

**ALASKA LEGISLATURE**

**2033**

**HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000**

184

**HB**

**30001**

**HFIN**

**FILE**

**HOUSE COMMITTEE REPORT**

(11)

Date Referred to Committee: May 4, 2000

FURTHER REFERRALS:

Date of Committee Action: 5/5/00

The FINANCE Committee considered:

HB 3001

HOUSE BILL NO. 3001

APPROPRIATION: EMPLOYEE SALARY & BENEFITS

"An Act appropriating amounts to cover the fiscal year 2001 monetary terms of the collective bargaining agreements for employees of the University of Alaska and the fiscal year 2001 salary and benefit adjustments for university employees who are not members of a collective bargaining unit; appropriating amounts to cover the fiscal year 2001 monetary terms of all executive branch collective bargaining agreements and the fiscal year 2001 salary and benefit adjustments for elected officials, officers, and employees of the legislative, judicial, and executive branches who are not members of a collective bargaining unit; and providing for an effective date."

recommends it be replaced with the following committee substitute

CS HB 3001 (FIW)

the same title  
 a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Eldon Mulder</i>	Mulder	✓			
<i>Carl Bunde</i>	Bunde	✓			
<i>Allen Austerman</i>	Austerman	X			
<i>J. Daves</i>	J. Daves	X			
<i>Ben Grossardt</i>	Grossardt	X			
<i>Chris P. Moses</i>	Moses	X			
<i>G. Daves</i>	G. Daves	X			
<i>W. Williams</i>	Williams	X			
<i>Phil Phillips</i>	Phillips	✓			
<i>Carl Thurnau</i>	Thurnau			X	
<i>J. Foster</i>	Foster	X			

CHAIR'S SIGNATURE

*Eldon Mulder*  
Mulder

*Carl Thurnau*  
Thurnau

1-GH2084D  
Utermohle  
5/5/00

**CS FOR HOUSE BILL NO. 3001(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - THIRD 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 an appropriation to cover the fiscal year 2001 monetary terms  
2 of the collective bargaining agreements for employees of the University of Alaska  
3 and the fiscal year 2001 salary and benefit adjustments for university employees  
4 who are not members of a collective bargaining unit; making appropriations and  
5 reappropriations to cover the fiscal year 2001 monetary terms of all executive  
6 branch collective bargaining agreements and the fiscal year 2001 salary and benefit  
7 adjustments for elected officials, officers, and employees of the executive branch  
8 who are not members of a collective bargaining unit; making an appropriation  
9 to cover the fiscal year 2001 salary and benefit adjustments for Alaska Court  
10 System employees; making an appropriation to cover the fiscal year 2001 salary  
11 and benefit adjustments for employees of the legislature and to cover the fiscal  
12 year 2001 benefit adjustments, other than lump sum payments, for elected officials

1 of the legislative branch; making a supplemental appropriation for the Medicaid  
2 pro-share program for fiscal year 2000; and providing for an effective date."

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

4 \* **Section 1. EXECUTIVE BRANCH.** (a) Collective Bargaining Agreements. The  
5 appropriations and reappropriations made by sec. 5 of this Act and this subsection for  
6 implementing the monetary terms of the collective bargaining agreements listed in this  
7 subsection for the fiscal year ending June 30, 2001, total \$20,335,700. In addition to the  
8 amounts appropriated or reappropriated by sec. 5 of this Act, the sum of \$11,046,700 is  
9 appropriated from the funding sources listed in (d) of this section to the Office of the  
10 Governor, office of management and budget, for the fiscal year ending June 30, 2001, to  
11 implement the monetary terms of the following collective bargaining agreements:

12 **COLLECTIVE BARGAINING AGREEMENT**

- 13 (1) Alaska Public Employees Association, for the Supervisory Unit;
- 14 (2) Alaska State Employees Association, for the General Government Unit;
- 15 (3) Alaska Vocational Technical Center Teachers Association representing  
16 teachers at the Alaska Vocational Technical Center;
- 17 (4) Alyeska Correspondence School Education Association, representing  
18 teachers at the Alyeska Central School;
- 19 (5) Confidential Employees Association;
- 20 (6) Inlandboatmen's Union of the Pacific, representing the unlicensed marine  
21 unit;
- 22 (7) International Organization of Masters, Mates, and Pilots, Pacific Maritime  
23 Region, for the Masters, Mates, and Pilots Unit;
- 24 (8) Marine Engineers Beneficial Association, representing licensed engineers  
25 employed by the Alaska marine highway system;
- 26 (9) Public Employees Local 71, for the Labor, Trades and Crafts Unit;
- 27 (10) Public Safety Employees Association, for the Correctional Officers Unit;
- 28 (11) Public Safety Employees Association, representing state troopers and other  
29 commissioned law enforcement personnel; and
- 30 (12) Teachers' Education Association of Mt. Edgecumbe.

1 (b) Salary and Benefit Adjustments. The appropriations and reappropriations made  
 2 by sec. 5 of this Act and this subsection for financing the salary and benefit adjustments for  
 3 public officials, officers, and employees of the executive branch who are not members of a  
 4 collective bargaining unit for the fiscal year ending June 30, 2001, total \$2,611,600. In  
 5 addition to the amounts appropriated or reappropriated by sec. 5 of this Act, the sum of  
 6 \$1,586,100 is appropriated from the funding sources listed in (d) of this section to the Office  
 7 of the Governor, office of management and budget, for salary and benefit adjustments for  
 8 public officials, officers, and employees of the executive branch who are not members of a  
 9 collective bargaining unit for the fiscal year ending June 30, 2001.

10 (c) Legislative Intent. It is the intent of the legislature that part of the appropriations  
 11 and reappropriations made or described in (b) of this section is to provide lump sum payments  
 12 of \$1,200, reduced by \$50 for each pay period that the officer or employee was not in pay  
 13 status in fiscal year 2000 and reduced by amounts necessary to pay mandatory employee and  
 14 employer deductions, for

15 (1) classified and partially exempt officers and employees in the executive  
 16 branch of the state government who are not members of a collective bargaining unit  
 17 established under the authority of AS 23.40.070 - 23.40.260 (Public Employment Relations  
 18 Act), employed and in pay status on July 1, 2000; and

19 (2) public officials, officers, and permanent and temporary employees in the  
 20 executive branch of the state government who are in the exempt service under AS 39.25, not  
 21 members of a collective bargaining unit established under AS 23.40.070 - 23.40.260 (Public  
 22 Employment Relations Act), and employed and in pay status on July 1, 2000.

23 (d) Funding Sources and Transfers. (1) The appropriations made in (a) and (b) of  
 24 this section are from the following funding sources:

25 FUNDING SOURCE	AMOUNT
26 Federal receipts	\$ 3,536,100
27 General fund match	157,700
28 Inter-agency receipts	1,725,700
29 Donated commodity handling fee account	2,500
30 Federal incentive payments	52,700
31 Benefit system receipts	46,300

1	Exxon Valde oil spill settlement	42,500
2	Agricultural loan fund	27,500
3	FICA administration fund account	2,800
4	Fish and game fund	388,100
5	Science and technology endowment income	18,500
6	Highway working capital fund	275,000
7	International airports revenue fund	629,900
8	Public employees' retirement fund	75,400
9	Second injury fund reserve account	4,700
10	Disabled fishermen's reserve account	5,600
11	Surplus property revolving fund	6,200
12	Teachers' retirement system fund	31,600
13	Veterans' revolving loan fund	2,900
14	Commercial fishing loan fund	52,100
15	General fund/mental health	593,200
16	Real estate surety fund	2,900
17	National guard retirement system	1,500
18	Training and building fund	9,100
19	Permanent fund dividend fund	90,900
20	Rural development initiative fund	1,800
21	Oil/hazardous prevention/response	178,200
22	Interagency receipts/oil and hazardous waste	18,500
23	Capital improvement project receipts	1,626,000
24	Public school fund	400
25	Fisheries enhancement revolving loan fund	7,500
26	Alternative energy revolving loan fund	3,000
27	Alaska clean water loan fund	6,100
28	Marine highway system fund	1,633,600
29	Storage tank assistance fund	14,800
30	Information services fund	196,700
31	Mental health trust authority authorized receipts	61,800

1	Clean air protection fund	43,000
2	Mental health trust administration	11,200
3	Children's trust fund earnings	300
4	Alaska drinking water fund	7,000
5	Alaska Industrial Development and Export Authority receipts	52,200
6	Alaska Housing Finance Corporation receipts	222,000
7	Alaska Municipal Bond Bank receipts	1,300
8	Alaska Permanent Fund Corporate receipts	78,500
9	Post-secondary education commission receipts	158,800
10	Designated program receipts	295,700
11	Test fisheries receipts	67,800
12	International trade and business endowment income	4,300
13	Pioneers' homes receipts	55,900
14	Indirect cost reimbursement	20,200
15	Regulatory Commission of Alaska receipts	81,300
16	Public building fund	3,500

17           (2) The sum of \$980,200 is appropriated from the general fund to the Alaska  
 18 marine highway system fund (AS 19.65.060(a)) to transfer a sufficient balance to finance  
 19 appropriations made in (a) and (b) of this section for employees of the Alaska marine highway  
 20 system.

21           (e) Effects of Nonratification. If a collective bargaining agreement listed in (a) of this  
 22 section is not ratified by the membership of the respective collective bargaining unit, the  
 23 appropriations and reappropriations made by this Act that are applicable to that collective  
 24 bargaining unit's agreement are reduced proportionately by the amount for that collective  
 25 bargaining agreement, and the corresponding funding source amounts listed in this section are  
 26 reduced accordingly.

27       \* **Sec. 2. ALASKA COURT SYSTEM.** (a) Salary and Benefit Adjustments. The sum  
 28 of \$1,154,500 is appropriated from the general fund to the Alaska Court System for salary and  
 29 benefit adjustments for Alaska Court System employees for the fiscal year ending June 30,  
 30 2001.

31           (b) Legislative Intent. It is the intent of the legislature that part of the appropriation

# CORRECTION

THE FOLLOWING DOCUMENT(S)  
HAVE BEEN REFILMED TO  
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services  
Department of Education & Early Development  
State of Alaska

1	Clean air protection fund	43,000
2	Mental health trust administration	11,200
3	Children's trust fund earnings	300
4	Alaska drinking water fund	7,000
5	Alaska Industrial Development and Export Authority receipts	52,200
6	Alaska Housing Finance Corporation receipts	222,000
7	Alaska Municipal Bond Bank receipts	1,300
8	Alaska Permanent Fund Corporate receipts	78,500
9	Post-secondary education commission receipts	158,800
10	Designated program receipts	295,700
11	Test fisheries receipts	67,800
12	International trade and business endowment income	4,300
13	Pioneers' homes receipts	55,900
14	Indirect cost reimbursement	20,200
15	Regulatory Commission of Alaska receipts	81,300
16	Public building fund	3,500

17           (2) The sum of \$980,200 is appropriated from the general fund to the Alaska  
18 marine highway system fund (AS 19.63.060(a)) to transfer a sufficient balance to finance  
19 appropriations made in (a) and (b) of this section for employees of the Alaska marine highway  
20 system.

21           (e) Effects of Nonratification. If a collective bargaining agreement listed in (a) of this  
22 section is not ratified by the membership of the respective collective bargaining unit, the  
23 appropriations and reappropriations made by this Act that are applicable to that collective  
24 bargaining unit's agreement are reduced proportionately by the amount for that collective  
25 bargaining agreement, and the corresponding funding source amounts listed in this section are  
26 reduced accordingly.

27       \* **Sec. 2. ALASKA COURT SYSTEM.** (a) Salary and Benefit Adjustments. The sum  
28 of \$1,154,500 is appropriated from the general fund to the Alaska Court System for salary and  
29 benefit adjustments for Alaska Court System employees for the fiscal year ending June 30,  
30 2001.

31           (b) Legislative Intent. It is the intent of the legislature that part of the appropriation

1 made in (a) of this section is to provide lump sum payments of \$1,200, reduced by \$50 for  
2 each pay period that the employee was not in pay status in fiscal year 2000 and reduced by  
3 amounts necessary to pay mandatory employee and employer deductions, for

4 (1) justices of the state supreme court, judges of the state court of appeals,  
5 state superior court judges, state district court judges, and state magistrates, employed and in  
6 pay status on July 1, 2000; and

7 (2) permanent and temporary employees in the judicial branch of the state  
8 government, other than magistrates and judicial officers, who are not members of a collective  
9 bargaining unit established under AS 23.40.070 - 23.40.260 (Public Employment Relations  
10 Act), and are employed and in pay status on July 1, 2000.

11 \* Sec. 3. UNIVERSITY OF ALASKA. (a) Salary and Benefit Adjustments; Collective  
12 Bargaining Agreements. The sum of \$6,426,300 is appropriated from the funding sources  
13 listed in (b) of this section to the University of Alaska for the fiscal year ending June 30,  
14 2001, for salary and benefit adjustments for university employees who are not members of a  
15 collective bargaining unit and to implement the monetary terms of the collective bargaining  
16 agreements of the

17 (1) University of Alaska Classified Employees Association;

18 (2) Alaska Community Colleges' Federation of Teachers;

19 (3) United Academics; and

20 (4) United Academics - Adjuncts.

21 (b) The fund sources for the appropriation made in (a) of this section are as follows:

22	General fund receipts	\$5,161,100
23	University receipts	939,400
24	Federal receipts	226,300
25	Auxiliary receipts	99,500

26 \* Sec. 4. LEGISLATURE. (a) Salary and Benefit Adjustments. The sum of \$634,000  
27 is appropriated from the general fund to the legislature for salary and benefit adjustments for  
28 legislators and employees of the legislature for the fiscal year ending June 30, 2001.

29 (b) Legislative Intent. It is the intent of the legislature that part of the appropriation  
30 made in (a) of this section is to provide lump sum payments of \$1,200 to employees of the  
31 legislature, but not legislators, and that the lump sum payments be reduced by \$50 for each

1 pay period that the employee was not in pay status in fiscal year 2000 and reduced by  
2 amounts necessary to pay mandatory employee and employer deductions, for

3 (1) employees of the legislature under AS 24, employed and in pay status on  
4 July 1, 2000; and

5 (2) employees of the legislature who would otherwise be entitled to payment  
6 under (1) of this subsection but who are not employed or in pay status on July 1, 2000,  
7 because their employment was limited to the legislative session.

8 \* **Sec. 5. ADDITIONAL FINANCING SOURCES.** (a) Reappropriations. To implement  
9 the monetary terms of the collective bargaining agreements, and to pay salary and benefit  
10 adjustments, described in sec. 1 of this Act for the fiscal year ending June 30, 2001, the  
11 following appropriations are reappropriated to the Office of the Governor, office of  
12 management and budget:

13 (1) the unexpended and unobligated general fund balance on June 30, 2000,  
14 of the appropriation made in sec. 135, ch. 103, SLA 1995, page 55, line 32, that is allocated  
15 on page 55, lines 33 - 34 (Hyder - Water and Sewer Feasibility Study - \$50,000);

16 (2) the unexpended and unobligated general fund balance on June 30, 2000,  
17 of the appropriation made in sec. 135, ch. 103, SLA 1995, page 55, line 32, that is allocated  
18 on page 56, lines 25 - 26 (Fort Yukon - Master Plan/Solid Waste - \$80,000);

19 (3) the unexpended and unobligated general fund balance on June 30, 2000,  
20 of the appropriation made in sec. 135, ch. 103, SLA 1995, page 55, line 32, that is allocated  
21 on page 56, lines 29 - 31 (Mentasta Lake Village - Water and Sewer Feasibility Study -  
22 \$50,000);

23 (4) the unexpended and unobligated general fund balance on June 30, 2000,  
24 of the appropriation made in sec. 135, ch. 103, SLA 1995, page 55, line 32, that is allocated  
25 on page 57, lines 36 - 38 (Shaktoolik - Village and School Sewage System Study - \$113,600);

26 (5) the unexpended and unobligated general fund balance on June 30, 2000,  
27 of the appropriation made in sec. 135, ch. 103, SLA 1995, page 55, line 32, that is allocated  
28 on page 57, line 24 (Gambell - Water/Sewer - \$1,520,000);

29 (6) the unexpended and unobligated general fund balance on June 30, 2000,  
30 of the appropriation made in sec. 21(f), ch. 123, SLA 1996 (Talkeetna water and sewer project  
31 and pressure tank replacement);

1 (7) the unexpended and unobligated general fund balance on June 30, 2000,  
 2 of the appropriation made in sec. 82, ch. 100, SLA 1997, page 44, line 34, that is allocated  
 3 on page 45, lines 12 - 13 (City of Hughes - Sanitation Feasibility Study - \$60,000);

4 (8) the unexpended and unobligated balance on June 30, 2000, of the  
 5 appropriation under sec. 7, ch. 84, SLA 1999, for emergency housing assistance, as described  
 6 in revised program 04-6-0042 in compliance with the program review procedures of  
 7 AS 37.07.080(h).

8 (b) Miscellaneous Appropriations and Reappropriations. To implement the monetary  
 9 terms of the collective bargaining agreements, and to pay salary and benefit adjustments,  
 10 described in sec. 1 of this Act for the fiscal year ending June 30, 2001, the following are  
 11 appropriated or reappropriated to the Office of the Governor, office of management and  
 12 budget:

13 (1) the unexpended and unobligated general fund balance on June 30, 2000,  
 14 of the appropriation made by sec. 43, ch. 84, SLA 1999, page 23, line 30, as amended by CCS  
 15 HB 312, Twenty-First Alaska State Legislature, by HCS CSSB 192(FIN) am H, Twenty-First  
 16 Alaska State Legislature, and by sec. 4, ch. 8, SLA 2000 (K-12 Support - \$762,280,800);

17 (2) the sum of \$82,000 of the general fund appropriation made in sec. 33(e),  
 18 HCS CSSB 192(FIN) am H, Twenty-First Alaska State Legislature, with allocations reduced  
 19 proportionately (Department of Transportation and Public Facilities - \$820,000).

20 (c) Investment Loss Trust Fund Source. The sum of \$55,600 is appropriated from the  
 21 investment loss trust fund (AS 37.14.300) to the Office of the Governor, office of management  
 22 and budget, to implement the monetary terms of the collective bargaining agreements, and to  
 23 pay salary and benefit adjustments, described in sec. 1 of this Act, for the fiscal year ending  
 24 June 30, 2001.

25 (d) Department of Fish and Game Source.

26 (1) Section 1, HCS CSSB 192(FIN) am H, Twenty-First Alaska State  
 27 Legislature, page 13, lines 9 - 11, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
30 Copper River (Miles Lake)	250,000	[250,000]	<u>250,000</u>
31 Sonar Site Upgrade and			

1 Equipment Purchase (ED 35)

2 (2) Section 1, HCS CSSB 192(FIN) am H, Twenty-First Alaska State  
3 Legislature, page 13, lines 19 - 21, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
6 Mariculture Development and	100,000	[100,000]	<u>100,000</u>
7 Permit Evaluation Program			
8 (ED 3-4)			

9 (3) Section 1, HCS CSSB 192(FIN) am H, Twenty-First Alaska State  
10 Legislature, page 13, lines 31 - 32, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
13 Vessel and Aircraft Repair	200,000	[200,000]	<u>200,000</u>
14 and Maintenance (ED 99)			

15 (4) Section 2, HCS CSSB 192(FIN) am H, Twenty-First Alaska State  
16 Legislature, page 61, lines 12 - 14, funding sources for the Department of Fish and Game, is  
17 amended to read:

18 [GENERAL FUND RECEIPTS]		[550,000]	
19 Fish and Game Fund		328,000	
20 Receipt Supported Services		<u>1,600,000</u>	[1,050,000]

21 (5) Section 1, CCS HB 312, Twenty-First Alaska State Legislature, page 11,  
22 line 24, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
25 Commercial Fisheries	43,583,500	<u>24,126,300</u>	<u>19,457,200</u>
26		[24,476,300]	[19,107,200]

27 (6) Section 3, CCS HB 312, Twenty-First Alaska State Legislature, page 44,  
28 line 18, funding sources for the Department of Fish and Game, is amended to read:

29 General Fund Receipts		<u>29,101,100</u>	[29,451,100]
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30 (7) Section 3, CCS HB 312, page 44, following line 24, funding sources for  
31 the Department of Fish and Game, insert new material to read:



1 amount of the shortfall, not to exceed \$612,000, is appropriated from the general fund.

2 (3) The sum of \$818,000, from general fund savings realized by the longevity  
3 bonus grant program, is appropriated from the general fund to the Office of the Governor,  
4 office of management and budget, to implement the monetary terms of the collective  
5 bargaining agreements, and to pay salary and benefit adjustments, described in sec. 1 of this  
6 Act, for the fiscal year ending June 30, 2001.

7 (g) Debt Service Offset. Section 34(c), CCS HB 312, Twenty-First Alaska State  
8 Legislature, is amended to read:

9 (c) The sum of \$9,789,234 [\$13,813,530] is appropriated to the Alaska debt  
10 retirement fund (AS 37.15.011) from the following sources:

11 (1) General fund \$9,389,234 [\$13,413,530]

12 (2) the unexpended and unobligated general  
13 fund balance on June 30, 2000, of the  
14 appropriation made by sec. 43, ch. 84,  
15 SLA 1999, page 23, line 30 (K-12 support -  
16 \$762,280,800) in the amount of \$ 400,000

17 \* Sec. 6. Section 5(e) of this Act is retroactive to April 30, 2000.

18 \* Sec. 7. Section 5(e) of this Act takes effect immediately under AS 01.10.070(c).

19 \* Sec. 8. Except as provided in sec. 7 of this Act, this Act takes effect July 1, 2000.

**HB**

**30001**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 5/5/00

FURTHER:

REPORTED OUT OF  
SFC 5/6/00

DATE TURNED  
IN TO OFFICE: 6 May 2000

Finance Committee considered CS FOR HOUSE BILL NO. 3001(FIN) am

APPROPRIATION: EMPLOYEE SALARY & BENEFITS

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

Senate Bill:

- same title
- new title
- House Bill:
- same title
- technical title
- new: SCR<sup>f</sup> \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Al Das</i>	x	<i>Steve Hill</i>	✓		
		<i>Linda Meyer</i>	✓		
		<i>Patricia Kelly</i>	✓		
		<i>Janet Jones</i>	✓		
		<i>Gary White</i>	✓		
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>Karl Farnell</i>	✓	Co-Chair:			

**NEW FISCAL NOTE(S):**

Department                      Date      Zero      Fiscal


**PREVIOUS FISCAL NOTE(S):\***

Department                      Date      Zero      Fiscal


APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

**HB**

**30002**

**HFIN**

**FILE**

**HOUSE COMMITTEE REPORT**

(11)

Date Referred to Committee: May 4, 2000

FURTHER REFERRALS:

Date of Committee Action: 5/5/00

The FINANCE Committee considered:

HB 3002

HOUSE BILL NO. 3002

NONUNION PUBLIC EMPLOYEE SALARY & BENEFIT

"An Act relating to the compensation of certain public officials, officers, and employees not covered by collective bargaining agreements; and providing for an effective date."

recommends it be replaced with the following committee substitute HCS HB 3002 (Fin)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal note(s) \_\_\_\_\_  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) HFC for VA  zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Tom Therrault</i>	Therrault			X	
<i>Ellen Mauler</i>	Mauler	X			
<i>Van Bunde</i>	Bunde	X			
<i>Ellen Austerman</i>	Austerman	X			
<i>J. Davies</i>	J. Davies	X			
<i>Grussendorf</i>	Grussendorf	X			
<i>Moses</i>	Moses	X			
<i>G. Davis</i>	G. Davis	X			
<i>W.R. Williams</i>	Williams	X			
<i>Phillips</i>	Phillips	X			
<i>Foster</i>	Foster	X			

CO

CHAIR'S SIGNATURE

*Tom Therrault* *Ellen Mauler*  
 Therrault Mauler

FISCAL NOTE

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

BILL NO. HB 3002

Revision Date: \_\_\_\_\_  
Title: Compensation for certain state officials  
Sponsor: House Rules by Request of the Governor  
Requester: \_\_\_\_\_

Dept. Affected University of Alaska  
BRU Statewide  
Component \_\_\_\_\_  
Component Serial No. \_\_\_\_\_

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES [ ]						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY00) cost: \_\_\_\_\_

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Funding for HB 3002 is contained in HB 3001.

Prepared by

Eldon Mulder  
Rep. Eldon Mulder, Co-Chair House Finance Committee  
Gene Therriault  
Rep. Gene Therriault, Co-Chair House Finance Committee

Phone 465-2647

Phone 465-4797

Date 5/5/00

APR-17-00 MON 12:40

DIV OF PERSONNEL

FAX NO. 907 485 2576

P. 02/02

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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

April 17, 2000

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

Dear Mr. Tseu:

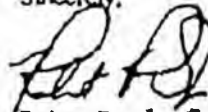
Re: HEALTH INSURANCE SAVINGS

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

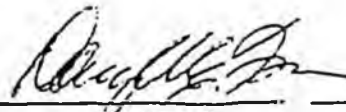
With respect to the specific issue of savings, it was our intent that in the event the Union obtains or establishes a total premium cost per employee through its trust plan that is less than the amount of monthly premium contributions being made by the State, the State will remit fifty percent (50%) of the net savings to individual employees for their exclusive use as a pre-tax contribution to a Health Care Reimbursement Account, or such other distribution as may be determined by the Union or Association. The State of Alaska will retain the remaining fifty-percent (50%) of the savings.

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

Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration

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

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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

April 17, 2000

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

Dear Mr. O'Connell:

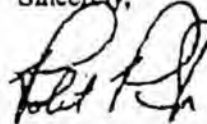
Re: HEALTH INSURANCE SAVINGS

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

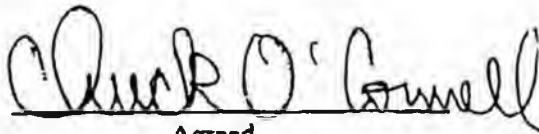
With respect to the specific issue of savings, it was our intent that in the event the Union obtains or establishes a total premium cost per employee through its trust plan that is less than the amount of monthly premium contributions being made by the State, the State will remit fifty percent (50%) of the net savings to individual employees for their exclusive use as a pre-tax contribution to a Health Care Reimbursement Account, or such other distribution as may be determined by the Union or Association. The State of Alaska will retain the remaining fifty-percent (50%) of the savings.

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

Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration



Agreed

4-17-00

Date

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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

April 17, 2000

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

Dear Mr. Ludwig:

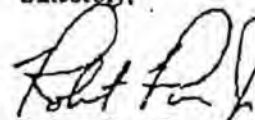
Re: HEALTH INSURANCE SAVINGS

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

With respect to the specific issue of savings, it was our intent that in the event the Union obtains or establishes a total premium cost per employee through its trust plan that is less than the amount of monthly premium contributions being made by the State, the State will remit fifty percent (50%) of the net savings to individual employees for their exclusive use as a pre-tax contribution to a Health Care Reimbursement Account, or such other distribution as may be determined by the Union or Association. The State of Alaska will retain the remaining fifty-percent (50%) of the savings.

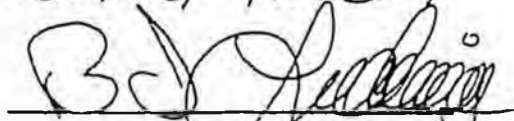
Please acknowledge your agreement with the above by signing and dating in the space provided below. Thank you for your attention to this matter.

Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration

EXISTING INTENT



Agreed

4/17/00

Date

APR-17-00 MON 15:45

P. 02

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110200  
JUNEAU, ALASKA 99811-0200  
PHONE: (907) 465-2300  
FAX: (907) 465-2135

April 17, 2000

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

Dear Mr. Valesko:

Re: HEALTH INSURANCE SAVINGS

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

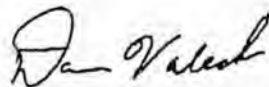
With respect to the specific issue of savings, it was our intent that in the event the Union obtains or establishes a total premium cost per employee through its trust plan that is less than the amount of monthly premium contributions being made by the State, the State will remit fifty percent (50%) of the net savings to individual employees for their exclusive use as a pre-tax contribution to a Health Care Reimbursement Account, or such other distribution as may be determined by the Union or Association. The State of Alaska will retain the remaining fifty-percent (50%) of the savings.

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

Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration



Agreed

April 17, 2000

Date

TONY KNOWLES, GOVERNOR

**DEPARTMENT OF ADMINISTRATION**

OFFICE OF THE COMMISSIONER

P.O. BOX 6200  
JUNEAU, ALASKA 99811-0200  
PHONE: (907) 465-2200  
FAX: (907) 465-2135

April 17, 2000

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

Dear Mr. Perrin:

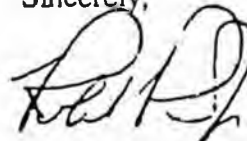
Re: HEALTH INSURANCE SAVINGS

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

With respect to the specific issue of savings, it was our intent that in the event the Union obtains or establishes a total premium cost per employee through its trust plan that is less than the amount of monthly premium contributions being made by the State, the State will remit fifty percent (50%) of the net savings to individual employees for their exclusive use as a pre-tax contribution to a Health Care Reimbursement Account, or such other distribution as may be determined by the Union or Association. The State of Alaska will retain the remaining fifty-percent (50%) of the savings.

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

Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration

  
\_\_\_\_\_  
Agreed

4-17-00  
\_\_\_\_\_  
Date



TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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

April 17, 2000

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

Dear Ms. Mackinnon:

Re: HEALTH INSURANCE SAVINGS

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

With respect to the specific issue of savings, it was our intent that in the event the Union obtains or establishes a total premium cost per employee through its trust plan that is less than the amount of monthly premium contributions being made by the State, the State will remit fifty percent (50%) of the net savings to individual employees for their exclusive use as a pre-tax contribution to a Health Care Reimbursement Account, or such other distribution as may be determined by the Union or Association. The State of Alaska will retain the remaining fifty-percent (50%) of the savings.

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

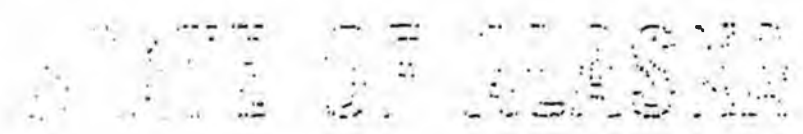
Sincerely,

Robert Poe Jr., Commissioner  
Department of Administration

Margaret Mackinnon  
Agreed

4/17/00

Date



TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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

April 17, 2000

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

Dear Capt. Demeroutis:

Re: HEALTH INSURANCE SAVINGS

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

With respect to the specific issue of savings, it was our intent that in the event the Union obtains or establishes a total premium cost per employee through its trust plan that is less than the amount of monthly premium contributions being made by the State, the State will remit fifty percent (50%) of the net savings to individual employees for their exclusive use as a pre-tax contribution to a Health Care Reimbursement Account, or such other distribution as may be determined by the Union or Association. The State of Alaska will retain the remaining fifty-percent (50%) of the savings.

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

Sincerely,

Robert Poe Jr., Commissioner  
Department of Administration

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

FAX TRANSMITTAL  
STATE OF ALASKA  
Department of Administration

To: Darryl Tseu

Date: 4/17/00

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

Fax#: 586-8222

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

Phone: (907) 465-2200

Fax#: (907) 465-2133

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

Please Call On Receipt

Comments: The legislature has  
clarification of what the  
50% of savings that is  
returned to the employer  
letter reflects our agree-  
state will retain 50% of any savings  
realized - call me if you have any  
questions - fax it back to me as soon  
as possible - today - Monday - 4/17/00.

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

*Leif*

WORK DRAFT

WORK DRAFT

WORK DRAFT

*Adopted*

1-GH2084VD  
Utermohle  
5/5/00

**CS FOR HOUSE BILL NO. 3001(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - THIRD 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 an appropriation to cover the fiscal year 2001 monetary terms  
2 of the collective bargaining agreements for employees of the University of Alaska  
3 and the fiscal year 2001 salary and benefit adjustments for university employees  
4 who are not members of a collective bargaining unit; making appropriations and  
5 reappropriations to cover the fiscal year 2001 monetary terms of all executive  
6 branch collective bargaining agreements and the fiscal year 2001 salary and benefit  
7 adjustments for elected officials, officers, and employees of the executive branch  
8 who are not members of a collective bargaining unit; making an appropriation  
9 to cover the fiscal year 2001 salary and benefit adjustments for Alaska Court  
10 System employees; making an appropriation to cover the fiscal year 2001 salary  
11 and benefit adjustments for employees of the legislature and to cover the fiscal  
12 year 2001 benefit adjustments, other than lump sum payments, for elected officials

WORK DRAFT

WORK DRAFT

1-GH2084\D

1 of the legislative branch; making a supplemental appropriation for the Medicaid  
2 pro-share program for fiscal year 2000; and providing for an effective date."

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

4 \* **Section 1. EXECUTIVE BRANCH.** (a) **Collective Bargaining Agreements.** The  
5 appropriations and reappropriations made by sec. 5 of this Act and this subsection for  
6 implementing the monetary terms of the collective bargaining agreements listed in this  
7 subsection for the fiscal year ending June 30, 2001, total \$20,335,700. In addition to the  
8 amounts appropriated or reappropriated by sec. 5 of this Act, the sum of \$11,046,700 is  
9 appropriated from the funding sources listed in (d) of this section to the Office of the  
10 Governor, office of management and budget, for the fiscal year ending June 30, 2001, to  
11 implement the monetary terms of the following collective bargaining agreements:

12 **COLLECTIVE BARGAINING AGREEMENT**

- 13 (1) Alaska Public Employees Association, for the Supervisory Unit;  
14 (2) Alaska State Employees Association, for the General Government Unit;  
15 (3) Alaska Vocational Technical Center Teachers Association representing  
16 teachers at the Alaska Vocational Technical Center;  
17 (4) Alyeska Correspondence School Education Association, representing  
18 teachers at the Alyeska Central School;  
19 (5) Confidential Employees Association;  
20 (6) Inlandboatmen's Union of the Pacific, representing the unlicensed marine  
21 unit;  
22 (7) International Organization of Masters, Mates, and Pilots, Pacific Maritime  
23 Region, for the Masters, Mates, and Pilots Unit;  
24 (8) Marine Engineers Beneficial Association, representing licensed engineers  
25 employed by the Alaska marine highway system;  
26 (9) Public Employees Local 71, for the Labor, Trades and Crafts Unit;  
27 (10) Public Safety Employees Association, for the Correctional Officers Unit;  
28 (11) Public Safety Employees Association, representing state troopers and other  
29 commissioned law enforcement personnel; and  
30 (12) Teachers' Education Association of Mt. Edgecumbe.

CSHB 3001(FIN)

-2-

New Text Underlined (DELETED TEXT BRACKETED)

L

WORK DRAFT

WORK DRAFT

1-GH2084VD

1 (b) Salary and Benefit Adjustments. The appropriations and reappropriations made  
 2 by sec. 5 of this Act and this subsection for financing the salary and benefit adjustments for  
 3 public officials, officers, and employees of the executive branch who are not members of a  
 4 collective bargaining unit for the fiscal year ending June 30, 2001, total \$2,611,500. In  
 5 addition to the amounts appropriated or reappropriated by sec. 5 of this Act, the sum of  
 6 \$1,586,100 is appropriated from the funding sources listed in (d) of this section to the Office  
 7 of the Governor, office of management and budget, for salary and benefit adjustments for  
 8 public officials, officers, and employees of the executive branch who are not members of a  
 9 collective bargaining unit for the fiscal year ending June 30, 2001.

10 (c) Legislative Intent. It is the intent of the legislature that part of the appropriations  
 11 and reappropriations made or described in (b) of this section is to provide lump sum payments  
 12 of \$1,200, reduced by \$50 for each pay period that the officer or employee was not in pay  
 13 status in fiscal year 2000 and reduced by amounts necessary to pay mandatory employee and  
 14 employer deductions, for

15 (1) classified and partially exempt officers and employees in the executive  
 16 branch of the state government who are not members of a collective bargaining unit  
 17 established under the authority of AS 23.40.070 - 23.40.260 (Public Employment Relations  
 18 Act), employed and in pay status on July 1, 2000; and

19 (2) public officials, officers, and permanent and temporary employees in the  
 20 executive branch of the state government who are in the exempt service under AS 39.25, not  
 21 members of a collective bargaining unit established under AS 23.40.070 - 23.40.260 (Public  
 22 Employment Relations Act), and employed and in pay status on July 1, 2000.

23 (d) Funding Sources and Transfers. (1) The appropriations made in (a) and (b) of  
 24 this section are from the following funding sources:

25 FUNDING SOURCE	25 AMOUNT
26 Federal receipts	\$ 3,536,100
27 General fund match	157,700
28 Inter-agency receipts	1,725,700
29 Donated commodity handling fee account	2,500
30 Federal incentive payments	52,700
31 Benefit system receipts	46,300

	WORK DRAFT	WORK DRAFT	1-GH2084VD
1	Exxon Valdez oil spill settlement		42,500
2	Agricultural loan fund		27,500
3	FICA administration fund account		2,800
4	Fish and game fund		388,100
5	Science and technology endowment income		18,500
6	Highway working capital fund		275,000
7	International airports revenue fund		629,900
8	Public employees' retirement fund		75,400
9	Second injury fund reserve account		4,700
10	Disabled fishermen's reserve account		5,600
11	Surplus property revolving fund		6,200
12	Teachers' retirement system fund		31,600
13	Veterans' revolving loan fund		2,900
14	Commercial fishing loan fund		52,100
15	General fund/mental health		593,200
16	Real estate surety fund		2,900
17	National guard retirement system		1,500
18	Training and building fund		9,100
19	Permanent fund dividend fund		90,900
20	Rural development initiative fund		1,800
21	Oil/hazardous prevention/response		178,200
22	Interagency receipts/oil and hazardous waste		18,500
23	Capital improvement project receipts		1,626,000
24	Public school fund		400
25	Fisheries enhancement revolving loan fund		7,500
26	Alternative energy revolving loan fund		3,000
27	Alaska clean water loan fund		6,100
28	Marine highway system fund		1,633,600
29	Storage tank assistance fund		14,800
30	Information services fund		196,700
31	Mental health trust authority authorized receipts		61,800

	WORK DRAFT	WORK DRAFT	1-GH2084VD
1	Clean air protection fund		43,000
2	Mental health trust administration		11,200
3	Children's trust fund earnings		300
4	Alaska drinking water fund		7,000
5	Alaska Industrial Development and Export Authority receipts		52,200
6	Alaska Housing Finance Corporation receipts		222,000
7	Alaska Municipal Bond Bank receipts		1,300
8	Alaska Permanent Fund Corporate receipts		78,500
9	Post-secondary education commission receipts		158,800
10	Designated program receipts		295,700
11	Test fisheries receipts		67,800
12	International trade and business endowment income		4,300
13	Pioneers' homes receipts		55,900
14	Indirect cost reimbursement		20,200
15	Regulatory Commission of Alaska receipts		81,300
16	Public building fund		3,500

17 (2) The sum of \$980,200 is appropriated from the general fund to the Alaska  
 18 marine highway system fund (AS 19.65.060(a)) to transfer a sufficient balance to finance  
 19 appropriations made in (a) and (b) of this section for employees of the Alaska marine highway  
 20 system.

21 (e) Effects of Nonratification. If a collective bargaining agreement listed in (a) of this  
 22 section is not ratified by the membership of the respective collective bargaining unit, the  
 23 appropriations and reappropriations made by this Act that are applicable to that collective  
 24 bargaining unit's agreement are reduced proportionately by the amount for that collective  
 25 bargaining agreement, and the corresponding funding source amounts listed in this section are  
 26 reduced accordingly.

27 \* Sec. 2. ALASKA COURT SYSTEM. (a) Salary and Benefit Adjustments. The sum  
 28 of \$1,154,500 is appropriated from the general fund to the Alaska Court System for salary and  
 29 benefit adjustments for Alaska Court System employees for the fiscal year ending June 30,  
 30 2001.

31 (b) Legislative Intent. It is the intent of the legislature that part of the appropriation

WORK DRAFT

WORK DRAFT

I-GH2084D

1 made in (a) of this section is to provide lump sum payments of \$1,200, reduced by \$50 for  
2 each pay period that the employee was not in pay status in fiscal year 2000 and reduced by  
3 amounts necessary to pay mandatory employee and employer deductions, for

4 (1) justices of the state supreme court, judges of the state court of appeals,  
5 state superior court judges, state district court judges, and state magistrates, employed and in  
6 pay status on July 1, 2000; and

7 (2) permanent and temporary employees in the judicial branch of the state  
8 government, other than magistrates and judicial officers, who are not members of a collective  
9 bargaining unit established under AS 23.40.070 - 23.40.260 (Public Employment Relations  
10 Act), and are employed and in pay status on July 1, 2000.

11 \* Sec. 3. UNIVERSITY OF ALASKA. (a) Salary and Benefit Adjustments; Collective  
12 Bargaining Agreements. The sum of \$6,426,300 is appropriated from the funding sources  
13 listed in (b) of this section to the University of Alaska for the fiscal year ending June 30,  
14 2001, for salary and benefit adjustments for university employees who are not members of a  
15 collective bargaining unit and to implement the monetary terms of the collective bargaining  
16 agreements of the

17 (1) University of Alaska Classified Employees Association;

18 (2) Alaska Community Colleges' Federation of Teachers;

19 (3) United Academics; and

20 (4) United Academics - Adjuncts.

21 (b) The fund sources for the appropriation made in (a) of this section are as follows:

22	General fund receipts	\$5,161,100
23	University receipts	939,400
24	Federal receipts	226,300
25	Auxiliary receipts	99,500

26 \* Sec. 4. LEGISLATURE. (a) Salary and Benefit Adjustments. The sum of \$634,000  
27 is appropriated from the general fund to the legislature for salary and benefit adjustments for  
28 legislators and employees of the legislature for the fiscal year ending June 30, 2001.

29 (b) Legislative Intent. It is the intent of the legislature that part of the appropriation  
30 made in (a) of this section is to provide lump sum payments of \$1,200 to employees of the  
31 legislature, but not legislators, and that the lump sum payments be reduced by \$50 for each

WORK DRAFT

WORK DRAFT

1-GH2084D

- 1 pay period that the employee was not in pay status in fiscal year 2000 and reduced by  
2 amounts necessary to pay mandatory employee and employer deductions, for  
3 (1) employees of the legislature under AS 24, employed and in pay status on  
4 July 1, 2000; and  
5 (2) employees of the legislature who would otherwise be entitled to payment  
6 under (1) of this subsection but who are not employed or in pay status on July 1, 2000.  
7 because their employment was limited to the legislative session.
- 8 \* Sec. 5. ADDITIONAL FINANCING SOURCES. (a) Reappropriations. To implement  
9 the monetary terms of the collective bargaining agreements, and to pay salary and benefit  
10 adjustments, described in sec. 1 of this Act for the fiscal year ending June 30, 2001, the  
11 following appropriations are reappropriated to the Office of the Governor, office of  
12 management and budget:
- 13 (1) the unexpended and unobligated general fund balance on June 30, 2000,  
14 of the appropriation made in sec. 135, ch. 103, SLA 1995, page 55, line 32, that is allocated  
15 on page 55, lines 33 - 34 (Hyder - Water and Sewer Feasibility Study - \$50,000);  
16 (2) the unexpended and unobligated general fund balance on June 30, 2000,  
17 of the appropriation made in sec. 135, ch. 103, SLA 1995, page 55, line 32, that is allocated  
18 on page 56, lines 25 - 26 (Fort Yukon - Master Plan/Solid Waste - \$80,000);  
19 (3) the unexpended and unobligated general fund balance on June 30, 2000,  
20 of the appropriation made in sec. 135, ch. 103, SLA 1995, page 55, line 32, that is allocated  
21 on page 56, lines 29 - 31 (Mentasta Lake Village - Water and Sewer Feasibility Study -  
22 \$50,000);  
23 (4) the unexpended and unobligated general fund balance on June 30, 2000,  
24 of the appropriation made in sec. 135, ch. 103, SLA 1995, page 55, line 32, that is allocated  
25 on page 57, lines 36 - 38 (Shaktoolik - Village and School Sewage System Study - \$113,600);  
26 (5) the unexpended and unobligated general fund balance on June 30, 2000,  
27 of the appropriation made in sec. 135, ch. 103, SLA 1995, page 55, line 32, that is allocated  
28 on page 57, line 24 (Gambell - Water/Sewer - \$1,520,000);  
29 (6) the unexpended and unobligated general fund balance on June 30, 2000,  
30 of the appropriation made in sec. 21(f), ch. 123, SLA 1996 (Talkeetna water and sewer project  
31 and pressure tank replacement);

WORK DRAFT

WORK DRAFT

1-GH2084D

1 (7) the unexpended and unobligated general fund balance on June 30, 2000,  
 2 of the appropriation made in sec. 82, ch. 100, SLA 1997, page 44, line 34, that is allocated  
 3 on page 45, lines 12 - 13 (City of Hughes - Sanitation Feasibility Study - \$60,000);

4 (8) the unexpended and unobligated balance on June 30, 2000, of the  
 5 appropriation under sec. 7, ch. 84, SLA 1999, for emergency housing assistance, as described  
 6 in revised program 04-6-0042 in compliance with the program review procedures of  
 7 AS 37.07.080(h).

8 (b) Miscellaneous Appropriations and Reappropriations. To implement the monetary  
 9 terms of the collective bargaining agreements, and to pay salary and benefit adjustments,  
 10 described in sec. 1 of this Act for the fiscal year ending June 30, 2001, the following are  
 11 appropriated or reappropriated to the Office of the Governor, office of management and  
 12 budget:

13 (1) the unexpended and unobligated general fund balance on June 30, 2000,  
 14 of the appropriation made by sec. 43, ch. 84, SLA 1999, page 23, line 30, as amended by CCS  
 15 HB 312, Twenty-First Alaska State Legislature, by HCS CSSB 192(FIN) am H, Twenty-First  
 16 Alaska State Legislature, and by sec. 4, ch. 8, SLA 2000 (K-12 Support - \$762,280,800);

17 (2) the sum of \$82,000 of the general fund appropriation made in sec. 33(e),  
 18 HCS CSSB 192(FIN) am H, Twenty-First Alaska State Legislature, with allocations reduced  
 19 proportionately (Department of Transportation and Public Facilities - \$820,000).

20 (c) Investment Loss Trust Fund Source. The sum of \$55,600 is appropriated from the  
 21 investment loss trust fund (AS 37.14.300) to the Office of the Governor, office of management  
 22 and budget, to implement the monetary terms of the collective bargaining agreements, and to  
 23 pay salary and benefit adjustments, described in sec. 1 of this Act, for the fiscal year ending  
 24 June 30, 2001.

25 (d) Department of Fish and Game Source.

26 (1) Section 1, HCS CSSB 192(FIN) am H, Twenty-First Alaska State  
 27 Legislature, page 13, lines 9 - 11, is amended to read:

28	APPROPRIATION	GENERAL	OTHER
29	ITEMS	FUND	FUNDS
30	Copper River (Milcs Lake)	250,000	[250,000]
31	Sonar Site Upgrade and		<u>250,000</u>

WORK DRAFT WORK DRAFT 1-GH2084D

1 Equipment Purchase (ED 35)  
 2 (2) Section 1, HCS CSSB 192(FIN) am H, Twenty-First Alaska State  
 3 Legislature, page 13, lines 19 - 21, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
6 Mariculture Development and	100,000	[100,000]	<u>100,000</u>
7 Permit Evaluation Program			
8 (ED 3-4)			

9 (3) Section 1, HCS CSSB 192(FIN) am H, Twenty-First Alaska State  
 10 Legislature, page 13, lines 31 - 32, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
13 Vessel and Aircraft Repair	200,000	[200,000]	<u>200,000</u>
14 and Maintenance (ED 99)			

15 (4) Section 2, HCS CSSB 192(FIN) am H, Twenty-First Alaska State  
 16 Legislature, page 61, lines 12 - 14, funding sources for the Department of Fish and Game, is  
 17 amended to read:

18 [GENERAL FUND RECEIPTS]		[550,000]	
19 Fish and Game Fund		328,000	
20 Receipt Supported Services		<u>1,600,000</u> [1,050,000]	

21 (5) Section 1, CCS HB 312, Twenty-First Alaska State Legislature, page 11,  
 22 line 24, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
25 Commercial Fisheries	43,583,500	<u>24,126,300</u>	<u>19,457,200</u>
26		[24,476,300]	[19,107,200]

27 (6) Section 3, CCS HB 312, Twenty-First Alaska State Legislature, page 44,  
 28 line 18, funding sources for the Department of Fish and Game, is amended to read:

29 General Fund Receipts		<u>29,101,100</u> [29,451,100]	
--------------------------	--	--------------------------------	--

30 (7) Section 3, CCS HB 312, page 44, following line 24, funding sources for  
 31 the Department of Fish and Game, insert new material to read:



WORK DRAFT

WORK DRAFT

J-GH2084ND

1 amount of the shortfall, not to exceed \$612,000, is appropriated from the general fund.

2 (3) The sum of \$818,000, from general fund savings realized by the longevity  
3 bonus grant program, is appropriated from the general fund to the Office of the Governor,  
4 office of management and budget, to implement the monetary terms of the collective  
5 bargaining agreements, and to pay salary and benefit adjustments, described in sec. 1 of this  
6 Act, for the fiscal year ending June 30, 2001.

7 (g) Debt Service Offset. Section 34(c), CCS HB 312, Twenty-First Alaska State  
8 Legislature, is amended to read:

9 (c) The sum of \$9,789,234 [\$13,813,530] is appropriated to the Alaska debt  
10 retirement fund (AS 37.15.011) from the following sources:

11 (1) General fund \$9,389,234 [\$13,413,530]

12 (2) the unexpended and unobligated general  
13 fund balance on June 30, 2000, of the  
14 appropriation made by sec. 43, ch. 84,

15 SLA 1999, page 23, line 30 (K-12 support -

16 \$762,280,800) in the amount of \$ 400,000

17 \* Sec. 6. Section 5(e) of this Act is retroactive to April 30, 2000.

18 \* Sec. 7. Section 5(e) of this Act takes effect immediately under AS 01.10.070(c).

19 \* Sec. 8. Except as provided in sec. 7 of this Act, this Act takes effect July 1, 2000.

**Lapses, reapprops, supplemental updates and non-gf funds not fi**

DEC	Capital balances from 7 completed studies or projects	150.7
Educ	Foundation formula lapse	52.6
DOT	Reduce fuel price supplemental	82.0
AHFC	AHFC housing disaster fund balance	107.0
	ILTF	55.6
Admin	Longevity Bonus	818.0
Debt	FY00 school debt reduction	4,024.3
F&G	Excess CFEC receipts	900.0
HSS	Additional FY2000 Medicaid ProShare	<u>8,148.6</u>
	<b>Subtotal</b>	<b>14,338.8</b>

**Use part of Legislative cut over \$30 million** **4,712.2**

**TOTAL** **19,051.0**

# FISCAL NOTE

STATE OF ALASKA

BILL NO. HB 3002

2000 LEGISLATIVE SESSION

Revision Date (Note if correction) \_\_\_\_\_ Dept. Affected University of Alaska  
 Title Compensation for certain state officials BRU Systemwide  
 Component \_\_\_\_\_  
 Sponsor House Rules by Request of the Governor  
 Requester House Finance Committee Component Serial No. \_\_\_\_\_

**Expenditures/Revenues**

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services	4,326.4	4,438.6	4,553.8		
Travel					
Contractual					
Supplies					
Equipment					
Land & Structures					
Grants & Claims					
Miscellaneous					
<b>TOTAL OPERATING</b>	<b>4,326.4</b>	<b>4,438.6</b>	<b>4,553.8</b>	<b>0.0</b>	<b>0.0</b>

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

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

**FUND SOURCE**

1002 Federal Receipts	174.8	179.3	183.9		
1003 GF Match					
1004 GF	3,176.3	3,258.8	3,343.5		
1005 GF/Program Receipts					
1037 GF/Mental Health					
1015 Auxiliary Receipts	99.5	102.0	104.6		
1048 University Receipts	875.8	898.5	921.8		
<b>TOTAL</b>	<b>4,326.4</b>	<b>4,438.6</b>	<b>4,553.8</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY00) cost: none

**POSITIONS**

Full-time					
Part-time					
Temporary					

**ANALYSIS:** *(Attach a separate page if necessary)*

Provides for policy mandated salary obligations to 2,500 non-represented UA employees. The modest increase allows for annual performance increases on permanent authorized positions of 2.6% and increased wage requirements on non-permanent employees.

Prepared by Pat Pitney, Director  
 Division UA Budget and Institutional Research  
 Approved by Commissir Pat Pilney, Director  
 Agency UA Budget and Institutional Research

Phone 474-7958  
 Date \_\_\_\_\_  
 Date \_\_\_\_\_

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# FISCAL NOTE

STATE OF ALASKA

BILL NO. HB 3002

2000 LEGISLATIVE SESSION

Revision Date (Note if correction) \_\_\_\_\_ Dept. Affected University of Alaska  
 Title Compensation for certain state officials BRU Systemwide  
 Component \_\_\_\_\_  
 Sponsor House Rules by Request of the Governor  
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Miscellaneous					
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CAPITAL EXPENDITURES					
----------------------	--	--	--	--	--

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

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Estimate of any current year (FY00) cost: none

**POSITIONS**

Full-time					
Part-time					
Temporary					

**ANALYSIS:** *(Attach a separate page if necessary)*

Provides for policy mandated salary obligations to 2,500 non-represented UA employees. The modest increase allows for annual performance increases on permanent authorized positions of 2.6% and increased wage requirements on non-permanent employees.

Prepared by Pat Pitney, Director Phone 474-7958  
 Division UA Budget and Institutional Research Date \_\_\_\_\_  
 Approved by Pat Pitney, Director Date \_\_\_\_\_  
 Agency UA Budget and Institutional Research

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*Adopted*

1-GH2085K  
Lauterbach/Cramer  
5/5/00

**CS FOR HOUSE BILL NO. 3002(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - THIRD 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 setting the compensation and certain benefits of certain public officials,  
2 officers, and employees not covered by collective bargaining agreements; and  
3 providing for an effective date."

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

5 \* **Section 1.** AS 39.20.010 is amended by adding new subsections to read:

6 (b) Effective July 1, 2001, the amount set out in (a) of this section is increased  
7 by two percent.

8 (c) Effective July 1, 2002, the amount set out in (a) of this section, as  
9 increased under (b) of this section, is increased by three percent.

10 \* **Sec. 2.** AS 39.20.030 is amended by adding new subsections to read:

11 (b) Effective July 1, 2001, the amount set out in (a) of this section is increased  
12 by two percent.

13 (c) Effective July 1, 2002, the amount set out in (a) of this section, as  
14 increased under (b) of this section, is increased by three percent.

1 \* Sec. 3. AS 39.27.011(a) is repealed and reenacted to read:

2 (a) The following monthly basic salary schedule is approved as the pay plan  
3 for classified and partially exempt employees in the executive branch of the state  
4 government who are not members of a collective bargaining unit established under the  
5 authority of AS 23.40.070 - 23.40.260 (Public Employment Relations Act), and for  
6 employees of the legislature under AS 24:

7	Range	Step	Step	Step	Step	Step	Step
8	No.	A	B	C	D	E	F
9	05	1557	1602	1647	1693	1743	1789
10	06	1647	1693	1743	1789	1841	1895
11	07	1743	1789	1841	1895	1954	2014
12	08	1841	1895	1954	2014	2071	2137
13	09	1954	2014	2071	2137	2206	2269
14	10	2071	2137	2206	2269	2338	2409
15	11	2206	2269	2338	2409	2491	2568
16	12	2338	2409	2491	2568	2656	2745
17	13	2491	2568	2656	2745	2842	2946
18	14	2656	2745	2842	2946	3049	3165
19	15	2842	2946	3049	3165	3267	3392
20	16	3049	3165	3267	3392	3515	3640
21	17	3267	3392	3515	3640	3765	3895
22	18	3515	3640	3765	3895	4022	4174
23	19	3765	3895	4022	4174	4302	4463
24	20	4022	4174	4302	4463	4599	4767
25	21	4302	4463	4599	4767	4918	5095
26	22	4599	4767	4918	5095	5263	5457
27	23	4918	5095	5263	5457	5639	5850
28	24	5263	5457	5639	5850	6048	6253
29	25	5639	5850	6048	6253	6484	6727
30	26	5850	6048	6253	6484	6727	6969
31	27	6048	6253	6484	6727	6969	7234

1	28	6253	6484	6727	6969	7234	7486
2	29	6484	6727	6969	7234	7486	7750
3	30	6727	6969	7234	7486	7750	8023

4 \* Sec. 4. AS 39.27.011(e) is repealed and reenacted to read:

5 (e) Effective July 1, 2001, the amounts set out in the salary schedule contained  
6 in (a) of this section are increased by two percent.

7 \* Sec. 5. AS 39.27.011(f) is repealed and reenacted to read:

8 (f) Effective July 1, 2002, the amounts set out in the salary schedule contained  
9 in (a) of this section, as increased under (e) of this section, are increased by three  
10 percent.

11 \* Sec. 6. AS 39.30.095(b) is amended to read:

12 (b) After obtaining the advice of an actuary, the commissioner of  
13 administration shall determine the amount necessary to provide benefits under  
14 AS 39.30.090, 39.30.091, and 39.30.160 and, subject to (f) of this section, shall set  
15 the rate of employer contribution and employee contribution, if any. With money in  
16 the fund, the commissioner of administration shall pay premiums, claims, and  
17 administrative costs required under the insurance policies in effect under AS 39.30.090  
18 and 39.30.160, or required under self-insurance arrangements in effect under  
19 AS 39.30.091.

20 \* Sec. 7. AS 39.30.095 is amended by adding a new subsection to read:

21 (f) Notwithstanding (b) of this section, the rate of employer contribution to  
22 provide hospital, surgical, dental, audiovisual, and other medical care benefits under  
23 AS 39.30.091 is \$515 monthly beginning July 1, 2000; \$575 monthly beginning July 1,  
24 2001; and \$630 monthly beginning July 1, 2002, for the following employees and  
25 officials: -

26 (1) employees in the executive branch of the state government,  
27 including the governor and lieutenant governor, who are not members of a collective  
28 bargaining unit established under the authority of AS 23.40.070 - 23.40.260 (Public  
29 Employment Relations Act);

30 (2) officials and employees of the legislative branch of state  
31 government under AS 24;

1 (3) employees in the judicial branch of state government, including  
2 magistrates and other judicial officers, who are not members of a collective bargaining  
3 unit established under AS 23.40.070 - 23.40.260 (Public Employment Relations Act).

4 \* **Sec. 8.** AS 39.27.011(g) is repealed.

5 \* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section  
6 to read:

7 LUMP SUM PAYMENT FOR EMPLOYEES OF THE LEGISLATIVE BRANCH  
8 AND CERTAIN OFFICERS AND EMPLOYEES OF THE EXECUTIVE BRANCH. (a)  
9 Subject to an appropriation for fiscal year 2001 for that purpose, and except as provided in  
10 (b) of this section, classified and partially exempt officers and employees in the executive  
11 branch of the state government who are not members of a collective bargaining unit  
12 established under the authority of AS 23.40.070 - 23.40.260 (Public Employment Relations  
13 Act), and employees of the legislature under AS 24, other than legislators, employed and in  
14 pay status on July 1, 2000, are entitled to receive a lump sum payment of \$1,200, reduced by  
15 \$50 for each pay period that the officer or employee was not in pay status in fiscal year 2000.  
16 The lump sum shall also be reduced by amounts necessary to pay mandatory employee and  
17 employer deductions.

18 (b) Notwithstanding the requirements of (a) of this section, employees of the  
19 legislature, other than legislators, who would otherwise be entitled to payment under (a) of  
20 this section but who were not employed or in pay status on July 1, 2000, because their  
21 employment was limited to the legislative session are entitled to receive the prorated lump  
22 sum payment provided in (a) of this section.

23 \* **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section  
24 to read:

25 LUMP SUM PAYMENT FOR CERTAIN ELECTED AND APPOINTED OFFICIALS,  
26 MAGISTRATES, AND JUDICIAL OFFICERS. Justices of the supreme court, judges of the  
27 court of appeals and the superior and district courts, magistrates, the governor, and the  
28 lieutenant governor are entitled to receive the lump sum payment provided for in sec. 9 of this  
29 Act, subject to the conditions set out in that section.

30 \* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section  
31 to read:

1 SALARY ADJUSTMENTS AND LUMP SUM PAYMENT FOR CERTAIN EXEMPT  
2 OFFICERS AND EMPLOYEES OF THE EXECUTIVE BRANCH. Public officers and  
3 permanent and temporary employees in the executive branch of the state government, other  
4 than the governor and lieutenant governor, who are in the exempt service under AS 39.25, are  
5 not members of a collective bargaining unit established under AS 23.40.070 - 23.40.260  
6 (Public Employment Relations Act), and are not otherwise covered by AS 39.27.011(a), are  
7 entitled to receive

8 (1) salary adjustments comparable to those received by classified and partially  
9 exempt employees of the executive branch under AS 39.27.011(e) and (f), as repealed and  
10 reenacted by secs. 4 and 5 of this Act; and

11 (2) the lump sum payment provided for in sec. 9 of this Act, subject to the  
12 conditions set out in that section.

13 \* Sec. 12. The uncodified law of the State of Alaska is amended by adding a new section  
14 to read:

15 SALARY ADJUSTMENTS AND LUMP SUM PAYMENT FOR CERTAIN  
16 EMPLOYEES OF THE JUDICIAL BRANCH. (a) Permanent and temporary employees in  
17 the judicial branch of the state government, other than magistrates and judicial officers, who  
18 are not members of a collective bargaining unit established under AS 23.40.070 - 23.40.260  
19 (Public Employment Relations Act) are entitled to receive

20 (1) salary adjustments comparable to those received by classified and partially  
21 exempt employees of the executive branch under AS 39.27.011(e) and (f), as repealed and  
22 reenacted by secs. 4 and 5 of this Act; and

23 (2) the lump sum payment provided for in sec. 9 of this Act, subject to the  
24 conditions set out in that section.

25 (b) Justices of the supreme court, judges of the court of appeals and the superior and  
26 district courts, and magistrates are entitled to receive salary adjustments provided for in secs. 4  
27 and 5 of this Act, in accordance with AS 22.05.140(d), AS 22.07.090(c), AS 22.10.190(d), and  
28 AS 22.15.220(b) and (e).

29 \* Sec. 13. The uncodified law of the State of Alaska is amended by adding a new section  
30 to read:

31 SALARY INCREASES FOR CERTAIN EMPLOYEES OF THE UNIVERSITY OF

- 1 ALASKA. The employees of the University of Alaska who are not members of a collective
- 2 bargaining unit are entitled to receive salary increases in accordance with the compensation
- 3 policy of the Board of Regents of the University of Alaska.
- 4 \* Sec. 14. This Act takes effect July 1, 2000.

UNIVERSITY OF ALASKA  
FY01 Salary Maintenance Request

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

264  
 250  
 1025  
 -----  
 1191 RM

APR-17-00 MON 12:40

DIV OF PERSONNEL

FAX NO. 907 495 2576

P. 02/02

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110200  
JUNEAU, ALASKA 99811-0200  
PHONE: (907) 468-2200  
FAX: (907) 468-2155

April 17, 2000

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

Dear Mr. Tseu:

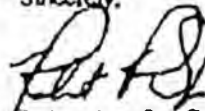
Re: HEALTH INSURANCE SAVINGS

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

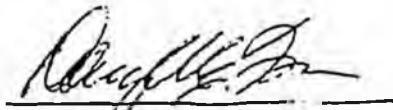
With respect to the specific issue of savings, it was our intent that in the event the Union obtains or establishes a total premium cost per employee through its trust plan that is less than the amount of monthly premium contributions being made by the State, the State will remit fifty percent (50%) of the net savings to individual employees for their exclusive use as a pre-tax contribution to a Health Care Reimbursement Account, or such other distribution as may be determined by the Union or Association. The State of Alaska will retain the remaining fifty-percent (50%) of the savings.

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

Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration



Agreed

4/18/00

Date

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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

April 17, 2000

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

Dear Mr. O'Connell:

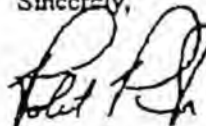
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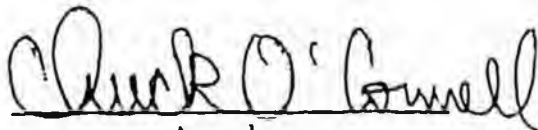
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Please acknowledge your agreement with the above by signing and dating in the space provided below. Thank you for your attention to this matter.

Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration



Agreed

4-17-00

Date

02-091M

APR 17 '00 13:24

907 465 2576 PAGE.002

\*\* TOTAL PAGE.001 \*\*

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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

April 17, 2000

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

Dear Mr. Ludwig:

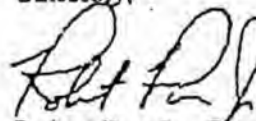
Re: HEALTH INSURANCE SAVINGS

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

With respect to the specific issue of savings, it was our intent that in the event the Union obtains or establishes a total premium cost per employee through its trust plan that is less than the amount of monthly premium contributions being made by the State, the State will remit fifty percent (50%) of the net savings to individual employees for their exclusive use as a pre-tax contribution to a Health Care Reimbursement Account, or such other distribution as may be determined by the Union or Association. The State of Alaska will retain the remaining fifty-percent (50%) of the savings.

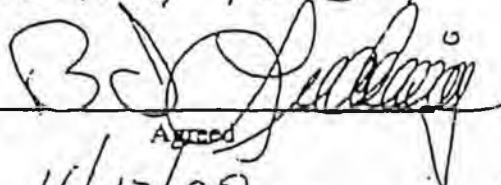
Please acknowledge your agreement with the above by signing and dating in the space provided below. Thank you for your attention to this matter.

Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration

EXISTING INTENT



Agreed

4/17/00

Date

APR-17-00 MON 15:45

P. 02

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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

April 17, 2000

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

Dear Mr. Valesko:

Re: HEALTH INSURANCE SAVINGS

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

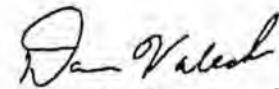
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Please acknowledge your agreement with the above by signing and dating in the space provided below. Thank you for your attention to this matter.

Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration



Agreed

April 17, 2000

Date

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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

April 17, 2000

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

Dear Mr. Perrin:

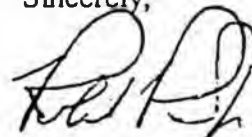
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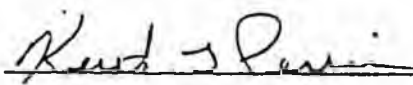
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Please acknowledge your agreement with the above by signing and dating in the space provided below. Thank you for your attention to this matter.

Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration

  
\_\_\_\_\_  
Agreed

4-17-00  
\_\_\_\_\_  
Date



TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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

April 17, 2000

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

Dear Ms. Mackinnon:

Re: HEALTH INSURANCE SAVINGS

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

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

Sincerely,

Robert Poe Jr., Commissioner  
Department of Administration

Margaret Mackinnon

Agreed

4/17/00

Date

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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

April 17, 2000

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

Dear Capt. Demeroutis:

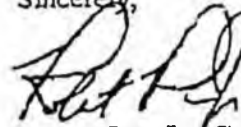
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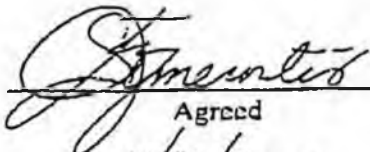
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Please acknowledge your agreement with the above by signing and dating in the space provided below. Thank you for your attention to this matter.

Sincerely,



Robert Poe Jr., Commissioner  
Department of Administration

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

FAX TRANSMITTAL  
STATE OF ALASKA  
Department of Administration

To: Darryl Tseu

Date: 4/17/00

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

Fax#: 586-8222

From: Dave K.

Phone: (907) 465-2200

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

Fax#: (907) 465-2133

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

Please Call On Receipt

Comments: The legislature has

clarification of what the

50% of savings that is

returned to the employ

letter reflects our agree

state will retain 50% of any savings

realized - call me if you have any

questions - fax it back to me as soon

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

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

*leif*

## Employee Contract Talking Points 05/04/00

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

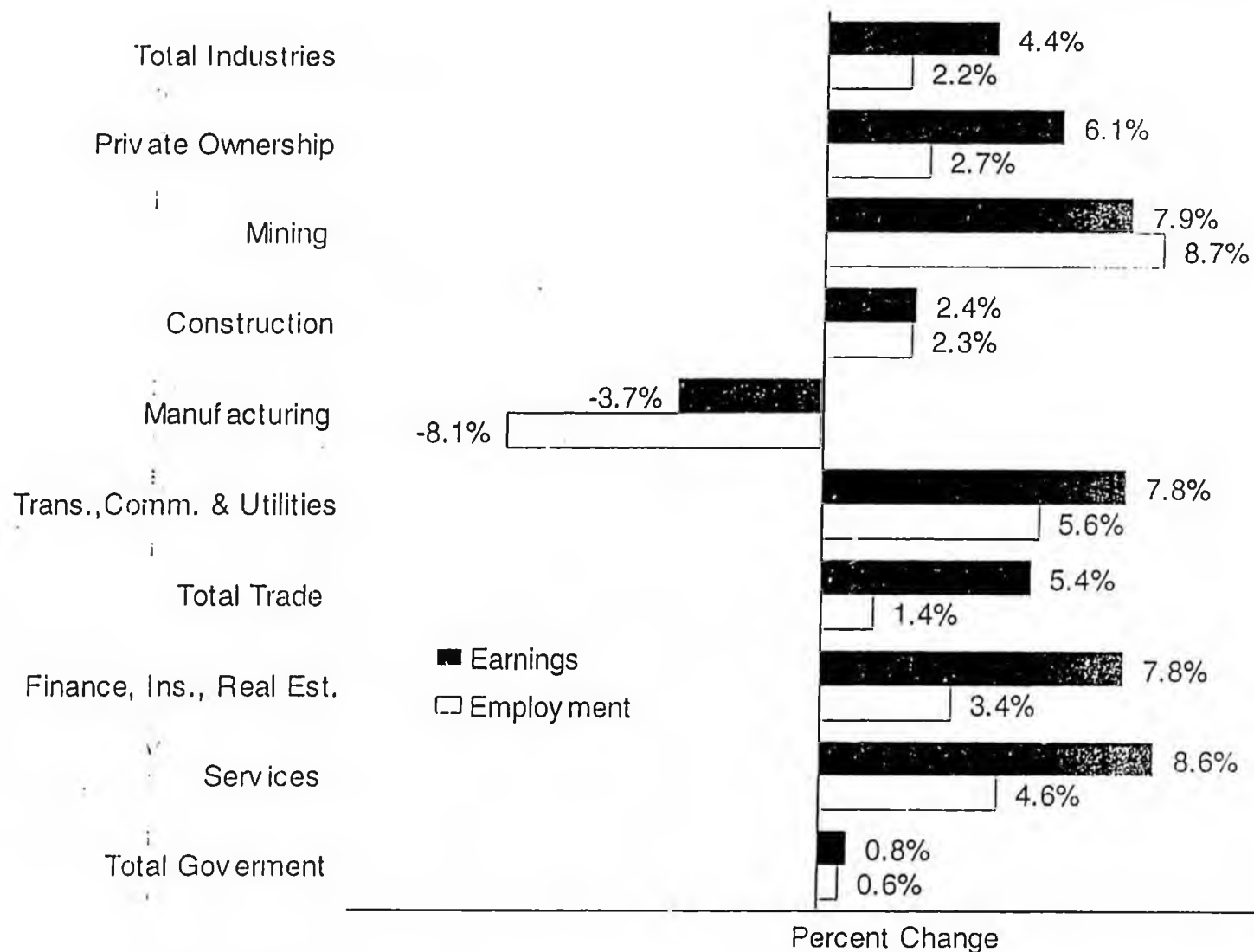
**Employee Contract Talking Points**  
**05/04/00**

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

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

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

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



# MEMORANDUM

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

To: Bob Poe  
Commissioner  
Department of Administration

Thru: Sharon Barton  
Director  
Division of Personnel

From: Art Chance  
Labor Relations Specialist  
Division of Personnel

Date: April 18, 2000

File:  
Subject: Consultant's Report

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

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

**Response:**

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

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

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

**Response:**

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

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

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

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

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

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

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

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

**Response:**

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

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

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

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

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

**Response:**

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

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

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

**Response:**

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

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

Masters, Mates, and Pilots

80 - 83

90 - 93

96- 99

MEBA

82 - 85

85 - 88

89 - 92

93 - 96

APEA/SU

80 - 82

87 - 89

90 - 92

IBU

75 - 77

80 - 83

85 - 88

88 - 91

90 - 93

94 - 96  
96 - 99

Local 71  
80 - 82  
1983  
90 - 92  
99 - 02

APEA/GGU  
80 - 82

## I. GGU Leave Conversion

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

**A.:**

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

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

**A.:**

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

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

**A.:**

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

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

**A.:**

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

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

**A.:**

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

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

**A.:**

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

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

**A.:**

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

## II. Cost containment in health care

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

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

*Article 19.03 F. Premium Savings Rebate*

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

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

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

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

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

### III. Merit Step "G"

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

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

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

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

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

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

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

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

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

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

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

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

LETTER OF AGREEMENT

Between the

STATE OF ALASKA

and the

ALASKA STATE EMPLOYEES ASSOCIATION

representing

GENERAL GOVERNMENT UNIT EMPLOYEES

Re: ELECTION TO CONVERT TO PERSONAL LEAVE

LOA 00-GG-

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

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

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

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

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

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

For the State of Alaska:

For ASEA/AFSCME Local 52

*SIGNED COPY ON FILE*

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

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## Summary of Contract Changes

### ALASKA PUBLIC EMPLOYEES ASSOCIATION APEA—Supervisory Unit

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

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

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



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

# Summary of Contract Changes

## GENERAL GOVERNMENT UNIT AGREEMENT GGU

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

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

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