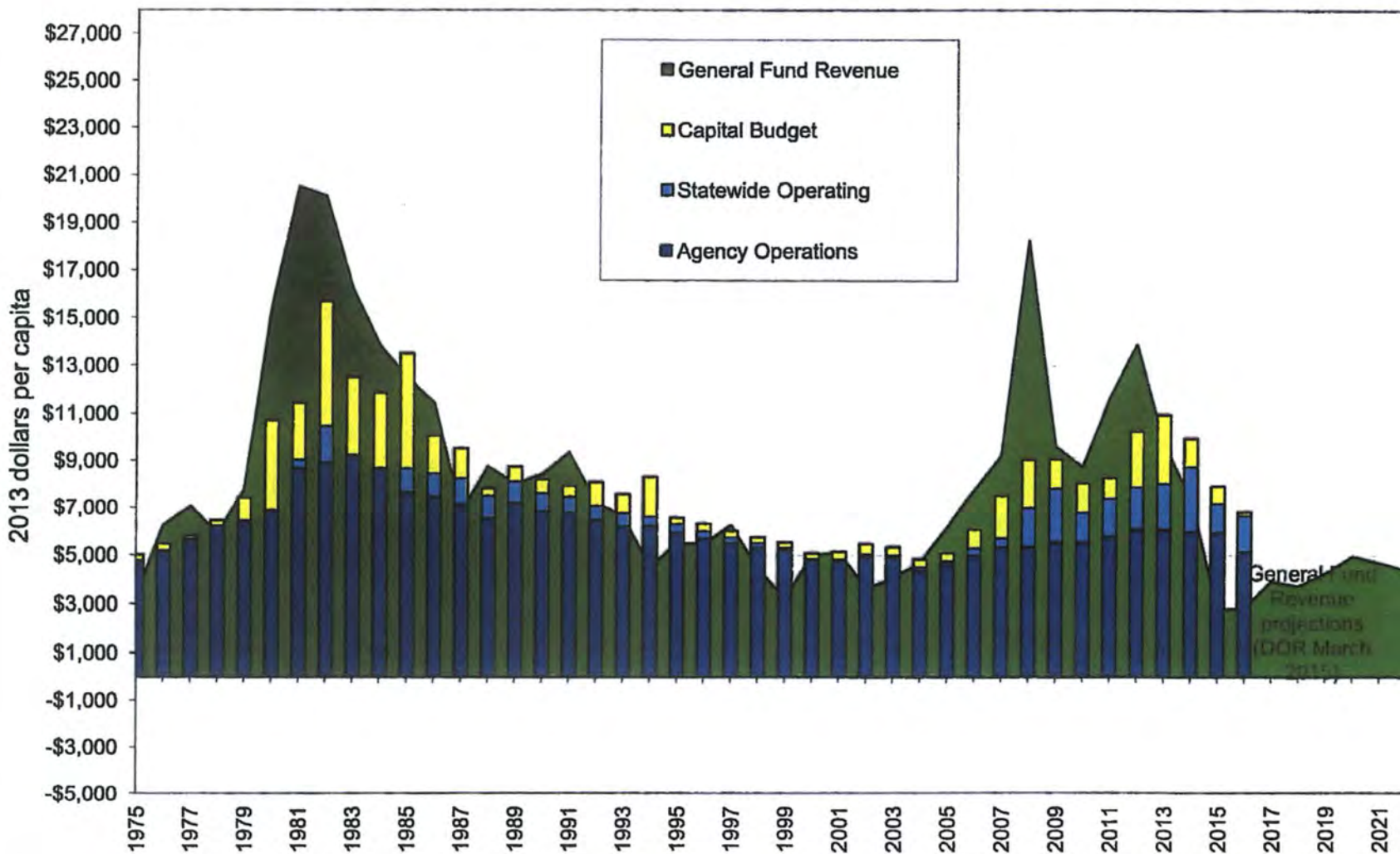
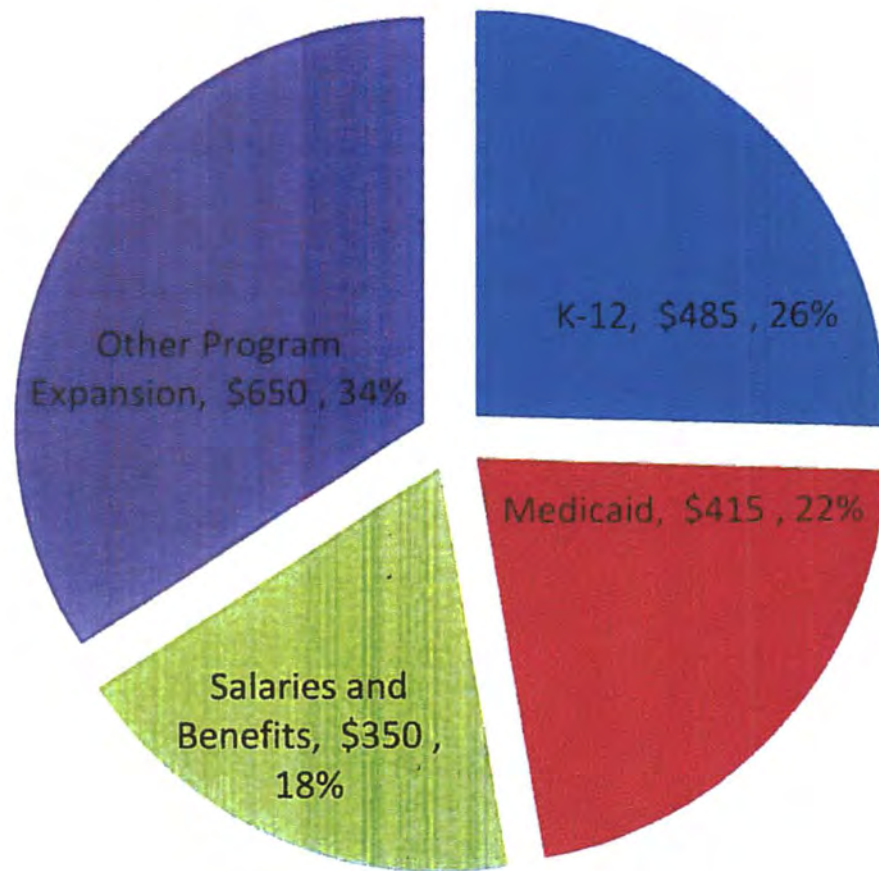


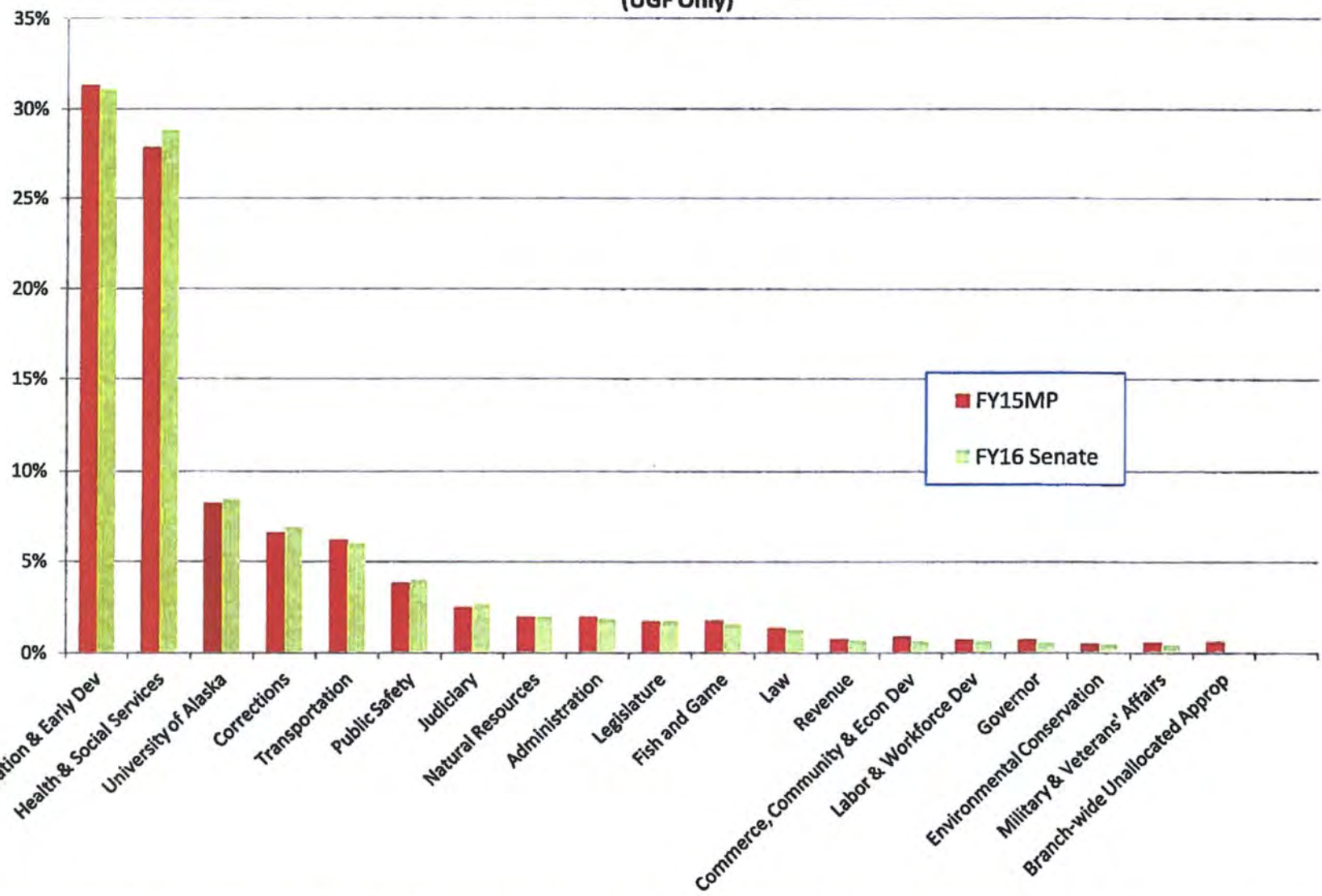
Figure 3. Per Capita Unrestricted General Fund Revenue and Budget History Adjusted for Inflation (Expressed in 2015 Dollars)



**Figure 4. Cost Drivers--Agency Operations
Contribution to Budget Increases FY06 to FY15 (\$ millions)
\$1.9 Billion Total UGF Increase**



Agency Operations % of Agency Operations budget (UGF Only)



AGENCY OPERATIONS

Nominal \$

(UGF Only)

Departments	07MgtPln	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	14MgtPln	15MgtPln	Senate
Administration	60,230.9	62,228.2	72,316.8	73,647.3	76,629.2	79,686.0	84,536.3	87,119.4	88,178.3	73,927.7
Commerce, Community & Econ Dev	5,376.3	4,737.9	33,614.8	30,781.0	59,232.9	37,469.8	56,417.8	47,105.4	40,454.3	26,732.1
Corrections	185,744.0	198,750.1	212,702.0	213,288.8	230,453.5	247,910.6	283,359.5	297,398.4	297,654.4	278,727.9
Education & Early Dev	1,005,361.0	1,017,865.6	1,057,568.5	1,114,397.5	1,173,312.9	1,227,690.9	1,273,963.4	1,282,643.7	1,408,921.8	1,251,614.7
Environmental Conservation	14,939.4	16,357.7	17,403.3	17,368.2	18,822.7	19,884.2	21,583.8	23,842.3	22,472.1	20,079.4
Fish and Game	43,075.2	42,765.7	58,087.9	57,297.5	65,338.9	72,246.7	78,259.6	81,809.3	79,387.8	64,394.3
Governor	36,162.9	19,511.7	25,376.5	26,447.1	31,245.5	30,653.9	33,967.9	32,166.2	33,609.5	23,130.0
Health & Social Services	748,485.6	794,605.2	917,124.9	832,513.0	929,876.1	1,150,088.7	1,231,238.9	1,246,874.4	1,253,650.2	1,161,694.6
Labor & Workforce Dev	20,034.5	23,299.8	30,701.8	30,150.6	29,333.1	31,292.3	34,689.8	35,404.0	33,448.0	26,054.6
Law	39,918.6	38,655.5	54,914.2	55,636.8	59,264.7	69,262.1	68,124.0	63,376.5	61,275.3	53,036.6
Military & Veterans' Affairs	13,087.0	12,296.1	12,260.1	11,659.3	12,419.1	17,182.1	22,106.6	22,297.9	24,816.9	17,259.3
Natural Resources	63,220.8	64,301.9	75,105.2	71,058.6	72,011.3	76,240.0	80,212.5	83,043.3	88,072.8	79,531.1
Public Safety	105,254.5	106,894.5	118,557.6	127,938.6	136,764.8	154,879.7	164,560.0	172,552.7	171,553.2	161,065.3
Revenue	15,122.3	14,848.4	18,331.0	17,818.8	36,272.2	31,042.3	32,309.2	33,436.1	33,831.4	28,947.9
Transportation	200,700.2	204,725.1	244,726.6	240,923.4	265,396.5	279,460.7	281,760.8	283,168.4	278,604.6	242,635.8
University of Alaska	280,976.0	290,758.3	312,675.5	325,155.0	337,388.4	348,660.5	358,264.7	371,323.9	370,599.7	340,714.0
Branch-wide Unallocated Approp	-	12,000.0	-	18,000.0	14,500.0	13,000.0	36,000.0	36,000.0	27,000.0	-
Judiciary	74,104.0	77,362.4	84,485.8	87,211.3	94,841.3	101,089.6	108,682.9	110,574.3	111,866.3	108,123.4
Legislature	54,660.7	60,782.5	64,171.5	66,433.5	68,472.8	74,443.0	74,453.9	76,021.1	77,622.0	71,066.8
TOTAL	2,966,453.9	3,062,746.6	3,410,124.0	3,417,726.3	3,711,575.9	4,062,183.1	4,322,491.6	4,386,157.3	4,503,018.6	4,028,735.5
Cost per Alaskan	\$ 4,397	\$ 4,503	\$ 4,965	\$ 4,898	\$ 5,199	\$ 5,615	\$ 5,906	\$ 5,956	\$ 6,023	\$ 5,334
Alaska's Population (2015 and 2016 are Projections)	674,583	680,169	686,818	697,828	713,865	723,424	731,827	736,399	747,668	755,310

**AGENCY OPERATIONS
2014 Inflation Adjusted \$**

(UGF Only)

Departments	07MgtPIn	08MgtPIn	09MgtPIn	10MgtPIn	11MgtPIn	12MgtPIn	13MgtPIn	14MgtPIn	15MgtPIn	Senate
Administration	73,311.5	74,097.2	82,356.6	82,888.9	84,742.4	85,374.0	88,596.1	88,523.9	88,178.3	72,449.1
Commerce, Community & Econ Dev	6,543.9	5,641.6	38,281.6	34,643.6	65,504.2	40,144.4	59,127.2	47,864.8	40,454.3	26,197.5
Corrections	226,082.8	236,658.4	242,231.6	240,053.3	254,852.9	265,606.6	296,967.7	302,193.0	297,654.4	273,153.3
Education & Early Dev	1,223,699.6	1,212,006.9	1,204,391.5	1,254,237.7	1,297,538.2	1,315,324.3	1,335,144.8	1,303,322.4	1,408,921.8	1,226,582.4
Environmental Conservation	18,183.9	19,477.7	19,819.4	19,547.6	20,815.6	21,303.5	22,620.3	24,226.7	22,472.1	19,677.8
Fish and Game	52,430.0	50,922.6	66,152.3	64,487.5	72,256.7	77,403.7	82,018.0	83,128.2	79,387.8	63,106.4
Governor	44,016.8	23,233.2	28,899.5	29,765.8	34,553.6	32,842.0	35,599.2	32,684.8	33,609.5	22,667.4
Health & Social Services	911,037.4	946,163.2	1,044,450.0	936,980.9	1,028,327.3	1,232,182.8	1,290,368.5	1,266,976.5	1,253,650.2	1,138,460.7
Labor & Workforce Dev	24,385.5	27,743.9	34,964.2	33,934.0	32,438.8	33,526.0	36,355.8	35,974.8	33,448.0	25,533.5
Law	48,587.9	46,028.4	62,538.0	62,618.4	65,539.4	74,206.1	71,395.6	64,398.3	61,275.3	51,975.9
Military & Veterans' Affairs	15,929.2	14,641.4	13,962.2	13,122.4	13,734.0	18,408.6	23,168.3	22,657.4	24,816.9	16,914.1
Natural Resources	76,950.7	76,566.4	85,532.1	79,975.4	79,635.5	81,682.1	84,064.7	84,382.1	88,072.8	77,940.5
Public Safety	128,113.1	127,282.9	135,017.0	143,993.0	151,244.9	165,935.1	172,462.9	175,334.6	171,553.2	157,844.0
Revenue	18,406.5	17,680.5	20,875.9	20,054.8	40,112.5	33,258.1	33,860.8	33,975.2	33,831.4	28,368.9
Transportation	244,287.1	243,773.1	278,702.2	271,155.7	293,495.5	299,408.8	295,292.2	287,733.6	278,604.6	237,783.1
University of Alaska	341,996.8	346,215.7	356,084.5	365,957.1	373,109.6	373,548.1	375,470.2	377,310.4	370,599.7	333,899.7
Branch-wide Unallocated Approp	-	14,288.8	-	20,258.7	16,035.2	13,927.9	37,728.9	36,580.4	27,000.0	-
Judiciary	90,197.5	92,118.0	96,215.0	98,155.0	104,882.7	108,305.4	111,806.3	112,357.0	111,866.3	105,960.9
Legislature	66,531.6	72,375.8	73,080.5	74,769.9	75,722.4	79,756.8	78,029.5	77,246.7	77,622.0	69,645.5
TOTAL	3,610,691.4	3,646,915.5	3,883,553.9	3,846,599.8	4,104,541.5	4,352,144.6	4,530,076.8	4,456,870.8	4,503,018.6	3,948,160.8
Cost per Alaskan	\$ 5,352	\$ 5,362	\$ 5,654	\$ 5,512	\$ 5,750	\$ 6,016	\$ 6,190	\$ 6,052	\$ 6,023	\$ 5,227
Alaska's Population (2015 and 2016 are Projections)	674,583	680,169	686,818	697,828	713,865	723,424	731,827	736,399	747,668	755,310