

LEG. FINANCE - BILLS 1975 - 1976 561


SB 414 thru SB 414




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HOUSE JOURNAL

HOUSE FINANCE COMMITTEE

LETTER OF LEGISLATIVE INTENT FOR

HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL 414

The House Finance Committee has had SB 414 under consideration and recommends that it be replaced with House Committee Substitute for Senate Bill 414 and that it be reported out of committee with a majority "do pass" recommendation.

HCSSB 414 provides funding for the salary increases required by statute and negotiated contract, as provided in Senate Bill 414, adjusted to reflect appropriate vacancy factors.

It is the intent of the legislature that actual contract costs are to be fully funded. If actual costs required by statute or contract exceed the funds appropriated for FY 76, legislation for supplemental appropriation should be submitted to the legislature.

Hugh Malone, Chairman

Original sponsor: Rules Committee by request
of the Governor

Offered: 5/29/75
For Today's Calendar

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

HOUSE CS FOR SENATE BILL NO. 414

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Administration for salary increases re-
8 quired by statute or agreed to in recent labor negotia-
9 tions with state employees; and providing for an
10 effective date."

11

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

12

* Section 1. The sum of \$2,789,800 is appropriated to the Department of
13 Administration to pay the agreed increases in supervisory unit employee
14 salaries in FY 1976. The appropriation is funded as follows:

15

General Fund \$2,407,800

16

International Airport Revenue Fund 34,000

17

Fish and Game Fund 49,900

18

Highway Working Capital Fund 58,200

19

Federal Program Receipts 259,900

20

\$2,789,800

21

* Sec. 2. The sum of \$6,655,100 is appropriated to the Department of
22 Administration to pay the FY 1976 costs of the cost-of-living adjustment
23 effective February 16, 1975 for all eligible employees. The appropriation is
24 funded as follows:

25

General Fund \$5,934,600

26

International Airport Revenue Fund 142,200

27

Fish and Game Fund 59,100

28

Highway Working Capital Fund 29,100

29

Teachers Retirement Fund 4,400

1	Public Employee Retirement Fund	4,400
2	Veteran's Revolving Loan Fund	11,200
3	Surplus Property Revolving Fund Reserve Account	4,100
4	Federal Program Receipts	464,500
5	Second Injury Fund Reserve Account	<u>1,500</u>
6		\$6,655,100

7 * Sec. 3. The sum of \$13,196,400 is appropriated to the Department of
8 Administration for the purpose of paying the agreed increases in general
9 government unit employee salaries and benefits in FY 1976. The appropriation
10 is funded as follows:

11	General Fund	\$11,157,100
12	International Airport Revenue Fund	380,100
13	Fish and Game Fund	126,700
14	Highway Working Capital Fund	43,500
15	Teachers Retirement Fund	30,300
16	Public Employee Retirement Fund	34,000
17	Agricultural Revolving Loan Fund	5,200
18	Veteran's Revolving Loan Fund	55,400
19	FICA Fund Reserve Account	5,200
20	Surplus Property Revolving Fund Reserve Account	23,700
21	Sick and Disabled Fisherman's Fund Reserve Account	5,200
22	Donated Commodities Handling Fee Reserve Account	5,200
23	Federal Program Receipts	1,319,600
24	Second Injury Fund Reserve Account	<u>5,200</u>
25		\$13,196,400

26 * Sec. 4. The sum of \$4,266,600 is appropriated from the general fund to
27 the Department of Administration for the purpose of paying agreed increases in
28 community college faculty salaries and benefits in FY 1976.

29 * Sec. 5. The sum of \$5,552,900 is appropriated from the general fund to

1 the Department of Administration for the purpose of paying salary increases
2 for those state employees not covered by labor agreements in FY 1976.

3 * Sec. 6. The sum of \$539,500 is appropriated from the general fund to
4 the Department of Administration to pay increases in per diem for employees
5 not covered under the general government unit or the supervisory unit labor
6 agreements, and members of state boards, in FY 1976.

7 * Sec. 7. The unexpended and unobligated portion of the appropriations
8 shall lapse into the fund or account from which it was originally appropriated
9 on June 30, 1976.

10 * Sec. 8. Notwithstanding the provisions of AS 37.07.080(e) pertaining to
11 appropriation transfers, the division of budget and management is authorized
12 to transfer the appropriated amounts shown in secs. 1 - 6 of this Act between
13 program categories or agencies as required for salary or per diem increase
14 purposes.

15 * Sec. 9. This Act takes effect on July 1, 1975.
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CS

Introduced: 5/2/75
Referred: State Affairs and
Finance

FINANCE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 CS SENATE BILL NO. 414

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Administration for salary increases re-
8 quired by statute or agreed to in recent labor
9 negotiations with state employees; and providing for
10 an effective date."

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

12 * Section 1. (a) The sum of ^{\$2,789,800} ~~\$2,999,800~~ plus the amount necessary to
13 ~~pay for the cost of living adjustments required by Article XVIII, section~~
14 ~~2 of the labor agreement between the State of Alaska and the Alaska Public~~
15 ~~Employees Association covering the Supervisory Unit Employees signed~~
16 ~~December 13, 1974~~ is appropriated to the Department of Administration ^{to pay} ~~for~~
17 ^{Supervisory Unit} in
18 the purpose of paying the agreed increases in/employee salaries for FY
19 1976. The appropriation is funded as follows:

19 ~~(b) The specific appropriation made in (a) of this section is from~~
20 ~~the following sources:~~

21	General Fund	\$2,588,900	\$2,407,800
22	International Airport Revenue Fund	36,600	34,000
23	Fish and Game Fund	53,700	49,900
24	Highway Working Capital Fund	62,600	58,200
25	Federal Program Receipts	258,000	239,900
26		\$2,999,800	\$2,789,800

27 ~~(c) The portion of the appropriation in (a) of this section beyond~~
28 ~~the specified amount shall be charged to the sources in (b) of this section~~
29 ~~on a pro rata basis.~~

\$6,655,100

1 * Sec. 2. ~~(a)~~ The sum of ~~\$7,156,000~~ is appropriated to the Department
2 of Administration ~~for the purpose of paying~~ the cost-of-living adjustment
3 effective February 16, 1975 for all eligible employees. The appropriation is
4 funded as follows:

5 ~~(b) The appropriation made in (a) of this section is from the following~~

6 ~~sources:~~

6	General Fund	\$6,381,300	\$5,934,600
7	International Airport Revenue Fund	152,900	142,200
8	Fish and Game Fund	63,600	59,100
9	Highway Working Capital Fund	31,300	29,100
10	Teachers Retirement Fund	4,700	4,400
11	Public Employee Retirement Fund	4,700	4,400
12	Veteran's Revolving Loan Fund	12,000	11,200
13	Surplus Property Revolving Fund		
14	Reserve Account	4,400	4,100
15	Federal Program Receipts	499,500	464,500
16	Second Injury Fund Reserve Account	1,600	1,500
17		\$7,156,000	\$6,655,100

\$13,196,400

18 * Sec. 3. (a) The sum of ~~\$14,189,700~~ ~~plus the amount necessary to pay~~
19 ~~for the cost-of-living adjustments required by Article XXVIII, Section 2~~
20 ~~of the labor agreement between the State of Alaska and the Alaska Public~~
21 ~~Employees Association covering the general government unit signed April 14,~~
22 ~~1975~~ is appropriated to the Department of Administration for the purpose of
23 General Government Unit
24 paying the agreed increases in/employee salaries and benefits in FY 1976.

25 ~~(b) The specific appropriation made in (a) of this section is from~~
26 ~~the following sources:~~

26	General Fund	\$12,000,800	\$11,157,100
27	International Airport Revenue Fund	400,700	380,100
28	Fish and Game Fund	136,200	126,700
29	Highway Working Capital Fund	46,800	43,500

1	Teachers Retirement Fund	32,600	\$30,300
2	Public Employee Retirement Fund	36,600	34,000
3	Agricultural Revolving Loan Fund	5,600	5,200
4	Veteran's Revolving Loan Fund	59,600	55,400
5	FICA Fund Reserve Account	5,600	5,200
6	Surplus Property Revolving Fund Reserve Account	25,500	23,700
7	Sick and Disabled Fisherman's Fund Reserve Account	5,600	5,200
8	Donated Commodities Handling Fee Reserve Account	5,600	5,200
9	Federal Program Receipts	1,418,900	1,319,600
10	Second Injury Fund Reserve Account	5,600	5,200
11			<u>\$14,189,700</u> <u>\$13,196,400</u>

12 ~~(c) The portion of the appropriation in (a) of this section beyond the~~
13 ~~specified amount shall be charged to the sources in (b) of this section on~~
14 ~~a pro rata basis.~~

15 * Sec. 4. The sum of \$4,266,600 ~~plus the excess amount necessary to pay~~
16 ~~for the cost-of-living escalation required by Article 0.3 of the community~~
17 ~~college faculty contract between the University of Alaska and the Alaska~~
18 ~~Community Colleges Federation of Teachers Local 2404 in effect August 5,~~
19 ~~1975 June 30, 1976,~~ is appropriated from the general fund to the Depart-
20 ment of Administration for the purpose of paying agreed increases in ^{community college faculty} ~~employee~~
21 salaries and benefits in ^{FY 1976} ~~FY 1976~~ \$5,552,900

22 * Sec. 5. The sum of ~~45,970,900~~ is appropriated from the general fund
23 to the Department of Administration for the purpose of paying salary
24 increases for those state employees not covered by labor agreements in FY
25 1976.

26 * Sec. 6. The sum of \$539,500 is appropriated from the general fund to
27 ^{to pay} the Department of Administration ~~for the purpose of paying for increases in~~
28 per diem for employees not covered under the general government unit or the
29 supervisory unit labor agreements, and members of state boards, in FY 1976.

the

1 * Sec. 7. The unexpended and unobligated portion of ~~this~~ appropriations shall
2 lapse into the fund or account from which it was originally appropriated on
3 June 30, 1976.

4 * Sec. 8. Notwithstanding the provisions of AS 37.07.080(e) pertaining
5 to appropriation transfers, the division of budget and management is
6 authorized to transfer the appropriated amounts shown in sections ~~1(a),~~ through 6
7 ~~2(a), 3(a), 4, 5, and 6~~ of this Act between program categories or agencies
8 as required for salary ^{or per diem} increase purposes.

9 * Sec. 9. This Act takes effect on July 1, 1975.
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ANALYSIS OF UNIVERSITY OF ALASKA
NON-UNION PROFESSIONAL SALARY INCREASES
FY 75 and FY 76

1. FY75 Increases in Non-Union Professional Personnel Costs:

A. Beginning FY75 Non-Union Professional Personnel Salaries	\$14,811,848
B. 4% Escalator Clause Increase (8/16/74) (4% X 91% X \$14,811,848) ¹	<u>539,151</u>
C. Beginning FY75 Non-Union Professional Personnel Salaries Plus 4% Escalator Clause Increase	\$15,350,999
D. Staff Benefits (C X 16%)	<u>2,456,160</u>
E. FY75 Non-Union Professional Personnel "Base" Cost	\$17,807,159
F. Cost of Fitting Non-Union Personnel to Base Salary Schedule (Including 16% Staff Benefits)	120,254
G. Cost of Applying Area Cost of Living Differentials Effective 9/1/74 ² (Incl. Staff Benefits)	<u>1,607,984</u>
H. FY75 Non-Union Professional Personnel "Adjusted" Base Cost	\$19,535,397

¹ The 91% figure is based on the fact that approximately 9% of total professional salaries were expended between 7/1/74 and 8/15/74; thus 91% would have been subject to the cost of living adjustment.

² This is calculated by taking the FY75 Base Cost (E) plus the cost of fitting personnel to Base Salary Schedule (F) times the estimated % of total professional salaries paid to Fairbanks based professional personnel for the period from 9/1/74 - 6/30/75 (approx. 80.1%). This, in turn, is multiplied times 11.2% (the Fairbanks/Anchorage area differential used in the State of Alaska general employees' salary schedule).

I.	Cost of 9/1/74 Requested 7.7% Salary Increase (Incl. 16% Staff Benefits) ³	\$ 1,343,799
J.	Cost of Additional 6.4% Salary Increase Requested for 1/1/75 ⁴ (Incl. Staff Benefits)	708,043
K.	Cost of 4% Escalator Clause Increase Effective 2/16/75 ⁵ (Incl. Staff Benefits)	<u>348,569</u>
L.	Total FY 75 Non-Union Professional Personnel Cost	<u>\$21,935,808</u>
M.	Summary of Increases Requested for Non-Union Professional Personnel-FY 75 (above Escalator Clause Increases):	
1.	Cost of Fitting to Schedule (F)	\$120,254
2.	Cost of Area Differentials (G)	1,607,984
3.	Cost of 7.7% Increase-9/1/74 (I)	1,343,799
4.	Cost of 6.4% Increase-1/1/75 (J)	<u>708,043</u>
		<u>\$ 3,780,080</u>

- ³ Approximately 12% of total professional salaries are paid out in July and August thus leaving 88% to which the September 1st 7.7% increase would be applied.
- ⁴ The 6.4% salary increase is based on the 10.7% increase negotiated for Community Colleges to be effective on 1/1/75 less the 4% Escalator Clause increase already granted to Senior College faculty on 2/16/75. ($\frac{1.107}{1.040} = 1.064$) This is multiplied times the estimated 58.86% of the salaries from September 1st still to be paid after January 1st.
- ⁵ The 4% increase was applied to the estimated 73.94% of the salaries from January 1st still remaining to be expended on February 16th.

+ 6.5% COLA March 1975 = \$516,204 FY75
1,685,347 FY76

11. FY76 Increases for Non-Union Professional Personnel

A.	FY 75 Non-Union Professional Personnel Cost (I.L.)		\$21,935,808
B.	Cost of Extending FY75 Increases and Adjustments to Full Year in FY76 ⁶		1,699,949
1.	Cost of extending -8/15/74-4% Escalator Clause Increase	\$ 61,854	
2.	Cost of extending -2/15/75-4% Escalator Clause Increase	560,346	
3.	Cost of extending Salary Schedule Placement Costs	16,398	
4.	Cost of extending Area Differentials	219,271	
5.	Cost of extending 9/1/74-7.7% Increase	183,245	
6.	Cost of extending 1/1/75-6.4% Increase	658,835	
C.	FY76 Base Cost Before Increases (IIA + B)		<u>\$23,635,757</u>
D.	9.7% Salary Increase Requested to be Effective 7/1/75 (9.7% X C)		<u>2,292,668</u>
E.	Total Requested FY76 Non-Union Professional Personnel Funding (Excluding Merit Increases and Increase in Staff Benefits)		<u>\$25,928,425</u>
F.	Summary of Increases and Adjustments Requested for FY76		
1.	Cost of Extending FY75 Increases to Full Year in FY76	\$1,699,949	
2.	9.7% Increase 7/1/75	<u>2,292,668</u>	
	Total Increase Requested - FY76		<u>\$ 3,992,617</u>

4.5% COLA Sep 1, 1975 = \$1,093,505

4.5% COLA Mar 1, 1976 = 835,040

6. The cost of extending FY75 increase to a full year in FY76 is calculated as follows:

- a. The full year cost is determined by dividing the % of salaries remaining to be expended at the time the increase was applied in FY75 into the FY75 Cost of the Salary Increase. For example, if at the time the increase was applied in FY75, 88% of the salaries remained to be expended, the FY75 increase would have been applied only to that 88%. $(0.88 \times \text{Total Salaries} \times \% \text{ Salary Increase} = \text{FY75 Cost of Increase})$. Thus

Full Year Cost of Increase = Total Salaries X % Salary Increase

$$\frac{=\text{FY75 Cost of Increase}}{0.88}$$

- b. Subtract the FY75 cost of the increase from the Full Year Cost of the Increase. The remainder is the Cost of extending the FY75 increase to a full year basis in FY76.

COST ITEMS IN THE CONTRACT

PAGE

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1.5

Cost of Negotiations UNION ESTIMATE

REACTION: The Union does not feel the University projected cost of 14,900 is accurate or justified. Since 80% of the bargaining unit members are from Anchorage and the contract calls for negotiations to be held in Anchorage it seems inappropriate that "3 persons traveling from outside Anchorage have to fly in 30 times". Selection of Anchorage negotiators and negotiation sessions of a longer duration would alleviate much of this administrative cost. The costs cited are purely administrative.

UNION PROPOSAL:

That 2 of the 3 University negotiators be from the Anchorage area and that no more than 10 trips are needed for outside travel. Therefore:

FY 75--No cost, negotiations are over with.

FY 76--One University negotiator travel from outside Anchorage making 10 trips @ average cost \$110 per trip	\$ 1,100
Lodging and meals in Anchorage \$50 per day X 30 days	1,500
Cost for 3 Union negotiators substitute teacher (Provided for in the contract) 3 (negotiators) X 100 (sub. pay) X 30 (days)	9,000
Cost for 3 University negotiators should be absorbed as part of their contractual agreement. We calculate that this would be in excess of 13,800.	
FY 76 TOTAL	11,600

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Grievance and Complaint Procedure UNION ESTIMATE

REACTION: The contract states that the University-Union objective is "to encourage the prompt and informal resolution of complaints . . ." and "but we find University costs to be excessive--their costs suggest that grievances always go to the final remedy of arbitration. Interestingly, the Universities projected cost of \$70,000 is in excess of the total monies that will be collected by the Union for its entire operating costs during the life of the contract!

UNION PROPOSAL:

FY 75--One major grievance @ \$5,000	\$ 5,000
Five minor grievances @ \$750	3,750
Travel \$250	
FY 75 TOTAL	8,750
FY 76--Two major grievances @ \$5,000	\$ 10,000
10 minor grievances @ 750	7,500
Travel \$500	
FY 76 TOTAL	18,000

REACTION: The University management will control this cost by their assignment of remaining unit members to travel. However, traveling 25 times is unrealistic in view of the 16 week semester with classes meeting 2 1/2 a week. Correct figure should be at least 30 trips per remaining unit members.

The majority of travel will be done in Anchorage and between AWC and the military base campuses at Ft. Richardson and Elmendorf. Thus the average round trip is between 20-30 miles. We use 25 as the realistic average miles and not 8. Also we note that the University is currently paying 16 cents a mile and not 14 as they cite.

UNION PROPOSAL:

FY 75--20 unit members traveling 30 times at an estimated distance of 25 miles X 16 cents	2,400
FY 75 TOTAL	2,400
FY 76--60 unit members traveling 30 times at an estimated distance of 25 miles X 10 cents	7,200
FY 76 TOTAL	7,200

REACTION: Union supports the University analysis

UNION PROPOSAL:

FY 75--no cost	FY 75 TOTAL	0
FY 76--no cost	FY 76 TOTAL	0

Site Visitation and Fresh Courses--UNION ESTIMATE

REACTION: Again the University proposals will recover this cost by their assignment of bargaining unit members to site visitation. To adequately service the needs of Salinas communities we recommend 48 such courses (average of one for every four unit members).

UNION PROPOSAL:

FY 75--Union accepts the University cost 5,670

FY 75 TOTAL 5,670

FY 76--Estimate 48 courses @ 3 credits each
= 144 credit hours.

144 X 1/30 X 21,454 (ave. salary) = 102,960

FY 76 TOTAL 102,960

* note: Union average salary figure is set at 21,454 not 18,900 as the University projects. Our figures are based on Salary Placement report and are precise.

Faculty Offices--UNION ESTIMATE

REACTION: Contract language provides that "where space and building design permit, the University will provide every bargaining unit member with a secure office. . . The University agrees to request and spend funds as provided by the Legislature for the provision of additional secure offices for all bargaining unit members. Based on the Union's study of office needs (see attached Pond Report) the following costs are projected:

FY 75--Union cost is an additional \$233,100 above the University already spent \$35,000. 233,100

FY 75 TOTAL 233,100

FY 76--Cost of an additional 39 offices based on University projected increase of 39 new faculty hires. (39 X \$1,784 estn.) 68,776

FY 76 TOTAL 68,776

Clerical Support UNION PROPOSAL

REACTION: Based on the University statement we assume that the University does not need additional funds for clerical support and is adhering to the contract language " providing clerical support at the rate of approximately one per every ten unit members". However for FY 76 an increase of 39 faculty means an additional 4 clerical support staff to maintain 10-1.

FY 75--Union accepts University no cost position

FY 75 TOTAL 0

FY 76--Add 4 clerical staff @ 10,000 plus 8% fringe benefits.

FY 76 TOTAL

18 6.10 Substitutes UNION PROPOSAL

REACTION: Current University policy allows for accrual of 1 1/2 days per month per faculty member or 13 1/2 days per academic year (9mo.) The University cost is inadequate as it assumes that the average bargaining unit member will not use more than 74% of his/her accrued sick leave (ie 10 days divided by 13 1/2 = 74%) Union also feels that \$25.00 per hour paid to substitute is insufficient based on hours spent in preparation for teaching. Therefore we recommend \$35.00.

UNION RESPONSE:

FY 75—Union accepts University cost analysis but suggest it be audited at end of this fiscal year. FY 75 TOTAL 54,600

FY 76—221 unit members (includes anticipated increase of 30 faculty as University has projected) X 10 credit hours per week
 X 35 (dollar cost of substitute)
 X $\frac{6.25 (1/2 \text{ of } 13 1/2 \text{ days accrued})}{5 (5 \text{ days})}$
FY 76 TOTAL 101,375

19 6.11a Overloads UNION PROPOSAL

REACTION: The University statement of 30 courses for FY 75 is totally inconsistent with the prior practice clause of the negotiated contract and is inconsistent with past offerings of overloads. Since most academic faculty are on 9 month contracts this would greatly affect the community colleges' summer sessions since they are offered on the overload basis. Funding of this is critical in both 75 and 76. Univ. error in cost.

UNION PROPOSAL:

FY 75—30 courses X 3 credit hours X 1/30 (negotiated contract rate) X 21,455 (FY 75 average salary)
FY 75 TOTAL 64,365

FY 76—Union projects a more realistic need for 200 courses per year (an end to self-support student ripoffs)
 200 courses X 3 cr. hrs. X 1/30 (negotiated contract rate) X 22,526 (FY 76 average salary)
FY 76 TOTAL 450,520

REACTION: In an apparent retaliatory move 1975 summer session offerings have been intentionally cut back excessively (see attached Union findings) from the 1974 level. We propose that a maintenance level of offerings be provided for summer of 1975. At ACC in summer 1974 alone there were 192 courses offered. The Union proposes 220 courses statewide in both FY 75 and FY 76 Summer session. Cost as follows:

UNION PROPOSAL:

FY 75--220 (courses) X 1 month (only June 75 would be charged to the 75 budget) X 3 credit hours X 1/30 X 21,454 (ave. salary FY 75).

FY 75 TOTAL 471,988

FY 76--220 (courses X 2 months (July and August 75 would be charged to the 76 budget) X 3 credit hours X 1/30 X 22,526 (ave. salary FY 76). Total 991,144

and

220 (courses) X 1 month (only June 76 would be charged to the 76 budget) X 3 credit hours X 1/30 X 22,526 (ave. Salary FY 76). Total 495,572

FY 76 TOTAL 1486,716.

Less than Full-Time Employment

REACTION: Union accepts for the FY 75 the University cost of 8,520. We suggest that for FY 76 it is more appropriate to budget for these positions as new hires at the full bargaining unit members salary and therefore find it unnecessary to appropriate any funds for FY 76 in this category.

UNION PROPOSAL:

FY 75--Accept University cost projection

FY 75 TOTAL 8,520

FY 76--No cost as this should be absorbed in new hires.

FY 76 TOTAL 0

REACTION: The University position is inaccurate and unclear. The Union-Management Committee (provided for in the contract) has to date received at least 13 notices of "University intent not to rehire for FY 76". Retaining of these individuals as provided for in the contract is apparently viewed by the University as a no-cost item.

UNION PROPOSAL: Assuming that the University intends to fulfill its contractual obligations regarding re-training of faculty sent notices of "intent not to rehire" the Union raises no objection at this time.

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8.1 e & Placement of Personnel on Salary Schedule---UNION ESTIMATE
8.2

REACTION: Union agrees with sentence one. However, cost analysis is erroneous. Our basis is taken from the calculated figures of the Union-University Salary Placement Committee.

UNION PROPOSAL:

FY 75---Sept. 1, 1974---June 30, 1975 (and includes the 16% fringe benefit cost)

FY 75 TOTAL \$6,840,000

FY 76---July 1, 1975---June 30, 1976 (and includes the 16% fringe benefit cost) *

FY 76 TOTAL \$8,170,000

*note: The FY 76 figures includes the estimated 39 new hires projected by the University.

REACTION: In calculating Cost of Living the Union used the exact data provided by the Union-University Salary Placement Committee. Figures are included for only those campuses that are entitled to cost-of-living differential

UNION PROPOSAL:

<u>FY 75</u>	TOTAL SALARIES	AREA	
<u>COMMUNITY COLLEGE</u>	<u>AT 1-1-75</u>	<u>FACTOR</u>	<u>TOTAL</u>
Kodiak	73,540	.142	10,300
Kuskokwim	149,732	.418	64,420
Ketchikan	138,096	.006	828
Sitka	56,484	.100	5,648
Juneau	211,320	.071	15,003
		Total	96,199
Plus 16 % fringe benefits			
		FY 75 TOTAL	111,590

Kodiak
Check, Sitka
to Juneau

FY 76

Union cannot accurately project this due to unknown new hires, salary change due to lane movement etc. Consequently we are projecting the minimum.

FY 76 TOTAL 111,590

137,000

-37 advised

31

8.5 Maintenance UNION ESTIMATE

REACTION: Union accepts the University cost for
FY 75. However, the committee does not
provide for the possibility of a study
committee to make recommendations regarding
changes in the fringe benefits. This
could become a cost item.

UNION PROPOSAL:

FY 75--No cost anticipated	FY 75 TOTAL	0
FY 76--No cost anticipated	FY 76 TOTAL	0

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8.6 Parking UNION ESTIMATE

REACTION: We question the necessity of this ex-
penditure (unless the University intends to in-
stall winter electrical outlet plug ins) and
note that no provision is made for the income
the University derives from the 30.00 semester
faculty use fee. We suggest a legislative audit
of this item to assure that the funds have been
appropriately disbursed.

*Maintenance
provision
for this*

UNION PROPOSAL:

FY 75--Cost of installing parking gates, fence and maintenance might necessitate an initial cost of University estimated 8,000? After that any additional costs should be absorbed in parking fees collected from faculty.	FY 75 TOTAL	0
FY 76--Any additional costs should be absorbed in monies collected from faculty parking fee.		0

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3.6c Faculty Lounge UNION ESTIMATE

REACTION: Union agrees with the University estimate
and expects to see the funds allocated for that
purpose.

UNION PROPOSAL:

FY 75--Cost of furnishing and equipping faculty lounge	FY 75 TOTAL	3,500
FY 76--Additional furnishings	FY 76 TOTAL	1,000

Continuing Education UNION ESTIMATE

REACTION: The Union does not feel that there is any expense to the University in the continuing education provision. The contract specifically states "without tuition cost".

UNION PROPOSAL

FY 75--No cost to the University

FY 75 TOTAL

0

FY 76--No cost to the University

FY 76 TOTAL

0

Professional Development Leave UNION ESTIMATE

REACTION: The Union agrees that there should be no added cost for FY 75. However, there will be a cost in FY 76.

UNION PROPOSAL

FY 75--No additional cost

FY 75 TOTAL

0

FY 76--9 bargaining unit members Xs \$22,526
(ave. salary) Xs 1/2 (receive up to
1/2 salary) "

FY 76 TOTAL 101,367

Annual Leave UNION ESTIMATE

REACTION: The negotiated contract states that:
" bargaining unit members shall be permitted
. . . to accrue . . . paid leave. Maximum
accumulation: is 30 working days. A maximum
of 30 days . . . unused accrued leave shall be
paid off at the termination of employment.

UNION PROPOSAL:

FY 75--182 bargaining unit members X \$21,454
(ave. salary) X 15 (days of leave)

180 (work days per contract)

FY 75 TOTAL 324,386

FY 76--221 bargaining unit members X \$22,300
(ave. salary) X 15 (days of leave)

180 (work days per contract)

FY 76 TOTAL 414,630

Union assumes 100% funding for all annual leave which possible could be accrued in FY 75 and FY 76.

REACTION: Union agrees with University position.

UNION PROPOSAL:

FY 75--Cost absorbed in payroll office

FY 75 TOTAL 0

FY 76--Cost absorbed in payroll office

FY 76 TOTAL 0

39 10.6 Released Time UNION ESTIMATE

REACTION: Union costs are based on actual figures for FY 75. FY 76 figure is based on projected cost as the candidates for President are already nominated.

UNION PROPOSAL:

*Call
to
Union
President
for
release*

FY 75--Union President 1/5 annual salary and benefits
2,015 (no. salary) X 4 1/2 (months)
X 1.16 (fringe benefits) X 1/5 (release)

FY 75 TOTAL 2,104

FY 76--Union President 1/5 annual salary and benefits
3,114 (no. salary) X 9 (months)
X 1.16 (fringe benefits) X 1/5 (release)

FY 76 TOTAL 6,501

31 8.3 Cost of Living Escalator UNION ESTIMATE

REACTION: The University made no projection cost for this item. The Union made its projection on a 7 1/2 % for FY 75 and a 20 % for FY 76. We emphasize that this IS A PROJECTED COST. When data from the Bureau of Labor is made available we will update this information.

UNION PROPOSAL:

FY 75--7 1/2 (estd. % increase) X 9 (9 mo. academic year) X \$2,354 (ave. no. salary includes fringe benefits) X 182 (no. of bargaining unit members).

FY 75 TOTAL: 292,878

FY 76--20 % (estd. % increase) X 9 (9 mo. academic year) X \$2,503 (ave. no. salary includes fringe benefits) X 221 (no. of bargaining unit members, includes Univ. projected increase of 39 faculty).

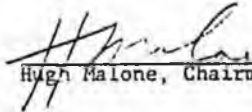
FY 76 TOTAL: 495,473

.....

HB
450'HOUSE FINANCE COMMITTEE REPORT
COMMITTEE SUBSTITUTE FOR HOUSE BILL 450

The House Finance Committee has had HB 450 under consideration and has replaced it with CSHB 450, reporting it out of committee with a majority recommendation of "do pass".

The committee substitute alters the Governor's proposed new pay scale for all state employees not otherwise covered by bargaining agreements by adding two additional ranges, range 29 and range 30. Testimony from the Commissioner of Administration in support of the additional ranges convinced the committee of the desirability of establishing additional high range positions to improve the state's competitive position in certain types of employment, i.e. high cost medical, scientific, or engineering types of positions.


Hugh Malone, Chairman

SJR 38 The Commerce Committee has had SENATE JOINT RESOLUTION NO. 38 (Solomon Gulch hydroelectric project) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mr. Bradley, Chairman, and concurred in by Bradley, Kelley, Wallis, Freeman and Urion.

SENATE JOINT RESOLUTION NO. 38 was referred to the Rules Committee for placement on the calendar.

SB 65 The Finance Committee has had SENATE BILL NO. 65 (special appropriation, Department of Labor, employment security division; effective date) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mr. Malone, Chairman, and concurred in by Malone, Cowper, Haugen, Guy, Naughton, Itta and Duncan. Not concurring was Buchholdt who has no recommendation.

SENATE BILL NO. 65 was referred to the Rules Committee for placement on the calendar.

SB 68 The Finance Committee has had SENATE BILL NO. 68 (supplemental appropriation, Department of Military Affairs, Alaska National Guard; effective date) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mr. Malone, Chairman, and concurred in by Malone, Cowper, Gruening, Haugen, Guy, Naughton, Itta and Duncan.

SENATE BILL NO. 68 was referred to the Rules Committee for placement on the calendar.

The Finance Committee has had SENATE BILL NO. 414 (supplemental appropriation, Department of Administration, salary increases required by statute or agreed to in recent labor negotiations with state employees; effective date) under consideration and a majority of the members of the Committee recommends it be replaced with HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 414 (same title) and that it do pass. The report was signed by Mr. Malone, Chairman, and concurred in by Buchholdt, Duncan, Naughton, Guy, Gruening and Malone. Not concurring was Haugen who has no recommendation.

SF
414

SENATE BILL NO. 414 appears on today's calendar.

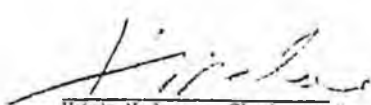
The Finance Committee's letter of intent on the above bill appears as follows:

"HOUSE FINANCE COMMITTEE
LETTER OF LEGISLATIVE INTENT FOR
HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL 414"

The House Finance Committee has had SB 414 under consideration and recommends that it be replaced with House Committee Substitute for Senate Bill 414 and that it be reported out of committee with a majority "do pass" recommendation.

HCSSB 414 provides funding for the salary increases required by statute and negotiated contract, as provided in Senate Bill 414, adjusted to reflect appropriate vacancy factors.

It is the intent of the legislature that actual contract costs are to be fully funded. If actual costs required by statute or contract exceed the funds appropriated for FY 76, legislation for supplemental appropriation should be submitted to the legislature.


Hugo Malone, Chairman "

The Finance Committee has had HOUSE BILL NO. 450 (compensation for state employees; effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 450 (same title) and that it do pass. The report was signed by Mr. Malone, Chairman, and concurred in by Duncan, Guy, Gruening, Malone and Naughton. Not concurring was Haugen who has no recommendation.

HB
450

HOUSE BILL NO. 450 was referred to the Rules Committee for placement on the calendar.

The Finance Committee's report on the above bill appears as follows:

FY 76 ESTIMATED COSTS OF CONTRACT ITEMS KNOWN

	<u>Supervisors</u>	<u>General Government</u>	<u>Non-Covered Employees</u>	<u>Community College</u>	<u>Per Diem Increase</u>	<u>Feb. 16/75 COLA</u>	<u>TOTAL</u>
TOTAL	2,999.8	14,189.7	5,970.9	4,266.6	539.5	7,156.0	35,122.5
General Fund	2,588.9	12,000.8	5,970.9	4,266.6	539.5	6,381.3	31,747.5
International Airport Revenue Fund	36.6	403.7				152.9	593.2
Fish and Game Fund	53.7	133.2				63.6	250.5
Highway Working Capital Fund	62.6	41.8				31.3	145.7
Teachers Retirement System		31.6				4.7	37.3
Public Employee Retirement System		31.6				4.7	37.3
Agricultural Revolving Loan Fund		5.6					5.6
Veteran's Revolving Loan Fund		50.6				12.0	71.6
FICA Fund Reserve Account		5.6					5.6
Surplus Property Reserve Account		25.5				4.4	29.9
Second Injury Fund Reserve Account		5.6				1.6	7.2
Sick and Disabled Fishermen Fund Reserve Acct.		5.6					5.6
Donated Commodity Fee Reserve Account		5.6					5.6
Federal Program Receipts	258.0	1,411.9				499.5	2,175.4

SUPERVISORS

Adjustments for Cost of Living 8/16/75 & 2/16/76

Monthly			\$1,204,300
Contract increase	x	<u>1.15</u>	<u>\$1,384,900</u>
COLA 2/16/75		<u>1.04</u>	<u>\$1,440,300</u>
Est adjustment 8/16/76	x	<u>1%</u>	<u>\$ 14,400</u>
	x	<u>10.5</u>	months
Additional cost of 4.49% increase in consumer price index resulting in a 1% increase in pay			\$ 151,200
	x	<u>1.18</u>	benefits
			\$ 178,400 8/16
		<u>\$1,454,700</u>	
	x	<u>1%</u>	2/16
			<u>\$ 14,500</u>
	x	<u>4.50</u>	
			<u>\$ 65,300</u>
	x	<u>1.18</u>	
			<u>\$ 77,100</u>
Cost of 9% inflation during calendar 1975			<u>\$ 255,500</u>

FUNDING:

General Fund			\$ 220,500
Fish and Game Fund			4,600
Highway Working Capital Fund			5,300
International Airport Revenue Fund			3,100
Federal Receipts			22,000

FY 76 COST OF SUPERVISOR'S CONTRACT
Excluding 8/16/15 & 2/16/16 COLA

Calculated FY 75 Cost	7 1/2 Months	\$1,528.7
	Cost per month	213.2
	12 month cost	x <u>12</u>
FY 76 Cost based on FY 75 positions		\$2,557.9
Assume new positions		<u>1,057</u>
Merit Increase cost		2,703.7
		<u>1,015</u>
FY 76 Cost of Supervisor's Contract		<u>\$2,744.3</u>

FUNDING:

General Fund	\$2,368.4
Fish and Game Fund	49.1
Highway Working Capital Fund	57.3
Federal	236.0
International Airport Revenue Fund	<u>33.5</u>
	\$2,744.3

GENERAL GOVERNMENT

Adjustment 1/1/76 est 9%

Adjustment of 1/1/76 of 9% is anticipated based upon the current contract.

Monthly cost of March (per raise) rates		
Including benefits		\$7,233,700
9% Raise	x	<u>1.09</u>
		\$7,884,700
Increase base for growth in 1976 10%	x	<u>1.10</u>
		\$8,673,200
Increase in pay 1/1/76 9%	x	<u>9%</u>
Cost per month		\$ 780,600
FY 76 Cost of 9% COLA	x	<u>6</u>
Advance 1/1/76 on base		\$4,683,500
Effect area differential change		<u>23,900</u>
532,200 x 9% x 1/2 year		
		\$4,617,400

FUNDING:

General Fund	\$3,905,300
International Airport Revenue Fund	133,000
Fish and Game Fund	44,300
Highway Working Capital Fund	15,200
Teachers Retirement System	10,600
Public Employees Retirement System	10,600
Agricultural Revolving Loan Fund	1,800
Veteran's Revolving Loan Fund	19,400
FICA Fund Reserve Account	1,800
Surplus Property Account	8,300
Second Injury Fund Reserve Account	1,800
Sick and Disabled Fishermen Fund Reserve Account	1,800
Donated Commodity Fee Reserve Account	1,800
Federal Program Receipts	461,700

GENERAL GOVERNMENT FY 76 COSTS
Excluding 1/1/76 Adjustment

Cost calculated by adjusting the FY 75 cost for the following factors:

- 1) increase to 12 month funding
- 2) increase for new positions 5.7%
- 3) merit increase 1.5%
- 4) reclassifications and full funding 2.8%

Items 2, 3, and 4 would result in a 10% increase for FY 76 which appears reasonable when compared to the personal services in the FY 75 budget plus revised of \$230,237,700 versus the FY 76 request of \$252,324,600. This represents a 9.6% increase.

\$7,233,700 × 9% × 12	(9% raise)	\$7,812,400
\$7,233,700 × 15% × 3.75% × 12 × (1.09)	(area differential)	532,200
300 (employees) × 11 (days) × \$48	(holidays)	158,400
43,800 (days) × \$5	(per diem)	219,000
10% adjustment to pay items		<u>850,300</u>
Total FY 76 Cost		\$9,572,300

GENERAL GOVERNMENT CONTRACT FY 75/FY 76

Estimated FY 75 and FY 76 Operating Budget Cost increase for the General Government Contract as applied to the General Government Bargaining unit employees are as follows:

		<u>FY 75</u>	<u>FY 76</u>
Total Estimated Cost		<u>\$4,698,200</u>	<u>\$9,572,300</u>
Funding:			
General Fund	84.57%	3,973,200	8,095,500
International Airport Revenue Fund	2.88%	135,300	- 275,700
Fish and Game Fund	.96%	45,100	91,900
Highway Working Capital Fund	.33%	15,500	31,600
Teachers Retirement System	.23%	10,800	22,000
Public Employees Retirement System	.23%	10,800	22,000
Agricultural Revolving Loan Fund	.04%	1,900	3,800
Veteran's Revolving Loan Fund	.42%	19,700	40,200
FICA Fund Reserve Account	.04%	1,900	3,800
Surplus Property Account	.13%	8,500	17,200
Second Injury Fund	.04%	1,900	3,800
Sick and Disabled Fishermen's Fund	.04%	1,900	3,800
Donated Commodities Fee Reserve Account	.04%	1,900	3,800
Federal Program Receipts	10.00%	469,800	957,200

COST CALCULATIONS FOR GENERAL GOVERNMENT UNIT

	<u># of</u> <u>Employees</u>	<u>Average</u> <u>Salary</u>	<u>Total</u>
Total per 3/26/75 Report	5,365	14,001	75,118,90
Less Capital Improvement positions	<u>367</u>	<u>15,139</u>	<u>5,556,20</u>
	4,998	13,918	69,562,70
Estimated Overtime			<u>4,000,00</u>
Yearly base salary at March Rates benefits @ 18%			73,562,70 <u>13,241,30</u>
Yearly Cost in Operating Budget			\$86,804,00
		divided by	<u>12</u>
Monthly Cost at March rates			7,233,70
Monthly Cost at February rates		divided by	<u>1.04</u>
			6,955,40

COST CALCULATIONS

Article XXXVIII Section 1a Requires payment of 19.82% pay received for period ending 2/15/75

$$\$6,955,400 \times 19.82\% = \$ 1,378,600$$

Section 1b and c and 2a require adjustment of 9% of pay for periods ending 3/15 and 4/15 and implementation of the pay schedule effective 4/16/75. The effect of these is the same as an adjustment of 9% for the remainder of the year based on March rates of pay

$$\$7,233,700 \times 9\% \times 4.5 \text{ months} = \$ 2,929,600$$

Section 3 provides for geographic pay differentials. The major change being a 1 step (3.75%) increase for Fairbanks and Valdez. The estimated % affected by this change is 15%. Period of coverage starts 1/1/75. After 19.82% retroactive adjustment 1/1/75 to 2/15/75 pay approximates March pay rates. Therefore the calculation is based upon March rates.

$$(1.09) 7,233,700 \times 15\% (\text{eligible}) \times 3.75\% (\text{rate}) \times 6 (\text{months}) = \$ 266,100$$

Article II Section 2 (d) (I) requires that temporary employees receive pay for holidays. There are an estimated 300 budgeted temporaries that will receive an additional 11 days of pay per year at an estimated rate of \$48 per day (Rg 9c)

300 (employees) x 1 (day) x \$48 x (1/2 year) \$ 14,400

Article XXXIX Section I adjusted the basic per diem rate upward by \$5 per day to a short term minimum rate of \$40. Budgeted travel for FY 75 is \$10,500,000 of which 50% is estimated for per diem at an average rate of \$40 per day which yields 131,250 days of per diem. An estimated 1/3 of this would be applicable to General Governments employees for 1/2 year equals 21,900 days of travel

21,900 x \$5 109,500

\$ 4,698,200

J. N.
Budgetary Management
Ken
Tri-Triangles
Judges &
(Administration)

SALARY INCREASES NON COVERED EMPLOYEES
FY 75 & 76

Total Cost of spreading provisions of general government settlement to non-covered employees.

	75	76
Total Cost	\$2,947,600	\$5,970,900
Funding: General Fund	\$2,947,600*	\$5,970,900

* Funding from any other sources would be negligible because very little of personal services for this group is funded by other sources and it is expected that these other sources are already fully utilized.

FY 76 COSTS

\$4,209,600 x 9% x 12	\$4,546,400
1,797,500 x 3.75% x 1.09 x 12	881,700
Estimated 10% increase in base costs	542,800
	\$5,970,900

NON COVERED EMPLOYEES FY 75

	<u># of Employees</u>	<u>Average Salary</u>	<u>Total</u>
Executive Branch 3/26/75	480	\$26,561	\$12,749,40
benefits at 18%			<u>2,294,90</u>
total yearly costs			\$15,044,30
Alaska Court System (excludes judges)			5,392,40
Legislative Salaries (excludes legislators)			1,746,40
University of Alaska (excludes community college)			<u>28,332,70</u>
			\$50,518,80
		divided by	<u>12</u>
Monthly non-covered salaries (March rates)			\$ 4,209,60
			1.04
Monthly non-covered salaries February rates			\$ 4,047,70

CALCULATIONS

1. (February Base) (% adjustment)
 $4,047,700 \times 19.82\%$ \$ 802,30
2. (March through June Base) (9% increase)
 $4,209,600 \times 9\% \times 4.5$ (months) 1,704,50
3. Geographic Differentials - Fairbanks and Valde adjusted Eligible Salaries

Courts (12%)	\$ 647,100	
U of A	20,621,700	
Executive (2%)	<u>300,900</u>	
	\$21,569,700	
divided by	<u>12</u>	

 $\$ 1,797,500 \times 3.75\% \times (6) \times (1.09)$ 440,80
 \$ 2,947,60

N 2/2

COMMUNITY COLLEGE

Cost per fiscal note 4/4 for SB 76 \$3,826.8
 Estimate for cost of living 439.8

\$4,266.6

FUNDING:

General Fund \$4,266.6

Base personal services in FY 76 Budget \$3,328.0
 (Per U of A) new position in Budget 707.7

\$4,035.7

Fiscal note cost 3,213.2

\$7,248.9

Adjustment for 4.5% Sept. 1 x 4.5

\$ 326.2

Adjustment for 4.5% March 1
 ((7248.9 + 326.2) divided by 3) x .045 = 113.6

Total cost of FY 76 COLA \$ 439.8

a/r

FISCAL NOTE

First Session - Ninth Legislature

REVISED

4-1-75

I. REQUEST

Bill No. Senate Bill 76
 Title: An Act Making a Supplemental Appropriation to the University of Alaska
 Requested by: Senator Bill Gray Date: February 11, 1975
 Return Date Requested: February 19, 1975
 Agency: University of Alaska Program: Post Secondary & Adult Education

II. FISCAL DETAIL

Budget Request Unit(s) Affected: All Community Colleges

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	1370.2	3213.2	3981.2	4932.5	6111.5	7577.5
200 TRAVEL	36.5	35.6	40.9	47.3	54.1	61.0
300 CONTRACTUAL	59.4	543.5	107.5	123.6	142.2	160.0
400 COMMODITIES						
500 EQUIPMENT	3.5	1.0	1.0	1.0	1.0	1.0
600 LAND & STRUCTURES						
700 DEBTS, CLAIMS, ETC.	12.0	33.5	63.5	93.5	123.5	153.5
TOTAL	1482.6	3826.8	4194.1	5198.5	6432.4	7952.5

B. FUNDING: (Thousands of dollars)

FUND	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
GENERAL FUND	1482.5	3826.8	4194.1	5198.5	6432.4	7952.5
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	182 /	220 /	220 /	220 /	220 /	220 /
MAN MONTHS (P./T.)	1638	1986	1986	1986	1986	1986

ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Personnel in the bargaining unit are expected to increase by 38.7 in FY 76. Salaries will increase 15% plus 6.5% each year for step increases, and 1% of total salaries for fringe benefits. Other expenses will increase at 15% for inflation. Continuing Education will continue to increase at rate of 30.0 per year.

*Includes 6.5% in March Apr 76
 does not include future increases*

IV. ATTACHMENTS

PER DIEM INCREASES

The FY 75 budget contains \$10,500,000 for travel. It is assumed that 50% is for per diem, \$5,250,000. Assume \$40 per day is the budgeted per diem rate which yields 131,250 per diem days per year. The per diem rates were increased by \$5 for all employees.

Cost for FY 75

131,250 (days) x $\frac{1}{2}$ year x \$5 =	\$328,125
Less: requested with general government settlement	(109,500)
Less: requested with supervisors settlement	<u>(79,900)</u>
Balance requiring funding	<u>\$138,725</u>

Cost for FY 76

131,250 (days) x \$5 =	\$656,250
Plus: Special increase for board members to \$50 per day	<u>102,600</u>
	<u>\$539,850</u>

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

PER DIEM INCREASES

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Cost for FY 76

131,250 (days) × \$5 =	\$656,250
Plus: Special increase for board members to \$50 per day	<u>102,600</u>
	<u>\$539,850</u>

PER DIEM FOR BOARDS AND COMMISSIONS

FY 76 Budget contains 7,520 per diem days for Boards and Commissions at an average rate of \$36.35.

To increase the rate to \$50.00 would cost $7520 \times 13.65 = \$102,648$.

Since these costs would mainly be charged to the General Fund the decision was made to request the entire total from the General Fund.

FY 76 ADDITIONAL FOR 2/16/COLA/

Eligible Salaries (FY 76 budget)		\$178,900,000
Cost of living adjustment	x	<u>4%</u>
Yearly Cost		\$ 7,156,000

FUNDING:

General Fund	\$ 6,381.3
International Airport Revenue Fund	.159.9
Fish and Game	63.6
Highway Working Capital Fund	31.3
Teachers Retirement System	4.7
Public Employees Retirement System	4.7
Veteran's Loan Fund	12.0
Surplus Property Revolving Fund Account	4.4
Second Injury Fund	1.6
Federal	<u>499.5</u>
	\$ 7,156.0 *

ALLOCATION TO BARGAINING GROUPS:

General Government	\$ 3,066.2
Supervisor's	931.4
Confidential	79.1
Non Organized	<u>2,179.3</u>
	\$ 7,156.0

* Does not include COLA for 2/16 on new increases granted



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 1, 1975

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

In accordance with AS 24.3 .060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting to both Houses of the Legislature (to help expedite consideration of the bill) the attached bill appropriating \$35,122,500 for the purpose of paying increased employee salaries and benefits in Fiscal Year 1976. The bill includes:

1. Supervisor's Contract	\$2,999,800
2. COLA 2/16/75	7,156,000
3. General Government Contract	14,189,700
4. Community College Settlement	4,266,600
5. Salary Increase for Non-covered Employees	5,970,900
6. Per Diem Increases	539,500

Each specific appropriation has been calculated with an estimated nine per cent cost-of-living adjustment (COLA) in mind. The non-specific appropriations contained in secs. 1, 3 and 4 of the bill will only be effective when COLA's of greater than nine per cent are required under the terms of the particular labor contracts in question.

These increases are intended to cover agreements already negotiated with the representatives of various employee bargaining units. These agreements were negotiated in good faith by all of the parties to them. I believe that the State negotiators got the best deal possible under the circumstances and that it is essential that the requested appropriation be passed as requested. Any changes will severely hamper the State's ability to negotiate in the future.

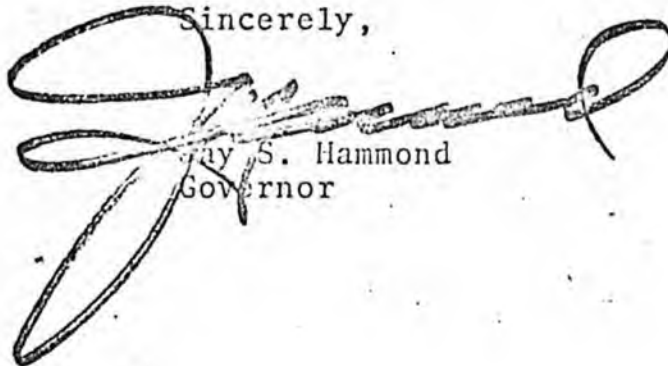
The Honorable
Chancy Croft

-2-

May 1, 1975

This bill also requests an appropriation to pay similarly increased salaries and benefits and per diem increases to employees not covered by labor agreements. This amount is also essential for the following reasons: first it will eliminate the administrative nightmare of maintaining dual pay systems; second, it will eliminate a futile cause of employee discontent; third, it is equitable to treat employees doing similar jobs in the same manner.

Sincerely,

A large, stylized handwritten signature in dark ink, consisting of several loops and a long horizontal stroke.

Jay S. Hammond
Governor



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 1, 1975

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting to both Houses of the Legislature (to help expedite consideration of the bill) the attached bill appropriating \$35,122,500 for the purpose of paying increased employee salaries and benefits in Fiscal Year 1976. The bill includes:

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5. Salary Increase for Non-covered Employees	5,970,900
6. Per Diem Increases	539,500

Each specific appropriation has been calculated with an estimated nine per cent cost-of-living adjustment (COLA) in mind. The non-specific appropriations contained in secs. 1, 3 and 4 of the bill will only be effective when COLA's of greater than nine per cent are required under the terms of the particular labor contracts in question.

These increases are intended to cover agreements already negotiated with the representatives of various employee bargaining units. These agreements were negotiated in good faith by all of the parties to them. I believe that the State negotiator got the best deal possible under the circumstances and that it is essential that the requested appropriation be passed as requested. Any changes will severely hamper the State's ability to negotiate in the future.

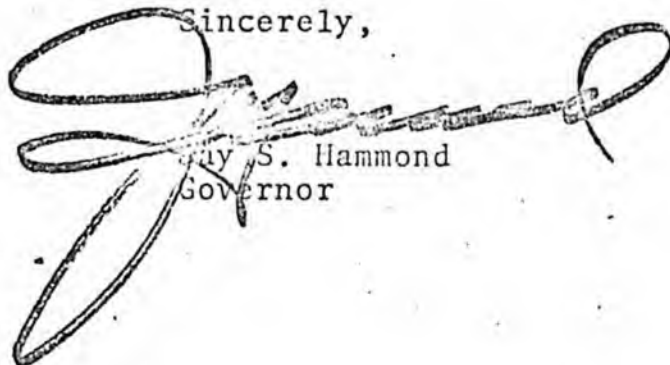
The Honorable
Chancy Croft

-2-

May 1, 1975

This bill also requests an appropriation to pay similarly increased salaries and benefits and per diem increases to employees not covered by labor agreements. This amount is also essential for the following reasons: first it will eliminate the administrative nightmare of maintaining dual pay systems; second, it will eliminate a futile cause of employee discontent; third, it is equitable to treat employees doing similar jobs in the same manner.

Sincerely,

A large, stylized handwritten signature in dark ink, appearing to read "Jay S. Hammond". The signature is written over the typed name and title.

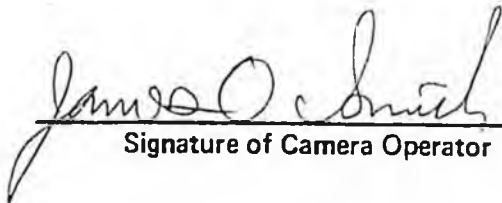
Jay S. Hammond
Governor

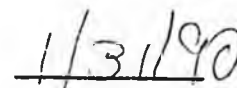


RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

COMMITTEE REPORT

SENATE

5/9/75

Mr. President:

Date 5/16/75

The Committee on FINANCE has had SB 414 special appropriation for salary increases required by recent labor negotiations under consideration. A Majority of the members of the Committee

- () recommends it DO PASS
- () recommends it DO NOT PASS
- () recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- () recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- () "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- () reports it back WITHOUT RECOMMENDATION
- (x) "other" *referred to the Finance Committee*

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____	recommends:	<i>do not concur</i>
_____	recommends:	<i>do not concur</i>
_____	recommends:	<i>" "</i>
_____	recommends:	<i>" "</i>
_____	recommends:	<i>" "</i>

_____ Chairman



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 1, 1975

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting to both Houses of the Legislature (to help expedite consideration of the bill) the attached bill appropriating \$35,122,500 for the purpose of paying increased employee salaries and benefits in Fiscal Year 1976. The bill includes:

1. Supervisor's Contract	\$2,999,800
2. COLA 2/16/75	7,156,000
3. General Government Contract	14,189,700
4. Community College Settlement	4,266,600
5. Salary Increase for Non-covered Employees	5,970,900
6. Per Diem Increases	539,500

Each specific appropriation has been calculated with an estimated nine per cent cost-of-living adjustment (COLA) in mind. The non-specific appropriations contained in secs. 1, 3 and 4 of the bill will only be effective when COLA's of greater than nine per cent are required under the terms of the particular labor contracts in question.

These increases are intended to cover agreements already negotiated with the representatives of various employee bargaining units. These agreements were negotiated in good faith by all of the parties to them. I believe that the State negotiators got the best deal possible under the circumstances and that it is essential that the requested appropriation be passed as requested. Any changes will severely hamper the State's ability to negotiate in the future.

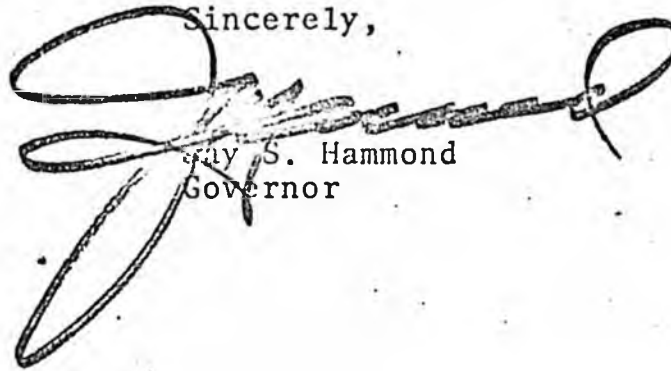
The Honorable
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-2-

May 1, 1975

This bill also requests an appropriation to pay similarly increased salaries and benefits and per diem increases to employees not covered by labor agreements. This amount is also essential for the following reasons: first it will eliminate the administrative nightmare of maintaining dual pay systems; second, it will eliminate a futile cause of employee discontent; third, it is equitable to treat employees doing similar jobs in the same manner.

Sincerely,

A large, stylized handwritten signature in dark ink, appearing to read "Jay S. Hammond". The signature is written over the typed name and title.

Jay S. Hammond
Governor

Introduced: 5/2/75
Referred: State Affairs and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 414

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Administration for salary increases re-
8 quired by statute or agreed to in recent labor
9 negotiations with state employees; and providing for
10 an effective date."

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

12 * Section 1. (a) The sum of \$2,999,800 plus the amount necessary to
13 pay for the cost-of-living adjustments required by Article XXIII, section
14 2 of the labor agreement between the State of Alaska and the Alaska Public
15 Employees Association covering the Supervisory Unit Employees signed
16 December 13, 1974 is appropriated to the Department of Administration for
17 the purpose of paying the agreed increases in employee salaries for FY
18 1976.

19 (b) The specific appropriation made in (a) of this section is from
20 the following sources:

21	General Fund	\$2,588,900
22	International Airport Revenue Fund	36,600
23	Fish and Game Fund	53,700
24	Highway Working Capital Fund	62,600
25	Federal Program Receipts	<u>258,000</u>
26		\$2,999,800

27 (c) The portion of the appropriation in (a) of this section beyond
28 the specified amount shall be charged to the sources in (b) of this section
29 on a pro rata basis.

1	Teachers Retirement Fund	32,600
2	Public Employee Retirement Fund	36,600
3	Agricultural Revolving Loan Fund	5,600
4	Veteran's Revolving Loan Fund	59,600
5	FICA Fund Reserve Account	5,600
6	Surplus Property Revolving Fund Reserve Account	25,500
7	Sick and Disabled Fisherman's Fund Reserve Account	5,600
8	Donated Commodities Handling Fee Reserve Account	5,600
9	Federal Program Receipts	1,418,900
10	Second Injury Fund Reserve Account	<u>5,600</u>
11		\$14,189,700

12 (c) The portion of the appropriation in (a) of this section beyond the
13 specified amount shall be charged to the sources in (b) of this section on
14 a pro rata basis.

15 * Sec. 4. The sum of \$4,266,600 plus the excess amount necessary to pay
16 for the cost-of-living escalator required by Article 8.3 of the community
17 college faculty contract between the University of Alaska and the Alaska
18 Community Colleges Federation of Teachers Local 2404 in effect August 5,
19 1975 -- June 30, 1976, is appropriated from the general fund to the Depart-
20 ment of Administration for the purpose of paying agreed increases in employee
21 salaries and benefits in FY 1976.

22 * Sec. 5. The sum of \$5,970,900 is appropriated from the general fund
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25 1976.

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27 the Department of Administration for the purpose of paying for increases in
28 per diem for employees not covered under the general government unit or the
29 supervisory unit labor agreements, and members of state boards, in FY 1976.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Introduced: 5/2/75
Referred: State Affairs and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

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4 NINTH LEGISLATURE - FIRST SESSION

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25 Federal Program Receipts	<u>258,000</u>
26	\$2,999,800

27 (c) The portion of the appropriation in (a) of this section beyond
28 the specified amount shall be charged to the sources in (b) of this section
29 on a pro rata basis.

1 * Sec. 2. (a) The sum of \$7,156,000 is appropriated to the Department
2 of Administration for the purpose of paying the cost-of-living adjustment
3 effective February 16, 1975 for all eligible employees.

4 (b) The appropriation made in (a) of this section is from the following
5 sources:

6	General Fund	\$6,381,300
7	International Airport Revenue Fund	152,900
8	Fish and Game Fund	63,600
9	Highway Working Capital Fund	31,300
10	Teachers Retirement Fund	4,700
11	Public Employee Retirement Fund	4,700
12	Veteran's Revolving Loan Fund	12,000
13	Surplus Property Revolving Fund	
14	Reserve Account	4,400
15	Federal Program Receipts	499,500
16	Second Injury Fund Reserve Account	<u>1,600</u>
17		\$7,156,000

18 * Sec. 3. (a) The sum of \$14,189,700 plus the amount necessary to pay
19 for the cost-of-living adjustments required by Article XXXVIII, section 2
20 of the labor agreement between the State of Alaska and the Alaska Public
21 Employees Association covering the general government unit signed April 14,
22 1975 is appropriated to the Department of Administration for the purpose of
23 paying the agreed increases in employee salaries and benefits in FY 1976.

24 (b) The specific appropriation made in (a) of this section is from
25 the following sources:

26	General Fund	\$12,000,800
27	International Airport Revenue Fund	408,700
28	Fish and Game Fund	136,200
29	Highway Working Capital Fund	46,800

1	Teachers Retirement Fund	32,600
2	Public Employee Retirement Fund	36,600
3	Agricultural Revolving Loan Fund	5,600
4	Veteran's Revolving Loan Fund	59,600
5	FICA Fund Reserve Account	5,600
6	Surplus Property Revolving Fund Reserve Account	25,500
7	Sick and Disabled Fisherman's Fund Reserve Account	5,600
8	Donated Commodities Handling Fee Reserve Account	5,600
9	Federal Program Receipts	1,418,900
10	Second Injury Fund Reserve Account	<u>5,600</u>
11		\$14,189,700

12 (c) The portion of the appropriation in (a) of this section beyond the
13 specified amount shall be charged to the sources in (b) of this section on
14 a pro rata basis.

15 * Sec. 4. The sum of \$4,266,600 plus the excess amount necessary to pay
16 for the cost-of-living escalator required by Article 8.3 of the community
17 college faculty contract between the University of Alaska and the Alaska
18 Community Colleges Federation of Teachers Local 2404 in effect August 5,
19 1975 -- June 30, 1976, is appropriated from the general fund to the Depart-
20 ment of Administration for the purpose of paying agreed increases in employee
21 salaries and benefits in FY 1976.

22 * Sec. 5. The sum of \$5,970,900 is appropriated from the general fund
23 to the Department of Administration for the purpose of paying salary
24 increases for those state employees not covered by labor agreements in FY
25 1976.

26 * Sec. 6. The sum of \$539,500 is appropriated from the general fund to
27 the Department of Administration for the purpose of paying for increases in
28 per diem for employees not covered under the general government unit or the
29 supervisory unit labor agreements, and members of state boards, in FY 1976.

1 * Sec. 7. The unexpended and unobligated portion of this appropriation
2 lapses into the fund or account from which it was originally appropriated
3 June 30, 1976.

4 * Sec. 8. Notwithstanding the provisions of AS 37.07.080(e) pertaining
5 to appropriation transfers, the division of budget and management is
6 authorized to transfer the appropriated amounts shown in sections 1(a),
7 2(a), 3(a), 4, 5, and 6 of this Act between program categories or agencies
8 as required for salary increase purposes.

9 * Sec. 9. This Act takes effect on July 1, 1975.
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Introduced: 5/2/75
Referred: State Affairs and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 414

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Administration for salary increases re-
8 quired by statute or agreed to in recent labor
9 negotiations with state employees; and providing for
10 an effective date."

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

12 * Section 1. (a) The sum of \$2,999,800 plus the amount necessary to
13 pay for the cost-of-living adjustments required by Article XXIII, section
14 2 of the labor agreement between the State of Alaska and the Alaska Public
15 Employees Association covering the Supervisory Unit Employees signed
16 December 13, 1974 is appropriated to the Department of Administration for
17 the purpose of paying the agreed increases in employee salaries for FY
18 1976.

19 (b) The specific appropriation made in (a) of this section is from
20 the following sources:

21 General Fund	\$2,588,900
22 International Airport Revenue Fund	36,600
23 Fish and Game Fund	53,700
24 Highway Working Capital Fund	62,600
25 Federal Program Receipts	<u>258,000</u>
26	\$2,999,800

27 (c) The portion of the appropriation in (a) of this section beyond
28 the specified amount shall be charged to the sources in (b) of this section
29 on a pro rata basis.

1 * Sec. 2. (a) The sum of \$7,156,000 is appropriated to the Department
2 of Administration for the purpose of paying the cost-of-living adjustment
3 effective February 16, 1975 for all eligible employees.

4 (b) The appropriation made in (a) of this section is from the following
5 sources:

6	General Fund	\$6,381,300
7	International Airport Revenue Fund	152,900
8	Fish and Game Fund	63,600
9	Highway Working Capital Fund	31,300
10	Teachers Retirement Fund	4,700
11	Public Employee Retirement Fund	4,700
12	Veteran's Revolving Loan Fund	12,000
13	Surplus Property Revolving Fund	
14	Reserve Account	4,400
15	Federal Program Receipts	499,500
16	Sec 1d Injury Fund Reserve Account	<u>1,600</u>
17		\$7,156,000

18 * Sec. 3. (a) The sum of \$14,189,700 plus the amount necessary to pay
19 for the cost-of-living adjustments required by Article XXXVIII, section 2
20 of the labor agreement between the State of Alaska and the Alaska Public
21 Employees Association covering the general government unit signed April 14,
22 1975 is appropriated to the Department of Administration for the purpose of
23 paying the agreed increases in employee salaries and benefits in FY 1976.

24 (b) The specific appropriation made in (a) of this section is from
25 the following sources:

26	General Fund	\$12,000,800
27	International Airport Revenue Fund	408,700
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29	Highway Working Capital Fund	46,800

1	Teachers Retirement Fund	32,600
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3	Agricultural Revolving Loan Fund	5,600
4	Veteran's Revolving Loan Fund	59,600
5	FICA Fund Reserve Account	5,600
6	Surplus Property Revolving Fund Reserve Account	25,500
7	Sick and Disabled Fisherman's Fund Reserve Account	5,600
8	Donated Commodities Handling Fee Reserve Account	5,600
9	Federal Program Receipts	1,418,900
10	Second Injury Fund Reserve Account	<u>5,600</u>
11		\$14,189,700

12 (c) The portion of the appropriation in (a) of this section beyond the
13 specified amount shall be charged to the sources in (b) of this section on
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15 * Sec. 4. The sum of \$4,266,600 plus the excess amount necessary to pay
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18 Community Colleges Federation of Teachers Local 2404 in effect August 5,
19 1975 -- June 30, 1976, is appropriated from the general fund to the Depart-
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21 salaries and benefits in FY 1976.

22 * Sec. 5. The sum of \$5,970,900 is appropriated from the general fund
23 to the Department of Administration for the purpose of paying salary
24 increases for those state employees not covered by labor agreements in FY
25 1976.

26 * Sec. 6. The sum of \$539,500 is appropriated from the general fund to
27 the Department of Administration for the purpose of paying for increases in
28 per diem for employees not covered under the general government unit or the
29 supervisory unit labor agreements, and members of state boards, in FY 1976.

1 * Sec. 7. The unexpended and unobligated portion of this appropriation
2 lapses into the fund or account from which it was originally appropriated
3 June 30, 1976.

4 * Sec. 8. Notwithstanding the provisions of AS 37.07.080(e) pertaining
5 to appropriation transfers, the division of budget and management is
6 authorized to transfer the appropriated amounts shown in sections 1(a),
7 2(a), 3(a), 4, 5, and 6 of this Act between program categories or agencies
8 as required for salary increase purposes.

9 * Sec. 9. This Act takes effect on July 1, 1975.

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Introduced: 5/2/75
Referred: State Affairs and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 414

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
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17 the purpose of paying the agreed increases in employee salaries for FY
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19 (b) The specific appropriation made in (a) of this section is from
20 the following sources:

21	General Fund	\$2,588,900
22	International Airport Revenue Fund	36,600
23	Fish and Game Fund	53,700
24	Highway Working Capital Fund	62,600
25	Federal Program Receipts	<u>258,000</u>
26		\$2,999,800

27 (c) The portion of the appropriation in (a) of this section beyond
28 the specified amount shall be charged to the sources in (b) of this section
29 on a pro rata basis.

1 * Sec. 2. (a) The sum of \$7,156,000 is appropriated to the Department
2 of Administration for the purpose of paying the cost-of-living adjustment
3 effective February 16, 1975 for all eligible employees.

4 (b) The appropriation made in (a) of this section is from the following
5 sources:

6	General Fund	\$6,381,300
7	International Airport Revenue Fund	152,900
8	Fish and Game Fund	63,600
9	Highway Working Capital Fund	31,300
10	Teachers Retirement Fund	4,700
11	Public Employee Retirement Fund	4,700
12	Veteran's Revolving Loan Fund	12,000
13	Surplus Property Revolving Fund	
14	Reserve Account	4,400
15	Federal Program Receipts	499,500
16	Second Injury Fund Reserve Account	<u>1,600</u>
17		\$7,156,000

18 * Sec. 3. (a) The sum of \$14,189,700 plus the amount necessary to pay
19 for the cost-of-living adjustments required by Article XXXVIII, section 2
20 of the labor agreement between the State of Alaska and the Alaska Public
21 Employees Association covering the general government unit signed April 14,
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24 (b) The specific appropriation made in (a) of this section is from
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26	General Fund	\$12,000,800
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7	Sick and Disabled Fisherman's Fund Reserve Account	5,600
8	Donated Commodities Handling Fee Reserve Account	5,600
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10	Second Injury Fund Reserve Account	<u>5,600</u>
11		\$14,189,700

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15 * Sec. 4. The sum of \$4,266,600 plus the excess amount necessary to pay
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17 college faculty contract between the University of Alaska and the Alaska
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20 ment of Administration for the purpose of paying agreed increases in employee
21 salaries and benefits in FY 1976.

22 * Sec. 5. The sum of \$^{3,909,400}5,970,900 is appropriated from the general fund
23 to the Department of Administration for the purpose of paying salary
24 increases for those state employees not covered by labor agreements in FY
25 1976.

26 * Sec. 6. The sum of \$539,500 is appropriated from the general fund to
27 the Department of Administration for the purpose of paying for increases in
28 per diem for employees not covered under the general government unit or the
29 supervisory unit labor agreements, and members of state boards, in FY 1976.

1 * Sec. 7. The unexpended and unobligated portion of this appropriation
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4 * Sec. 8. Notwithstanding the provisions of AS 37.07.080(e) pertaining
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11	Public Employee Retirement Fund	4,700
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13	Surplus Property Revolving Fund	
14	Reserve Account	4,400
15	Federal Program Receipts	499,500
16	Second Injury Fund Reserve Account	<u>1,600</u>
17		\$7,156,000

18 * Sec. 3. (a) The sum of \$14,189,700 plus the amount necessary to pay
19 for the cost-of-living adjustments required by Article XXXVIII, section 2
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1	Teachers Retirement Fund	32,600
2	Public Employee Retirement Fund	36,600
3	Agricultural Revolving Loan Fund	5,600
4	Veteran's Revolving Loan Fund	59,600
5	FICA Fund Reserve Account	5,600
6	Surplus Property Revolving Fund Reserve Account	25,500
7	Sick and Disabled Fisherman's Fund Reserve Account	5,600
8	Donated Commodities Handling Fee Reserve Account	5,600
9	Federal Program Receipts	1,418,900
10	Second Injury Fund Reserve Account	<u>5,600</u>
11		\$14,189,700

12 (c) The portion of the appropriation in (a) of this section beyond the
13 specified amount shall be charged to the sources in (b) of this section on
14 a pro rata basis.

15 * Sec. 4. The sum of \$4,266,600 plus the excess amount necessary to pay
16 for the cost-of-living escalator required by Article 8.3 of the community
17 college faculty contract between the University of Alaska and the Alaska
18 Community Colleges Federation of Teachers Local 2404 in effect August 5,
19 1975 -- June 30, 1976, is appropriated from the general fund to the Depart-
20 ment of Administration for the purpose of paying agreed increases in employee
21 salaries and benefits in FY 1976.

22 * Sec. 5. The sum of \$5,970,900 is appropriated from the general fund
23 to the Department of Administration for the purpose of paying salary
24 increases for those state employees not covered by labor agreements in FY
25 1976.

26 * Sec. 6. The sum of \$539,500 is appropriated from the general fund to
27 the Department of Administration for the purpose of paying for increases in
28 per diem for employees not covered under the general government unit or the
29 supervisor/ unit labor agreements, and members of state boards, in FY 1976.

1 * Sec. 7. The unexpended and unobligated portion of this appropriation
2 lapses into the fund or account from which it was originally appropriated
3 June 30, 1976.

4 * Sec. 8. Notwithstanding the provisions of AS 37.07.080(e) pertaining
5 to appropriation transfers, the division of budget and management is
6 authorized to transfer the appropriated amounts shown in sections 1(a),
7 2(a), 3(a), 4, 5, and 6 of this Act between program categories or agencies
8 as required for salary increase purposes.

9 * Sec. 9. This Act takes effect on July 1, 1975.
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FY 76 ESTIMATED COSTS OF CONTRACT ITEMS KNOWN

	<u>Supervisors</u>	<u>General Government</u>	<u>Non-Covered Employees</u>	<u>Community College</u>	<u>Per Diem Increase</u>	<u>Feb. 16/75 COLA</u>	<u>TOTAL</u>
TOTAL	2,999.8	14,183.7	5,970.9	4,266.6	539.5	7,156.0	35,122.5
General Fund	2,588.9	12,000.8	5,970.9	4,266.6	539.5	6,381.3	31,747.5
International Airport Revenue Fund	36.6	403.7				152.9	593.2
Fish and Game Fund	53.7	135.2				63.6	253.5
Highway Working Capital Fund	62.6	45.8				31.3	140.7
Teachers Retirement System		32.6				4.7	37.3
Public Employee Retirement System		32.6				4.7	37.3
Agricultural Revolving Loan Fund		5.6					5.6
Veteran's Revolving Loan Fund		50.6				12.0	71.6
FICA Fund Reserve Account		5.6					5.6
Surplus Property Reserve Account		25.5				4.4	29.9
Second Injury Fund Reserve Account		5.6				1.6	7.2
Sick and Disabled Fishermen Fund Reserve Acct.		5.6					5.6
Donated Commodity Fee Reserve Account		5.6					5.6
Federal Program Receipts	258.0	1,411.9				499.5	2,176.4

SUPERVISORS

Adjustments for Cost of Living 8/16/75 & 2/16/76

Monthly			\$1,204,300	
Contract increase	x	<u>1.15</u>		
			\$1,384,900	
COLA 2/16/75		<u>1.04</u>		
			\$1,440,300	
Est adjustment 8/16/76	x	<u>1%</u>		
			\$ 14,400	
	x	<u>10.5</u>		months
Additional cost of 4.49% increase in consumer price index resulting in a 1% increase in pay			\$ 151,200	
	x	<u>1.18</u>		benefits
			\$ 178,400	8/16
			\$1,454,700	
	x	<u>1%</u>		2/16
			\$ 14,500	
	x	<u>4.50</u>		
			\$ 65,300	
	x	<u>1.18</u>		
			\$ 77,100	
Cost of 9% inflation during calendar 1975			\$ <u>255,500</u>	

FUNDING:

General Fund		\$ 220,500
Fish and Game Fund		4,600
Highway Working Capital Fund		5,300
International Airport Revenue Fund		3,100
Federal Receipts		22,000

FY 76 COST OF SUPERVISOR'S CONTRACT
Excluding 8/15 & 2/16/76 COLA

Calculated FY 75 Cost	7 1/2 Months	\$1,598.7
	Cost per month	213.2
	12 month cost	x <u>12</u>
FY 76 Cost based on FY 75 positions		\$2,557.9
Assume new positions		<u>1,057</u>
Merit Increase cost		2,703.7
		<u>1.015</u>
FY 76 Cost of Supervisor's Contract		<u>\$2,744.3</u>

FUNDING:

General Fund	\$2,368.4
Fish and Game Fund	49.1
Highway Working Capital Fund	57.3
Federal	236.0
International Airport Revenue Fund	<u>33.5</u>
	\$2,744.3

GENERAL GOVERNMENT

Adjustment 1/1/76 est 9%

Adjustment of 1/1/76 of 9% is anticipated based upon the current contract.

Monthly cost of March (per raise) rates		
Including benefits		\$7,233,700
9% Raise	x	<u>1.09</u>
		\$7,884,700
Increase base for growth in 1976 10%	x	<u>1.10</u>
		\$8,673,200
Increase in pay 1/1/76 9%	x	<u>9%</u>
Cost per month		\$ 780,600
FY 76 Cost of 9% COLA	x	<u>6</u>
Advance 1/1/76 on base		\$4,683,500
Effect area differential change		
532,200 x 9% x 1/2 year		<u>23,900</u>
		\$4,617,400

FUNDING:

General Fund	\$3,905,300
International Airport Revenue Fund	133,000
Fish and Game Fund	44,300
Highway Working Capital Fund	15,200
Teachers Retirement System	10,600
Public Employees Retirement System	10,600
Agricultural Revolving Loan Fund	1,800
Veteran's Revolving Loan Fund	19,400
FICA Fund Reserve Account	1,800
Surplus Property Account	8,300
Second Injury Fund Reserve Account	1,800
Sick and Disabled Fishermen Fund Reserve Account	1,800
Donated Commodity Fee Reserve Account	1,800
Federal Program Receipts	461,700

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GENERAL GOVERNMENT FY 76 COSTS
Excluding 1/1/76 Adjustment

Cost calculated by adjusting the FY 75 cost for the following factors:

- 1) increase to 12 month funding
- 2) increase for new positions 5.7%
- 3) merit increase 1.5%
- 4) reclassifications and full funding 2.8%

Items 2, 3, and 4 would result in a 10% increase for FY 76 which appears reasonable when compared to the personal services in the FY 75 budget plus revised of \$230,237,700 versus the FY 76 request of \$252,324,600. This represents a 9.6% increase.

$\$7,233,700 \times 9\% \times 12$	(9% raise)	\$7,812,400
$\$7,233,700 \times 15\% \times 3.75\% \times 12 \times$	(1.09) (area differential)	532,200
300 (employees) $\times 11$ (days) $\times \$48$	(holidays)	158,400
43,800 (days) $\times \$5$	(per diem)	219,000
10% adjustment to pay items		850,300
 Total FY 76 Cost		 \$9,572,300

GENERAL GOVERNMENT CONTRACT FY 75/FY 76

Estimated FY 75 and FY 76 Operating Budget Cost increase for the General Government Contract as applied to the General Government Bargaining unit employees are as follows:

		<u>FY 75</u>	<u>FY 76</u>
Total Estimated Cost		<u>\$4,698,200</u>	<u>\$9,572,300</u>
Funding:			
General Fund	84.57%	3,973,200	8,095,500
International Airport Revenue Fund	2.88%	135,300	275,700
Fish and Game Fund	.96%	45,100	91,900
Highway Working Capital Fund	.33%	15,500	31,600
Teachers Retirement System	.23%	10,800	22,000
Public Employees Retirement System	.23%	10,800	22,000
Agricultural Revolving Loan Fund	.04%	1,900	3,800
Veteran's Revolving Loan Fund	.42%	19,700	40,200
FICA Fund Reserve Account	.04%	1,900	3,800
Surplus Property Account	.18%	8,500	17,200
Second Injury Fund	.04%	1,900	3,800
Sick and Disabled Fishermen's Fund	.04%	1,900	3,800
Donated Commodities Fee Reserve Account	.04%	1,900	3,800
Federal Program Receipts	10.00%	469,800	957,200

COST CALCULATIONS FOR GENERAL GOVERNMENT UNIT

	<u># of</u> <u>Employees</u>	<u>Average</u> <u>Salary</u>	<u>Total</u>
Total per 3/26/75 Report	5,365	14,001	75,118.9
Less Capital Improvement positions	<u>367</u>	<u>15,139</u>	<u>5,556.2</u>
	4,998	13,918	69,562.7
Estimated Overtime			<u>4,000.0</u>
Yearly base salary at March Rates benefits @ 18%			<u>73,562.7</u> <u>13,241.3</u>
Yearly Cost in Operating Budget			\$86,804.0
		divided by	<u>12</u>
Monthly Cost at March rates			7,233.70
		divided by	<u>1.04</u>
Monthly Cost at February rates			6,955.40

COST CALCULATIONS

Article XXXVIII Section 1a Requires payment of 19.82% pay received for period ending 2/15/75

$$\$6,955,400 \times 19.82\% = \$ 1,378,60$$

Section 1b and c and 2a require adjustment of 9% of pay for periods ending 3/15 and 4/15 and implementation of the pay schedule effective 4/16/75. The effect of these is the same as an adjustment of 9% for the remainder of the year based on March rates of pay

$$\$7,233,700 \times .9\% \times 4.5 \text{ months} = \$ 2,929,60$$

Section 3 provides for geographic pay differentials. The major change being a 1 step (3.75%) increase for Fairbanks and Valdez. The estimated % affected by this change is 15%. Period of coverage starts 1/1/75. After 19.82% retroactive adjustment 1/1/75 to 2/15/75 pay approximates March pay rates. Therefore the calculation is based upon March rates.

$$(1.09) 7,233,700 \times 15\% \text{ (eligible)} \times 3.75\% \text{ (rate)} \times 6 \text{ (months)} = \$ 266,10$$

Article II Section 2 (d) (I) requires that temporary employees receive pay for holidays. There are an estimated 300 budgeted temporaries that will receive an additional 11 days of pay per year at an estimated rate of \$48 per day (Rg 9c)

\$ 14,400

Article XXXIX. Section I adjusted the basic per diem rate upward by \$5 per day to a short term minimum rate of \$40. Budgeted travel for FY 75 is \$10,500,000 of which 50% is estimated for per diem at an average rate of \$40 per day which yields 131.250 days of per diem. An estimated 1/3 of this would be applicable to General Governments employees for 1/2 year equals 21,900 days of travel

109,500

\$ 4,698,200

Handwritten notes:
Budgetment of Management
Time-Travel
Judge
[Signature]

SALARY INCREASES NON COVERED EMPLOYEES
FY 75 & 76

Total Cost of spreading provisions of general government settlement to non-covered employees.

	75	76
Total Cost	\$2,947,600	\$5,970,900
Funding: General Fund	\$2,947,600*	\$5,970,900

* Funding from any other sources would be negligible because very little of personal services for this group is funded by other sources and it is expected that these other sources are already fully utilized.

FY 76 COSTS

\$4,209,600 x 9% x 12	\$4,546,400
1,797,500 x 3.75% x 1.09 x 12	881,700
Estimated 10% increase in base costs	542,800
	\$5,970,900