

ALASKA LEGISLATURE

2467

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

ARTICLE 4 WORK

4.1 General Provisions

- A. Unless specifically designated as Part-time, all Bargaining Unit Members are anticipated to be employed on a full-time basis.
- B. The University's pay records, practices, and procedures shall govern the payment of all wages. If the University determines there is a need to adjust payroll cycles impacting Bargaining Unit Members, the University must first notify the Union.
- C. Work performed at the direction of the University shall be compensated.
- D. A standard workweek will normally consist of 40 hours worked in eight-hour increments over five consecutive days. A standard work schedule will not include a shift of less than three hours in a workday. However, the parties recognize that, while the standard workweek definition is 40 hours, programmatic needs of some units may necessitate deviation from the eight-hour increments over five-day schedules.
- E. A regular workweek will normally be from Sunday 12:00 a.m. (midnight) through Saturday 11:59 p.m.
- F. Work weeks of 40 hours in ten-hour increments over four consecutive days may be requested in writing by bargaining unit members to the immediate supervisor. The University shall approve or deny the request in writing within ten (10) working days.

4.2 Work Schedules

- A. The University shall establish work schedules defining the necessary hours of work.
- B. The parties recognize that work schedules may be changed for business purposes by the University.
 - 1. The University shall meet with the Employee Representative, at least twenty-four (24) hours prior to announcing any schedule changes.
 - 2. The University shall provide a two-week written notice of work schedule changes.
 - 3. Schedule changes shall be announced to the bargaining unit members in the appropriate seniority pool.

4. Work schedule assignments shall be made on the basis of seniority.
- C. Schedule change request for personal hardship or other issues may be initiated by Bargaining Unit Members. Bargaining Unit Members must submit the request in writing through the Union representative to the supervisor for the shift change. The supervisor's determination shall be based on business purposes, job descriptions and seniority. The University shall approve or deny the request in writing within ten (10) days.

In the event of a dispute, seniority shall determine the final assignment.

- D. Changes to work schedules which address recurring needs (e.g., clearing roads and parking lots during break-up; the first snowfall that requires snow removal; rocket launches; research activities; and agricultural activities like planting, harvesting, and birthing) shall be excluded from the notice requirements of this provision; however, the Bargaining Unit Members will be notified as far in advance as practical.
- E. Changes to work schedules in order to react to critical situations which require a rapid response (e.g., extreme cold, extreme snowfall, earthquakes, volcanoes, floods, fires) shall be excluded from both the notice requirements of this provision and the seniority considerations of this provision; however, the Bargaining Unit Members will be notified as far in advance as practical.

4.3 Extra Hours of Work

- A. Extra hours of work shall be accomplished by the Bargaining Unit Member as directed by the University. A Bargaining Unit Member may decline the extra hours of work based on an individual personal hardship. An effort will be made to share extra hours of work among the Bargaining Unit Members within a shop and within the appropriate classification description who have the ability and skills to accomplish the required work.
- B. After more than four hours of work in a shift, a Bargaining Unit Member shall take an unpaid meal period of 30 minutes unless it is a dire emergency.
- C. Extra hours are any hours beyond those scheduled.

4.4 Call-In Work

- A. A Bargaining Unit Member reporting at the University's request (made outside of normal work hours) for work which is not scheduled in advance and which is outside of their regular work period shall be guaranteed two hours at the overtime rate. All additional hours worked in call-in status beyond the two-hour premium shall be paid at the rate of time and a half (1.5). Bargaining Unit Members are

expected to respond as directed by the University. A Bargaining Unit Member may decline the call-in.

- B. After more than four hours of call-in work, a Bargaining Unit Member may be granted an unpaid meal period of 30 minutes unless it is a dire emergency.
- C. If the Bargaining Unit Member responds to other situations while at work, the Bargaining Unit Member will not be entitled to additional call-in compensation.

4.5 Stand-By

Bargaining Unit Members who are required to be in a "stand-by" status on work days shall be paid one hour at straight time for each 24-hour period or portion thereof.

Bargaining unit members who are required to be in a "stand-by" status on non-work days shall be paid two hours at straight time for each 24-hour period or portion thereof.

Bargaining Unit Members on "stand-by" who are called in shall receive the premium paid at the rate of time and a half (1.5) and shall report to work within 45 minutes, or longer as otherwise specified by the University. Failure to comply with this provision shall result in loss of stand-by pay, disciplinary action or both.

Bargaining unit members shall have the right to refuse Stand-By when assigned.

4.6 Pay for Overtime Work

- A. Overtime is paid for those hours worked in excess of 40 hours in a workweek.
- B. Overtime work shall be paid at base hourly rate times 1.5.
- C. There shall be no pyramiding of overtime or premium pay.
- D. Holidays shall be counted as hours work for the purpose of calculating overtime.

4.7 Meal Period & Breaks

- A. Meal breaks will be 60 minutes unpaid or 30 minutes unpaid, as designated by the University from the time the Bargaining Unit Member stops work for lunch and returns to work from lunch. The University may change the meal period as necessary to accomplish the work. Where the nature of the work does not permit a scheduled meal break, the University shall make alternate arrangements enable Bargaining Unit Members to eat a meal.
- B. All Bargaining Unit Members shall be allowed one relief period not to exceed fifteen (15) minutes during the first half of the shift and one relief period not to exceed fifteen (15) minutes during the second half of the shift. The relief period shall be taken in a manner which does not interrupt the flow of work.

4.8 Continuous Hours of Work

Bargaining Unit Members shall not normally be required to work in excess of 16 hours in a 24-hour period.

4.9 Compensatory Time

There shall be no Compensatory (Comp.) Time.

4.10 Shift Schedule Premium

- A. Bargaining Unit Members who work as Boiler Firer and Boiler Firer Trainee in the UAF Power Plant shall receive a premium of 70 cents an hour.
- B. Bargaining Unit Members who are on authorized voluntary alternate schedules are not subject to Section C, below.
- C. Bargaining Unit Members, other than those addressed in 4.10 A. and B. above, whose work schedule, as established according to Article 4.2, includes three (3) hours or more between the hours of 6:00 p.m. and 7:00 a.m. shall receive a differential of 5% of their base hourly rate of pay for all hours worked.
- D. Rotating shifts shall not be a routine practice. In the event of the need to establish a rotating shift the University and the Union shall meet prior to implementation.

4.11 Special Assignment Premium Pay

- A. Premium pay for special assignments may be addressed through Availability of Parties. (Article 2.6)
- B. Bargaining Unit Members shall receive a premium of 5% for all hours worked in conditions including but not limited to work involving contact with biological or radioactive materials that are determined by their director of facilities services to pose a hazard, or that are determined to warrant such additional compensation.
- C. The University may, at its sole discretion, award nonrecurring bonus payments to bargaining unit members for extraordinary performance far beyond expectations. Notice of such payments shall be provided to Local 6070 within a reasonable time.

4.12 Health and Safety

A. General

It shall be the policy of the University that the occupational safety and health of its employees, the protection of work areas, and the prevention of accidents are

continuing and integral parts of its everyday operating responsibility. The University is committed to providing a safe and healthful work environment for its employees. The employees shall have the responsibility to use any provided safety equipment and procedures in their daily work and shall cooperate in all safety and accident prevention programs. The University agrees to abide by all relevant required local, state, and federal safety and health standards, and no Bargaining Unit

Members shall not be disciplined or suffer any retaliatory action for, in good faith, exercising legal rights to a safe and healthful workplace.

The University will make available to Bargaining Unit Members all information as required by local, state, and federal law dealing with occupational safety and health.

The University agrees to assess any unsafe and unhealthy working conditions in a timely manner, and will take remedial action as appropriate. Results of such assessments shall be reported in writing to the Bargaining Unit Member (s) who reported the conditions and to the local field office.

B. Safety Equipment

The University shall furnish appropriate safety equipment, including but not limited to, protective eye wear, adequate protective clothing or masks (rubber gloves, rubber smocks, respirators, air packs, filter masks, etc.) as the University, consistent with applicable controlling law or regulations, deems necessary to assure the safety of the work force. Bargaining Unit Members agree to use such equipment properly and as directed by the University to prevent injury and accidents.

Bargaining Unit Members shall not be required to operate University equipment that does not conform to local, state, or federal safety requirements. No Bargaining Unit Member will be required or requested to perform work in an unsafe manner or using unsafe equipment.

C. Vaccination Benefit

The University shall make available at no expense to the bargaining unit members working on waste piping or other potential infectious materials as defined by OSHA, the combined Hepatitis A and B vaccination.

D. Training

Any Bargaining Unit Member, who works with hazardous material, as defined by applicable controlling federal and state law, shall receive training in the proper and safe handling of such materials before being allowed to handle such materials. All training shall be in accordance with any applicable controlling federal and state law.

The University shall make available annually at no expense to the bargaining unit members training on "Blood Born Pathogens."

The University shall offer First Aid/CPR to at least ten percent (10%) of the bargaining unit at each MAU annually at no expense to the bargaining unit member.

E. Reporting

All equipment or working areas which are claimed to be unsafe shall be reported to the immediate supervisor who shall take appropriate steps to investigate the complaint and institute timely corrective action.

It shall not be a violation of this agreement or grounds for disciplinary action or retaliation of a Bargaining Unit Member(s) to refuse to work in proximity with a hazardous condition or defective equipment where an unsafe condition constitutes a life-threatening situation or hazard to health.

F. Safety Meetings

The University shall conduct monthly safety meetings for all Bargaining Unit Members. A written summary of the meetings shall be kept, showing concerns, participants, actions taken and recommendations made and shall be sent to the Local 6070 union field office on request. Time spent in meetings shall be considered work time.

**ARTICLE 5
SENIORITY AND ITS APPLICATIONS**

5.1 Definitions

A. Accrual

Seniority shall mean a bargaining unit member's length of continuous service in the bargaining unit. Service as a temporary employee shall not be counted.

If application of the preceding paragraph results in two or more bargaining unit members having the same seniority, the bargaining unit member with the most total service with the University as determined by the Union shall be deemed more senior. The Union may access bargaining unit members' Personnel records as necessary to determine seniority.

B. Seniority Pool

All bargaining unit members holding the same job classification in the same shop in the same MAU shall constitute a seniority pool.

C. Application

Seniority shall be applicable only as expressly provided in this Agreement.

5.2 Termination of Seniority

A bargaining unit member's seniority shall be terminated and any rights under this Agreement forfeited for the following reasons:

- A. discharge, quit, retirement, resignation, or acceptance of a position outside of the bargaining unit;
- B. absence from the job for three consecutive working days without notifying the University, except if the bargaining unit member documents an emergency which precluded notification or return;
- C. failure to return to work within 10 work days after being recalled from layoff;
- D. failure to immediately return to work upon expiration of a leave of absence, except if the bargaining unit member documents an emergency which precluded notification or return.

5.3 Probationary Bargaining Unit Members

A. Accrual

Bargaining unit members shall be considered as probationary for the first six months of work in a benefit eligible position in the bargaining unit. When a bargaining unit member finishes the probationary period, he/she shall be entered on the seniority list of the appropriate seniority pool and shall have seniority from that date forward except that:

1. there shall be no seniority among bargaining unit members in their initial probationary period, and
2. probation may be extended for up to an additional four (4) months. Local 6070 shall be notified of all such extensions.

B. Bargaining unit members serving in probationary status shall be covered by the terms of this Agreement, with the exception of provisions governing discipline.

C. Bargaining Unit Members who have temporary service in a position that is converted by the University to a benefit eligible position shall have those hours counted toward probation.

5.4 Layoff and Recall

A. Reasons for Layoff

The University will determine whether layoffs are necessary based on:

1. elimination of a position in the work force;
2. shortage of work,
3. shortage of funds;
4. material change in the duties of the position for which the bargaining unit member lacks the necessary skills, knowledge, or aptitude; or
5. other reasons designated by the University which are outside the control of a bargaining unit member.

The University's decision under this provision (A) may not be overturned unless it is determined to be arbitrary, capricious, or contrary to law.

B. Determination of Layoffs

The University will determine the timing of layoffs, the number of bargaining unit members to be laid off, and the seniority pool(s) in which layoffs will be affected. Layoffs will occur in the following order:

1. temporary employees in that pool,
2. probationary Bargaining Unit Members in that pool,
3. bargaining unit members in that pool determined by the following factors, in priority order:
 - a) Seniority

The least senior bargaining unit member in the seniority pool shall be the first laid off.

C. Notice

Thirty (30) days prior to notice of layoff being sent to employees, the University shall meet and confer with Local 6070 staff and an officer of Local 6070 on alternatives to layoff.

A bargaining unit member being laid off shall be given a minimum of four (4) weeks notice in advance of the effective date of the layoff.

D. Alternatives to Layoff

Recognizing that it may be possible in some instances to reduce the need for layoffs by allowing bargaining unit members in an affected seniority pool to voluntarily request Leave Without Pay or voluntarily reducing individual work schedules, the University may make the following options available:

1. Leave Without Pay

LWOP may be requested by bargaining unit members in the same manner as all other leaves. The LWOP shall be no less than 40 hours nor more than 1040 hours. During such leave continuation of benefits will be as designated under University Policies and Regulations

2. Reduced Workweeks

Bargaining unit members may volunteer for a reduced workweek of no less than 20 hours per week, with the final determination being made by the University. A bargaining unit member may withdraw from their

reduced workweek with a minimum of two weeks written notice to the University. The University may cancel the reduced workweek with a minimum of two weeks written notice to the bargaining unit member.

3. Granting of the alternatives detailed in D1 and D2 above is at the sole discretion of the University.

E. The University will endeavor to assist bargaining unit members affected by layoff to secure alternative employment within the scope of the University's system before the bargaining unit member's layoff date.

F. Bumping Rights

Once the University identifies the "bargaining unit member to be laid off that bargaining unit member may elect to displace the least senior bargaining unit member in the seniority pool or to a lower classification (e.g. CT2 can bump CT1). The bargaining unit member exercising the bumping rights must possess the necessary skills and abilities to accomplish the essential functions of the lower classification. The bargaining unit member will be placed at their current step in the new range or the maximum of the new range, whichever is the lesser of the two.

G. Recall

1. If the University determines to fill a vacancy in a seniority pool from which bargaining unit members are laid off, such bargaining unit members shall be recalled in the reverse order of layoff. The bargaining unit members being recalled shall be recalled at their same range and step as when they were laid off.
2. Recall rights expire either upon the employee's failure to return to work within ten (10) work days after being recalled, or 18 months after the date of layoff, whichever is earlier.
3. To maintain eligibility for recall rights the bargaining unit member must keep the University informed as to their current address and contact number.

5.5 Superseniority

A. During the period a bargaining unit member is designated and serving as a Union officer, or as a Union negotiator, the bargaining unit member shall be deemed to have more seniority than all other bargaining unit members.

- B. In the event that more than one bargaining unit member in a seniority pool have superseniority and are affected by an action, seniority among those bargaining unit members with superseniority shall be determined by their regular seniority.
- C. Union employee representative shall have superseniority after holding the position for more than six months.

ARTICLE 6 GRIEVANCE PROCEDURE

6.1 Objective

- A. It is the objective of the parties to encourage the prompt and informal resolution of disputes of bargaining unit members, Union, and University as they arise, and to provide recourse through orderly procedures for satisfactory adjustment of grievances.
- B. To assist in meeting this objective, the parties are encouraged to utilize alternative dispute resolution processes such as mediation through trained "in-house" mediators or the services of organizations like the Alaska Dispute Settlement Association.
- C. Both parties encourage meetings with immediate supervisors and Bargaining Unit Members and/or Union representatives to resolve any issues prior to the filing of a grievance.
- D. At any step of the process, either party may have a representative present.

6.2 Definitions

A. Grievance

A grievance is an allegation by a bargaining unit member or the Union that the University has violated an express provision of this Agreement, or Regents' Policy, University Regulation, and campus and department policies and regulations that are applicable pursuant to this agreement and to the extent the policy or regulation concerns a term or condition of employment. The grievance procedure shall be the exclusive remedy for grievances. Disputes regarding the allocation of a position to a classification are not considered grievances, but are subject to the process set forth in Article 15.

B. Day

For purposes of the grievance procedure, a day shall mean calendar days (unless otherwise indicated) and shall not include the day on which the grievance is presented or appealed, or is answered by the University.

C. Designated Representative

For Step 2 of this process, the University shall designate one individual at each MAU and notify the Union. The Union will provide the University a list of the Local 6070 representatives authorized to submit written grievances.

6.3 Grievance Time Limits

The time limitations set forth in this Article are of the essence of this Agreement. No grievance shall be accepted by the University unless it is submitted or appealed within the time limits set forth herein. Any grievance not initiated or advanced to the next step within the time limits specified herein shall be considered settled on the basis of the last answer by the University. The University shall respond at each level. Time limits may be extended by either the University or the Union by written agreement.

6.4 Grievance Steps

Step 1. Unit Level - Immediate Supervisor

Written Notice: Not later than thirty (30) days after the event giving rise to a grievance, or thirty (30) days after the bargaining unit member should reasonably have learned of the event giving rise to a grievance, whichever is later, the Local 6070 Representative must submit a written grievance to the bargaining unit member's immediate supervisor. The Union must submit the grievance on a form mutually agreed to, to the immediate supervisor.

The immediate supervisor shall respond to the Union in writing within fourteen (14) days.

All grievances settled at this step will be on a non-prejudicial, non-precedent-setting basis, and shall be in conformance with the terms of the agreement. Settlements entered into at this step shall be reduced to writing and copies sent to the designated MAU representative and the Local 6070 representative. Either party has fourteen (14) days from receipt of the settlement to reopen the settlement by notifying the other party in writing. Settlements reopened in this manner shall be automatically advanced to Step 2 of this grievance procedure.

Step 2. MAU Level - Designated Representative

If the grievance is not settled at Step 1, or the immediate supervisor does not have the authority to resolve the issue Union Staff may appeal to the appropriate MAU representative. Each MAU will designate an individual to serve as the point of contact for this purpose. The appeal must be in writing and must be made within seven (7) days of receipt of the immediate supervisor's written response to Step 1. Within seven (7) days after receipt of the Union's notice, the MAU representative shall contact the appropriate Union official and arrange for a resolution conference. This conference may be in person or via teleconference. If within fourteen (14) days the grievance is not resolved at this level, the grievance shall be considered denied.

The purpose of the resolution conference shall be to review the allegations and, if possible, resolve the dispute. The parties may also exchange evidence, identify witnesses, and stipulate to facts, or set a date when such material will be exchanged.

At this step, the parties may agree to suspend the time lines while exploring options, creating alternatives and engaging in problem-solving.

For the purpose of the section, the designated MAU representative is defined as the Vice Chancellor of Administrative Services, or designee. In the event that the Vice Chancellor designates someone else as the MAU representative it shall be in writing to the local Union field office.

Step 3. System Level - Statewide Office of Labor Relations

- A. Should neither the alternative dispute resolution processes nor the Step 2 meeting achieve resolution, Local 6070 staff shall have 10 working days from the date the last process concludes to file a written appeal with the University.
- B. Within seven (7) days after receipt of the appeal, the Statewide Office of Labor Relations representative and the appropriate Union official shall meet and review the grievance materials. The parties shall attempt to resolve the grievance by whatever means they deem appropriate.
- C. If the grievance is not resolved at the meeting, then within ten (10) working days the Statewide Office of Labor Relations shall provide a written decision to Local 6070.
- D. Local 6070 shall have ten (10) working days from the date the decision is received or due, whichever is earlier, to request arbitration. The parties shall set a date for the selection of an arbitrator in accordance with Section 6.5.

6.5 Arbitration

- A. The parties shall contact the American Arbitration Association or the Federal Mediation and Conciliation Service to request a panel of arbitrators be provided both parties from which the parties shall select an arbitrator. Within ten (10) working days after receipt of the panel of arbitrators, representatives of the University and the Union shall meet and select an arbitrator by alternately striking names from the panel of arbitrators until one name remains. The first strike shall be decided by a flip of a coin. The arbitrator remaining on the list shall be accepted as the arbitrator of the grievance.
- B. Arbitration shall be conducted in accordance with the rules of the American Arbitration Association, unless the parties mutually agree otherwise. The powers of the arbitrator shall be limited to interpretation and application of the expressed terms of the Agreement. The arbitrator shall have no power to alter, add to,

subtract from, or otherwise modify the terms of this Agreement. The arbitrator shall be empowered to rule only on a grievance which alleges a violation of a specific article or section of this Agreement. The cost of requesting the arbitrator list shall be split evenly between the University and the Union.

- C. The arbitrator's decision shall be final and binding on the bargaining unit member(s), the Union, and the University. The decision of the arbitrator shall be enforceable and appealable as provided by law.
- D. Unless otherwise provided for in this Agreement, it shall not be within the jurisdiction of the arbitrator to change an existing wage rate, or to establish a new wage rate, nor to limit the University's rights to manage and direct its work force.
- E. The arbitrator shall have the power to return a grievant to work status, with or without restoration of back pay, or mitigate the damage. However, the mitigated damages may not exceed the amount the individual would have earned had the grievant remained an employee.
- F. Each party shall furnish the arbitrator and the other party whatever facts or material the arbitrator may require to properly weigh the merits of the grievance. Neither party, however, may present material, facts, or issues at arbitration which have not been presented in writing during Steps 1, 2 or 3 of the grievance procedure.
- G. Each party shall bear the cost of preparing and presenting its own case.
 - 1. The fees and expenses of the arbitrator shall be allocated by the arbitrator as follows:
 - a) Assign arbitrator's fees and expenses to the losing party.
 - b) If the arbitrator determines that neither party is the losing party, then the arbitrator shall assign arbitrator's fees and expenses proportionally to the parties as judged equitable.
 - 2. Bargaining unit members who are required to appear as witnesses for an arbitration proceeding shall be granted administrative leave for the period of their testimony only.

6.6 Withdrawal of a Grievance

A grievance may be withdrawn without prejudice at any time prior to arbitration. Should an arbitration case be withdrawn after the selection of an arbitrator, all arbitrator's fees and expenses shall be paid by the withdrawing party, unless otherwise mutually agreed to by the parties.

ARTICLE 7
LABOR MANAGEMENT COMMITTEES

7.1 Purpose

The parties agree to establish labor-management committees in order to promote a climate conducive to constructive employee relations. Such committees will not address issues of contract interpretation. Such committees may address issues including but not limited to the following:

- increasing productivity and quality;
- facilitation of work processes;
- promotion of cooperative and harmonious relations;
- facilitation of effective communication between the parties; and
- continuous improvement through worker participation.

7.2 Statewide Labor-Management Committee (SLMC)

- A. The parties shall establish a SLMC composed of eight (8) members, four (4) representatives from each side. Included on the committee will be one (1) staff representative each from LOCAL 6070 and the Office of Labor Relations.
- B. The SLMC will meet at mutually agreed times and locations, but no less than twice each year.
- C. Written agendas will be jointly prepared in advance of each meeting by the staff representatives on the committee. A written summary will be prepared of actions taken and recommendations made by the SLMC. The parties will alternate responsibility for chairing the meetings and preparing the written summary.
- D. Recommendations of the SLMC will be forwarded to the Statewide Director of Labor Relations and the Business Manager of APEA/AFT. The Director and the Business Manager will respond to the recommendations in writing to the SLMC within sixty (60) calendar days or may request a meeting of the SLMC. They will identify issues and concerns regarding the recommendations and will suggest options for implementation of the recommendations.
- E. Each party will be responsible for the costs of its representatives on the SLMC. Time spent by Bargaining Unit Members in committee meetings will be considered work time. If meetings begin or end outside of work time, that time will not be compensated. A good faith effort will be made to schedule these meetings on work time. Time spent by Bargaining Unit

Members prior to or after scheduled SLMC meetings shall not be considered work time.

- F. The SLMC may invite representatives from the University and the Union to render assistance and/or participate as the SLMC deems appropriate.
- G. The SLMC will receive an orientation and training in labor-management committee processes prior to beginning operation.

7.3 Other Labor-Management Committees

- A. Other labor-management committees may be established at the MAU, department, or other organizational level of the University, or to address specific issues.
- B. Establishment, composition, scope, and meeting schedules of these committees shall be established in writing by mutual agreement of the Director of Labor Relations and Local 6070.
- C. Each MAU shall have a safety committee.
- D. Time spent by Bargaining Unit Members in committee meetings will be considered work time. If meetings begin or end outside of work time, that time will not be compensated. A good faith effort will be made to schedule these meetings on work time. Time spent by Bargaining Unit Members prior to or after LMC meetings shall not be considered work time.
- E. Recommendations of these committees will be forwarded to the immediate Director and LOCAL 6070 staff. The immediate Director and LOCAL 6070 staff will respond to the recommendations in writing to the committee within thirty (30) calendar days or may request a meeting of the committee. They will identify issues and concerns regarding the recommendations and will suggest options for implementation of the recommendations.
- F. Any labor-management committee established under this Article will receive an orientation and training in labor-management committee processes prior to beginning operation.

7.4 Labor-Management Committee Limitations

- A. Labor-Management Committees do not have the authority to take any action that is in contravention of any term of this Agreement.

- B. Labor-Management Committees do not have the authority to enter into binding agreements between the parties to this Agreement. Recommendations of a committee which would require modification or amendment of an express term of the Agreement will be referred to the Availability of Parties Process.

**ARTICLE 8
PERFORMANCE APPRAISAL**

Performance appraisals are not required.

**ARTICLE 9
DISCIPLINE and DISCHARGE**

9.1 Administration of Discipline

Disciplinary action is a corrective process to help an employee overcome work-related shortcomings, strengthen work performance and achieve success. The University agrees to administer discipline and discharge actions without discrimination toward any particular bargaining unit member.

9.2 Just Cause, Due Process, and Progressive Discipline

When discipline is necessary, it shall be handled in a reasonable manner that supports the concept of progressive discipline and minimizes the interruption of university services.

Both parties agree to attempt to resolve differences at the lowest level. Supervisors shall discuss workplace issues with the bargaining unit members to ensure that no bargaining unit member is disciplined for violation of a policy or procedure he or she might not reasonably know about.

The University agrees to administer all discipline and discharge actions for just cause and in accordance with the employee's due process rights. The administration of discipline shall be in private.

Discipline shall be administered on a case-by-case basis in a consistent and fair manner. Discipline shall be determined after an objective review of the facts with consideration given to the employment record of the bargaining unit member, previous discipline if any and the impact to the University resulting from the action.

The principles of progressive and constructive discipline shall be followed. The steps of progressive discipline are as follows:

1. Oral Warning(s)
2. Written Warnings or Reprimands
3. Suspension and/or Demotion
4. Discharge

A more severe response may be appropriate in cases where the employee's conduct includes behavior such as theft, assault, intentional falsification of official records, possession or being under the influence of prohibited narcotics, or being under the influence of alcohol during duty hours, or gross insubordination.

9.3 Bargaining Unit Member Notice

A. Regular Bargaining Unit Members

1. The University shall provide written notice to the bargaining unit member and the Union, at least forty eight (48) hours prior to an investigatory meeting that may result in disciplinary action. The notice shall provide the time, place and participants of the meetings, the specific allegation(s) under investigation and the right the bargaining unit member may be represented by a designated Local 6070 representative.
2. The University shall provide employees with written notice not to exceed forty-eight (48) hours, of meetings in which disciplinary action shall be administered. Bargaining unit members may secure union representation. The notice provisions of this article are not applicable to oral warnings.
3. In cases of discharge, the bargaining unit member shall be notified in writing of the reason(s) for the disciplinary action concurrent with commencement of the action. This written notice shall be provided to the employee in a meeting or, if the employee does not attend the meeting, by certified mail to the employee's address of record.
4. In cases of written warning or reprimand, suspension, or demotion, the bargaining unit member shall be notified in writing of the reason(s) for the disciplinary action concurrent with commencement of the action. In addition, the written notice will refer to any applicable previous disciplinary actions, the policy or other ground that was violated, and notice of possible action for future misconduct. This written notice shall be provided to the employee in a meeting or, if the employee does not attend the meeting, by certified mail to the employee's address of record.
5. The University agrees that with the exception of gross disobedience, dishonesty, physical misconduct, abusive or lewd behavior, or abandonment of duties, all regular bargaining unit members shall be given two weeks notice or two weeks pay prior to discharge. The bargaining unit member shall be notified, in writing, of the reason(s) for discharge prior to termination.
6. If the bargaining unit member chooses to seek review of any of the actions taken, as enumerated above, such review will be requested in accordance with the grievance procedure.

B. Probationary Bargaining Unit Members

The University, at its sole discretion, reserves the right to discipline or discharge any probationary bargaining unit member at any time within the probation period.

Disciplinary actions or discharge during the probationary period shall not be grievable.

9.4 Union Notification

The University agrees to provide to the local Union field office advance written notice of all meetings in which notice of disciplinary action shall be administered to an employee. In cases of suspension, demotion, or discharge, the University agrees to provide to the local Union field office, a copy of the written notice provided to the employee, concurrent with commencement of the action. Failure to provide notice to Local 6070 shall not constitute grounds for appealing or overturning the University's disciplinary action.

ARTICLE 10
BARGAINING UNIT MEMBERS' RIGHTS AND RESPONSIBILITIES

10.1 Prohibited Work

- A. A bargaining unit member shall not knowingly perform any work in violation of applicable federal, state, or local laws.
- B. The University will not knowingly require any bargaining unit member to perform work in violation of any applicable federal, state, or local laws.

10.2 Licenses

A. License Requirements

- 1. Bargaining unit members in a skilled trade or craft shall acquire all licenses and certificates the University determines necessary to accomplish the essential functions of their position, at the bargaining unit member's expense. The cost of renewing licenses and certificates required by the University shall be borne by the University.

Bargaining unit members who are required by the University to hold a license or certificates, which require continuing education for renewal or maintenance of a license or certificate, shall submit a training request form to their supervisor. Upon approval by the supervisor the bargaining unit member shall receive paid time off and tuition expenses necessary to satisfy these requirements.

- 2. Bargaining unit members in a skilled trade or craft, who are required and/or utilize as directed by the University to have a license or certification beyond that required by the skilled trade or craft, shall acquire and maintain all such licenses and certificates at the University's expense.

Utilization of license or certification for single instances or emergency situations is exempt from this provision.

- 3. Bargaining unit members, not in a skilled trade or craft, who are required or directed by the University to hold a license or certificate (with the exception of a standard driver's license), shall acquire and maintain all such licenses and certificates at the University's expense. Bargaining Unit Members, not in a skilled trade or craft, who utilize licenses or certificates not required by the University as directed shall have all such licenses/certificates maintained at University expense.

Utilization of license or certification for single instances or emergency situations are exempt from this provision.

4. Bargaining unit members who are required to obtain a new license or certification shall acquire and maintain all such licenses and certificates at the University's expense.
5. Bargaining unit members who are required by the University to hold a license or certificates which require continuing education shall receive paid time off and tuition expenses necessary to satisfy those requirements.
6. Bargaining unit members who are required by the University to hold a license or certificate which requires a physical examination shall have such exam furnished by the University.
7. A Bargaining Unit Member who holds a license or certificate in a skilled trade or craft shall not be required to perform work requiring such license or certification if possession of such a license or certification is not a requirement of the position or the classification.

B. Loss of License(s)

1. If a bargaining unit member temporarily loses a required license or certificate through their negligence or inaction, the bargaining unit member may be suspended without pay for a period up to ninety (90) days or until they regain the required license or certificate. Except in extenuating circumstances, failure to re-obtain a required license or certificate in accordance with this Section shall constitute grounds for administrative termination.
2. Any loss of a required license, whether temporary or permanent, shall be immediately reported to the University. Failure to report loss of a required license in accordance with this provision will be grounds for discipline up to and including termination.

C. Driver License Review

Bargaining unit members shall provide written authorization to the Facilities Director for an annual driver twelve-month (12) review. The purpose of this review is to ensure that the employee has had a current valid drivers license for the past twelve (12) months. The University will pay all associated costs for obtaining the copy from the Department of Motor Vehicles.

10.3 Indemnification and Property Protection

- A. The University will defend, indemnify and hold harmless bargaining unit members from any and all liability or damage arising out of acts on behalf of the University done within the course and scope of duty.
- B. Stolen or damaged property:
 - 1. Bargaining unit members shall be responsible for stolen, lost, misused, abused, or damaged property when there is evidence of a negligent or deliberate act. This shall include University issued credit cards or any other procurement authority.
 - 2. Bargaining unit members may use their own personal property. If their personal property is stolen, lost, misused, abused, or damaged while in use on behalf of the University, and there is no evidence indicating a negligent or deliberate act, the University shall repair or replace the personal property, if the use had been previously approved, in writing, by the University.
- C. Upon termination the bargaining unit member shall return all University property which was signed for (e.g., tools, equipment, clothing, keys) prior to receiving a final check. Failure to do so will result in the final check being offset by the full value of the material not returned.

10.4 Bargaining Unit Vacancies

In recognition of merit and career service, the parties agree that it is their mutual intent that vacant or newly established positions in the bargaining unit be filled by Bargaining Unit Members pursuant to the terms provided in this Section.

The following shall supplement the University's hiring procedure for filling positions in the bargaining unit.

- A. If bargaining unit members meet the minimum qualifications for the position and they apply for the vacancy prior to the closing date at the MAU personnel office, they shall be given priority consideration and an opportunity to interview for the position.
- B. Bargaining unit vacancies shall be posted internally for a minimum of five (5) work days. Exceptions may be made based on documented lack of availability of qualified applicants in the bargaining unit, or the unexpected vacancy of a critical position. The custodial classification is excluded from this provision. The University's vacancy announcements for positions in the bargaining unit shall be posted at the MAU personnel office and at other locations where vacancy announcements are currently posted and be transmitted to the local union field

office simultaneously to the posting. Bargaining unit members wishing to be considered for transfer to another campus shall notify the local Union field office and will be notified by the field office of vacancies at the campus designated in the announcement. It shall be the responsibility of the bargaining unit member to apply for the transfer in accordance with the University's policies.

- C. Bargaining Unit Members who applied and were interviewed but not selected for a bargaining unit vacancy shall be provided written explanation of non-selection, including the University's basis for non-selection.
- D. Bargaining Unit Members who applied and were not deemed to be qualified for a bargaining unit vacancy shall be provided written explanation of non-qualification, including the University's basis for this determination.

10.5 University Notification

To be eligible for rehire, each Bargaining Unit Member shall give the University two (2) weeks notice before leaving employment, unless mutually agreed beforehand between the University and Local 6070.

ARTICLE 11 WAGES

11.1 Step Placement

A. Initial Hire

Upon initial hire a bargaining unit member will be placed on Step 1 of the wage grade of the appropriate classification. Advance step hire may be made at the discretion of the Director based on training and experience. Absent agreement of the Director, advance step placement is limited to the step placement of the least senior bargaining unit member in the seniority pool.

B. Promotion

Upon promotion a bargaining unit member will be placed at Step 1 of the new wage grade, or such other step of the new wage grade as will give the bargaining unit member at least a two (2) step increase.

C. Lateral transfer

A bargaining unit member accepting a lateral transfer will retain their current step and range placement.

11.2 Wage Grade Schedule

A. The wage schedules in Appendix A shall be implemented for all members of the bargaining unit who are not on frozen pay, beginning the effective date of this Agreement through December 31, 2006. Grid adjustments shall take effect the first full pay period after the specified date of the grid adjustment.

B. During the term of this Agreement, on their individual leave accrual date, bargaining unit members shall move one step a year within their assigned range.

11.3 Geographic Salary Differentials

Bargaining unit members are provided geographic differentials on the same basis as provided in University Regulation in effect on January 1, 2004.

11.4 Leadperson Pay

A. A bargaining unit member who is required to direct the functions of three (3) or more bargaining unit employees for a specific period of time greater than three (3) consecutive working days shall receive an additional one dollar per hour for all hours so worked. At the end of the leadperson assignment the bargaining unit member shall be returned to their original wage rate.

7. An additional day after Thanksgiving Day
8. Christmas Day
9. An additional day before or after Christmas Day, as designated each year by the president
10. New Year's Day
11. An additional day before or after New Year's Day, as designated each year by the president
12. Martin Luther King Jr. Day in Celebration of Alaska Civil Rights

C. Holiday Observation

Holidays shall be observed on the date of the holiday, unless the holiday falls on Saturday or Sunday, in which case the holiday shall be observed on the Monday or Friday closest to the holiday. If the bargaining unit member has been assigned an alternative work schedule such that a holiday falls on the first regularly scheduled day off, the holiday shall be observed on the preceding day. If the holiday falls on the bargaining unit member's second consecutive day off, the holiday shall be observed on the following day.

12.2 Annual Leave

- A. Bargaining unit members shall accrue annual leave in accordance with Article 1 and as follows. Accrual shall be:

5.54 hours per 80 paid hours pay period during the first 5 years.

6.46 hours per 80 paid hours pay period during the next 6 – 10 years

7.38 hours per 80 paid hours pay period during the next 10 – 15 years.

- B. Use of annual leave must be mutually agreed to and approved by the immediate supervisor. If the supervisor denies a request for annual leave, the reason for denial shall be provided to the employee in writing.
- C. Bargaining unit members may submit a written request to the University to cash out up to 40 hours of accrued annual leave. If the bargaining unit member has a minimum balance of 40 hours of accrued annual leave after any cash out the University shall honor the cash out request. Payment shall be paid no later than the next payroll run from the request.
- D. Annual leave accrual shall be capped at 240 except as described in E.

- E. The salary equivalent of all unused annual leave shall be paid upon retirement or termination of a bargaining unit member from the University. All accrued annual leave shall be paid to the employee's estate when a bargaining unit member dies.

Use of annual leave is subject to prior approval of the supervisor.

- F. Scheduling

1. During the following periods (June 15 through June 30 and November 15 through December 1 of each year), a bargaining unit member may submit to their supervisor, in writing on a form provided by the University, the leave dates the bargaining unit member desires to schedule for the next year.
2. The supervisor will approve or deny such requests in writing not later than two (2) weeks after the close of the leave request period.
3. If two or more bargaining unit members in a seniority pool request the same leave date(s) and the University determines to approve some but not all such annual leave requests for such dates, such determination shall be provided in writing to the affected bargaining unit members. Seniority shall be a consideration.
4. Leave scheduling requests received after the leave request periods shall be approved or denied in the order in which they are received by the supervisor. The supervisor shall respond in writing within three (3) days.

12.3 Sick Leave

- A. Bargaining unit members shall accrue 4.62 hours sick leave per 80 paid hour pay period and be eligible to use sick leave in accordance with Article 1 and as provided in University Regulations governing sick leave (04.06.130) in effect as of January 1, 2004.
- B. Bargaining unit members must notify or if unable, have another notify his/her immediate supervisor prior to their normally scheduled work day, but are encourage to call at least one hour prior to their normally scheduled work day.
- C. If a pattern of sick leave usage can be shown and/or the supervisor reasonably suspects abuse of sick leave benefits, the supervisor shall contact the bargaining unit member and Local 6070 prior to requesting, from the bargaining unit member evidence of illness or medical appointment.
- D. The parties agree to have a Labor Management Committee in accordance with Article 7 to address sick leave usage and to explore alternative to reducing the usage rate.

12.4 Military Leave

A regular employee who is a member of a reserve or auxiliary component of the United States Armed Forces is entitled to a leave of absence without loss of pay to a maximum of 16 and one-half working days in one calendar year during which the employee is ordered to serve with the National Guard or Reserve Forces, or the Civil Air Patrol or Coast Guard auxiliary units. If requested, the employee must provide a copy of the order which will establish his/her eligibility for military leave.

For other than required training periods discussed above, regular employees of the University are entitled to a military leave of absence without pay to serve in the Armed Forces of the United States and will be entitled to statutory benefits and rights to re-employment provided for by state and/or federal law. For a military leave of absence, the employee must give advance written notice of leave to the supervisor. If the leave is for more than 31 days, the returning employee must, at the request of the supervisor, provide documentation, such as the bargaining unit member's orders, that establishes the length and character of the service and the timeliness of the application for re-employment. Voluntary involvement with non-military, auxiliary, or civil organizations, such as participation in search and rescue missions, is not eligible for military leave or military leave of absence.

12.5 Emergency Search and Rescue Leave

Bargaining unit members participating in organized emergency search and rescue operations directed by state and/or local authorities may be allowed time off for such activities chargeable to annual leave or leave without pay, at their option.

12.6 Workers' Compensation Leave

The University's workers' compensation obligations under state laws, Regents' Policy, University Regulation, and any other policy or procedure are not obligations under this collective bargaining agreement and are not subject to the grievance procedure.

12.7 Family Medical Leave

Family Medical Leave shall be provided in accordance with applicable state and federal law.

12.8 Jury Duty

Leave for jury duty shall be provided in accordance with Regents' Policy and University Regulation in effect on January 1, 2004.

12.9 Rate of Pay for Leave

Leave hours shall not be deemed hours of work for the purpose of computing overtime or other premium pay under this Agreement.

12.10 Leave Without Pay

Bargaining unit members may request leave without pay for 10 working days or less. The Chief Facilities Officer may approve in writing a leave without pay request.

**ARTICLE 13
BENEFITS**

13.1 Health Care Plan

Eligible bargaining unit members shall be provided a defined contribution health benefits plan on the same basis as currently provided in the "Traditional" Plan.

- A. The University shall contribute up to four hundred and ninety four dollars and seventy-six cents (\$494.76) per employee per month toward the cost of health care. The University contribution shall increase by up to twenty-eight percent (28%) to \$634.06, effective July 1, 2004, by up to ten percent (10%) to \$697.47 July 1, 2005 and by up to ten percent (10%) to \$767.22 on July 1, 2006. In the event the cost of the health benefits as prorated among participants in a particular plan exceeds the University's defined contribution, such cost in excess of the University's defined contribution will be borne by bargaining unit members. The amount shall be reimbursed through equal payroll deductions equally distributed among all participants in the plan.
- B. Effective January 1, 2004, the Plan Year will transition from a calendar year to a fiscal year, January – June 2004 will be a six-month "benefit year," with deductible and out-of-pocket maximums set a half of the current levels. All other coverage levels shall remain the same. The maximum contribution to the health care and dependent care flexible spending accounts will be adjusted to half their applicable annual limit. The University will hold : 1 open enrollment prior to June 2004.
- C. Benefit levels for unit members shall not be altered without review and consideration of recommendations submitted by the Statewide Labor-Management Committee and the agreement of the parties through the Availability of Parties Process. D The University intends to offer a defined contribution plan with multiple benefit options, an opt out option and prospective employee charges (hereafter "UA Choice").
- D. The University intends to offer a defined contribution plan with multiple benefit options, an opt out option and prospective employee charges (hereafter "UA Choice")
- E. Once during the life of this Agreement, including any extensions, Local 6070 may, upon written notice provided no later than February 15, exercise an option to:
 - 1 Cease participation, effective July 1 of the same year, in any University Plan and thereafter provide health benefits to its members. In such case, the University shall remit to LOCAL 6070, or its designee, the defined

contribution amount established in this Agreement on a schedule to be determined by the parties; and

2. Participate in UA Choice plan as that plan may be amended from time to time. In the event that Local 6070 chooses to have an election by the bargaining unit to move to the UA Choice plan, the University shall meet under Availability of Parties to negotiate a Letter of Agreement articulating the transition procedures and employee cost and benefits associated with the bargaining unit's move to UA Choice. The University's defined contribution and bargaining unit member costs shall be determined in accordance with paragraph A., above.

13.2 Life Insurance

Eligible bargaining unit members are provided this coverage on the same basis as provided under the University Plan in effect as of January 1, 2004.

13.3 Long Term Disability

Eligible bargaining unit members are provided this coverage on the same basis as provided under the University Plan in effect as of January 1, 2004.

13.4 Reimbursement Accounts (RAs)

Eligible bargaining unit members are provided access to Reimbursement Accounts on the same basis as provided under the University Plan in effect as of January 1, 2004.

13.5 Tax Sheltered Annuities [403(b)] (TSAs)

Eligible bargaining unit members are provided access to TSAs on the same basis as provided under the University Plan in effect as of January 1, 2004.

13.6 University Pension Plan

Eligible bargaining unit members are provided this benefit on the same basis as provided under the University Plan in effect as of January 1, 2004.

13.7 Public Employees Retirement System

Eligible bargaining unit members are eligible for this benefit as determined by state law.

13.8 Parking

A bargaining unit member is provided parking on the same basis as provided in effect as of January 1, 2004.

13.9 Tool Allowance

Bargaining unit members who are specifically required, in writing, by the University to furnish their own tools will be paid a tool allowance of \$400 per year. Payment to qualifying bargaining unit members shall be issued on a separate check from their wage check.

13.10 Accidental Death and Dismemberment Coverage

Eligible bargaining unit members are provided access to Accidental Death and Dismemberment coverage on the same basis as provided under the University Plan in effect as of January 1, 2004.

13.11 Legal Trust

- A. Effective the first payroll after July 1, 1998, in addition to the wages paid per this Agreement, the University agrees to pay the Alaska Public Employees Association/AFT Legal Trust Fund (hereinafter the Fund) \$4.62 per pay period per Bargaining Unit Member in pay status in the pay period for which the contribution is made.
- B. The University shall remit the amount due for the previous month to the Fund within fifteen (15) days after the pay date.
- C. The Fund shall be sponsored and administered by APEA/AFT and the University shall have no voice in the amount or type of service provided by this plan, however, services provided by the Fund shall not be used in actions involving or in a position adverse to the University of Alaska. The Fund shall attempt to obtain the maximum service possible for the employees.
- D. This Article confers only the right to demand and enforce payment of the required contributions. Failure by the University to remit the required contribution does not give rise to any grievance or cause of action by the Association, its members or any other person for other harm or damages which might result from the failure of the University to remit the required contribution. The provision or retention of legal assistance under this Article is the sole and exclusive responsibility of the Association and/or the member. Unless such actions are taken to demand and enforce payment by the University of the Required Contributions, the Association agrees to defend, indemnify and hold harmless the University against any and all legal actions, orders, judgments or other decisions rendered in any proceeding as a result of the implementation of this Article.

13.12 Tuition Waiver Benefit

Employee Education Benefits shall be provided in accordance with Regent's Policy and University Regulation in effect on January 1, 2004.

Bargaining unit members shall receive all other education benefits offered to any other employees of the University during the life of this Agreement.

**ARTICLE 14
DURATION**

- A. The non-monetary terms of this Agreement shall be in effect from January 1, 2004, until December 31, 2006.
- B. The monetary terms of this Agreement shall be in effect as provided in the Agreement, and until December 31, 2006.
- C. Appendices A and B to this Agreement are incorporated in their entirety as parts of this Agreement.
- D. In June of 2006, either party may serve written notice on the other of its desire to terminate, modify, or amend this Agreement. Upon receipt of such notice, negotiations shall commence within sixty (60) calendar days, or as agreed by the parties.
- E. The parties may renew this Agreement for one additional year by their written mutual consent. Pay increases in effect in the year of expiration shall be repeated during an extension, but shall cease at the expiration of the extension.

ARTICLE 15 CLASSIFICATION REVIEW

This process provides the sole and exclusive method for Bargaining Unit Members to review and resolve questions or concerns they may have pertaining to the classification placement of their position. Bargaining Unit Members may request such review no more than one time each year, unless assigned duties have substantially changed.

15.1 Step 1

A Bargaining Unit Member questioning the appropriateness of the classification placement of their position will fill out a Position Review Form (see attachment B). The Position Review Form (PRF) will accurately describe the duties currently being performed by the Bargaining Unit Member. The Bargaining Unit Member may submit additional documentation supporting his/her position that the current classification is inappropriate. The Bargaining Unit Member will request the classification he/she believes is more appropriate.

15.2 Step 2

The Bargaining Unit Member will review the PRF with his/her immediate supervisor to discuss duties performed. Within seven (7) days of the date of submission of the PRF to the supervisor, a meeting will be scheduled for a mutually agreeable time, as soon as possible after the receipt of the PRF. The Supervisor shall forward his/her findings to the immediate Director, with a copy to the Bargaining Unit Member. If there is disagreement the Bargaining Unit Member may submit a written rebuttal to the Director, within seven (7) days from receipt of the supervisor's findings.

15.3 Step 3

The employee's immediate Director shall review the Position Review Form, supervisor's comments and/or employee's rebuttal. The immediate Director may meet with the Bargaining Unit Member and their Employee Representative, to gather or clarify information. The immediate Director shall, within seven (7) days of receipt of the employee's submission of rebuttal or the meeting, whichever is later, make a decision, reduce it to writing and send a copy to the Bargaining Unit Member and Employee Representative.

15.4 Step 4: Appeal Process

The Bargaining Unit Member may appeal the immediate Director's decision. Local 6070 staff shall submit in writing the appeal within 14 days from the immediate Director's determination in Step 3 to the MAU level Personnel Director. Union staff, the immediate Director, and the Personnel Director shall jointly review the documentation. If the parties agree then the reclassification will occur as agreed. If the parties disagree then the Union shall advance the reclassification appeal within seven (7) days to the next step.

15.5 Step 5

The Personnel Director's decision may be appealed in writing to statewide Office of Labor Relations. The parties shall meet within fourteen (14) days from receipt of the written appeal. If the review of the appeal does not result in a mutually agreed classification change, the classification shall be submitted to a neutral party, selected according to the process set forth below, for determination.

For the purposes of this step the neutral classification panel will be a standing panel of three (3) neutral classification experts jointly determined by both parties. The cost associated with this step will be split evenly between the parties. The parties shall select one Classification Specialist from the panel of three by alternately striking one name from the list. The one remaining shall decide the dispute. The parties shall rotate who strikes first.

15.6 Effective Date of Reclassification

The effective date of reclassifications which result from the process set forth in this Article will be retroactive from the beginning date of the pay period after the date the bargaining unit member submitted their review to their supervisor.

15.7 Effect of Reclassification

In the event a position is reclassified downward, the individual affected will be selected in accordance with the layoff provisions in Article 5.4B of this Agreement. The individual selected shall be placed in the lower classification scale at the equal or closest higher rate to their current rate. If the current rate exceeds the maximum rate in the lower scale, their pay shall remain frozen for not longer than three years, at which time the rate shall be adjusted to the maximum rate of the new lower scale.

In the event a position is reclassified to a higher classification, it shall be considered a promotion as defined in Article 11.1.B.

In the event a position is determined by the classification expert to be reclassified to a higher classification, the University retains the right to limit assigned duties such that the reclassification is no longer warranted. In the event the University so limits assigned duties, the employee shall receive compensation equal to a one step increase for the time between the date of the Step 1 appeal and the Director's decision to limit duties to the former classification

COLLECTIVE BARGAINING AGREEMENT
between the
UNIVERSITY OF ALASKA
and the
ALASKA HIGHER EDUCATION CRAFTS & TRADES EMPLOYEES
LOCAL 6070
APEA/AFT
AFL-CIO

FOR THE UNIVERSITY OF
ALASKA:

FOR LOCAL 6070:

July 1, 2003 to December 31, 2003

CUSTODIANS and MAINTENANCE SERVICE WORKERS

<u>STEP</u>	<u>CUST</u>	<u>MSW 1</u>	<u>MSW 2</u>	<u>MSW 3</u>	<u>MSW 4</u>
1		\$9.87	\$11.11	\$12.49	\$14.06
2		\$10.17	\$11.43	\$12.88	\$14.48
3	\$9.29	\$10.46	\$11.79	\$13.26	\$14.93
4	\$9.57	\$10.79	\$12.14	\$13.66	\$15.37
5	\$9.87	\$11.11	\$12.49	\$14.06	\$15.84
6	\$10.17	\$11.43	\$12.88	\$14.48	\$16.31
7	\$10.36	\$11.67	\$13.13	\$14.77	\$16.62
8	\$10.57	\$11.90	\$13.39	\$15.08	\$16.98
9	\$10.79	\$12.14	\$13.67	\$15.37	\$17.30
10	\$11.00	\$12.38	\$13.94	\$15.69	\$17.64
11	\$11.21	\$12.61	\$14.22	\$16.01	\$18.01
12	\$11.44	\$12.89	\$14.49	\$16.32	\$18.36
13	\$11.67	\$13.14	\$14.78	\$16.63	\$18.73
14	\$11.80	\$13.27	\$14.94	\$16.81	\$18.92
15	\$11.91	\$13.40	\$15.09	\$16.99	\$19.12
16	\$12.03	\$13.53	\$15.23	\$17.15	\$19.30

CRAFTS AND TRADES

<u>STEP</u>	<u>CT 1</u>	<u>CT 2</u>	<u>CT 3</u>
1	\$15.84	\$17.82	\$20.06
2	\$16.31	\$18.35	\$20.65
3	\$16.79	\$18.91	\$21.28
4	\$17.30	\$19.46	\$21.91
5	\$17.82	\$20.06	\$22.57
6	\$18.35	\$20.65	\$23.25
7	\$18.72	\$21.08	\$23.70
8	\$19.11	\$21.49	\$24.19
9	\$19.47	\$21.92	\$24.67
10	\$19.87	\$22.35	\$25.17
11	\$20.27	\$22.81	\$25.66
12	\$20.66	\$23.27	\$26.18
13	\$21.09	\$23.72	\$26.71
14	\$21.30	\$23.98	\$26.97
15	\$21.50	\$24.21	\$27.24
16	\$21.72	\$24.44	\$27.52

July 1, 2004 to June 30, 2005
(1.5% Increase)

CUSTODIANS and MAINTENANCE SERVICE WORKERS

<u>STEP</u>	<u>CUST</u>	<u>MSW 1</u>	<u>MSW 2</u>	<u>MSW 3</u>	<u>MSW 4</u>
1		\$10.02	\$11.28	\$12.68	\$14.27
2		\$10.32	\$11.60	\$13.07	\$14.70
3	\$9.43	\$10.62	\$11.97	\$13.46	\$15.15
4	\$9.71	\$10.95	\$12.32	\$13.86	\$15.60
5	\$10.02	\$11.28	\$12.68	\$14.27	\$16.08
6	\$10.32	\$11.60	\$13.07	\$14.70	\$16.55
7	\$10.52	\$11.85	\$13.33	\$14.99	\$16.87
8	\$10.73	\$12.08	\$13.59	\$15.31	\$17.23
9	\$10.95	\$12.32	\$13.88	\$15.60	\$17.56
10	\$11.17	\$12.57	\$14.15	\$15.93	\$17.90
11	\$11.38	\$12.80	\$14.43	\$16.25	\$18.28
12	\$11.61	\$13.08	\$14.71	\$16.56	\$18.64
13	\$11.85	\$13.34	\$15.00	\$16.88	\$19.01
14	\$11.98	\$13.47	\$15.16	\$17.06	\$19.20
15	\$12.09	\$13.60	\$15.32	\$17.24	\$19.41
16	\$12.21	\$13.73	\$15.46	\$17.41	\$19.59

CRAFTS AND TRADES

<u>STEP</u>	<u>CT 1</u>	<u>CT 2</u>	<u>CT3</u>
1	\$16.08	\$18.09	\$20.36
2	\$16.55	\$18.63	\$20.96
3	\$17.04	\$19.19	\$21.60
4	\$17.56	\$19.75	\$22.24
5	\$18.09	\$20.36	\$22.91
6	\$18.63	\$20.96	\$23.60
7	\$19.00	\$21.40	\$24.06
8	\$19.40	\$21.81	\$24.55
9	\$19.76	\$22.25	\$25.04
10	\$20.17	\$22.69	\$25.55
11	\$20.57	\$23.15	\$26.04
12	\$20.97	\$23.62	\$26.57
13	\$21.41	\$24.08	\$27.11
14	\$21.62	\$24.34	\$27.37
15	\$21.82	\$24.57	\$27.65
16	\$22.05	\$24.81	\$27.93

July 1, 2005 to June 30, 2006
(1.6% Increase)

CUSTODIANS and MAINTENANCE SERVICE WORKERS

<u>STEP</u>	<u>CUST</u>	<u>MSW 1</u>	<u>MSW 2</u>	<u>MSW 3</u>	<u>MSW 4</u>
1		\$10.18	\$11.46	\$12.88	\$14.50
2		\$10.49	\$11.79	\$13.28	\$14.94
3	\$9.58	\$10.79	\$12.16	\$13.68	\$15.39
4	\$9.87	\$11.13	\$12.52	\$14.08	\$15.85
5	\$10.18	\$11.46	\$12.88	\$14.50	\$16.34
6	\$10.49	\$11.79	\$13.28	\$14.94	\$16.81
7	\$10.69	\$12.04	\$13.54	\$15.23	\$17.14
8	\$10.90	\$12.27	\$13.81	\$15.55	\$17.51
9	\$11.13	\$12.52	\$14.10	\$15.85	\$17.84
10	\$11.35	\$12.77	\$14.38	\$16.18	\$18.19
11	\$11.56	\$13.00	\$14.66	\$16.51	\$18.57
12	\$11.80	\$13.29	\$14.95	\$16.82	\$18.94
13	\$12.04	\$13.55	\$15.24	\$17.15	\$19.31
14	\$12.17	\$13.69	\$15.40	\$17.33	\$19.51
15	\$12.28	\$13.82	\$15.57	\$17.52	\$19.72
16	\$12.41	\$13.95	\$15.71	\$17.69	\$19.90

CRAFTS AND TRADES

<u>STEP</u>	<u>CT 1</u>	<u>CT 2</u>	<u>CT 3</u>
1	\$16.34	\$18.38	\$20.69
2	\$16.81	\$18.93	\$21.30
3	\$17.31	\$19.50	\$21.95
4	\$17.84	\$20.07	\$22.60
5	\$18.38	\$20.69	\$23.28
6	\$18.93	\$21.30	\$23.98
7	\$19.30	\$21.74	\$24.44
8	\$19.71	\$22.16	\$24.94
9	\$20.08	\$22.61	\$25.44
10	\$20.49	\$23.05	\$25.96
11	\$20.90	\$23.52	\$26.46
12	\$21.31	\$24.00	\$27.00
13	\$21.75	\$24.47	\$27.54
14	\$21.97	\$24.73	\$27.81
15	\$22.17	\$24.96	\$28.09
16	\$22.40	\$25.21	\$28.38

July 1, 2006 to December 1, 2006
(1.5% Increase)

CUSTODIANS and MAINTENANCE SERVICE WORKERS

<u>STEP</u>	<u>CUST</u>	<u>MSW 1</u>	<u>MSW 2</u>	<u>MSW 3</u>	<u>MSW 4</u>
1		\$10.33	\$11.63	\$13.07	\$14.72
2		\$10.65	\$11.97	\$13.48	\$15.16
3	\$9.72	\$10.95	\$12.34	\$13.89	\$15.62
4	\$10.02	\$11.30	\$12.71	\$14.29	\$16.09
5	\$10.33	\$11.63	\$13.07	\$14.72	\$16.59
6	\$10.65	\$11.97	\$13.48	\$15.16	\$17.06
7	\$10.85	\$12.22	\$13.74	\$15.46	\$17.40
8	\$11.06	\$12.45	\$14.02	\$15.78	\$17.77
9	\$11.30	\$12.71	\$14.31	\$16.09	\$18.11
10	\$11.52	\$12.96	\$14.60	\$16.42	\$18.46
11	\$11.73	\$13.20	\$14.88	\$16.76	\$18.85
12	\$11.98	\$13.49	\$15.17	\$17.07	\$19.22
13	\$12.22	\$13.75	\$15.47	\$17.41	\$19.60
14	\$12.35	\$13.90	\$15.63	\$17.59	\$19.80
15	\$12.46	\$14.03	\$15.80	\$17.78	\$20.02
16	\$12.60	\$14.16	\$15.95	\$17.96	\$20.20

CRAFTS AND TRADES

<u>STEP</u>	<u>CT 1</u>	<u>CT 2</u>	<u>CT 3</u>
1	\$16.59	\$18.66	\$21.00
2	\$17.06	\$19.21	\$21.62
3	\$17.57	\$19.79	\$22.28
4	\$18.11	\$20.37	\$22.94
5	\$18.66	\$21.00	\$23.63
6	\$19.21	\$21.62	\$24.34
7	\$19.59	\$22.07	\$24.81
8	\$20.01	\$22.49	\$25.31
9	\$20.38	\$22.95	\$25.82
10	\$20.80	\$23.40	\$26.35
11	\$21.21	\$23.87	\$26.86
12	\$21.63	\$24.36	\$27.41
13	\$22.08	\$24.84	\$27.95
14	\$22.30	\$25.10	\$28.23
15	\$22.50	\$25.33	\$28.51
16	\$22.74	\$25.59	\$28.81

UNIVERSITY OF ALASKA

Position Review Form

Cover Sheet

NAME _____

PCN _____

Job Classification Title _____

Working Title _____

Department _____

Campus _____

Name of Immediate Supervisor _____ Phone _____

Received by: _____

Supervisor's signature

Date

Accuracy reviewed by:

Supervisor's signature

Date

APPROVED

Facilities Director's Signature

Date

DENIED

(or designee)

NEW JOB CLASSIFICATION _____

EFFECTIVE DATE OF CHANGE _____

Essential Functions

List in order of importance the primary functions that make up the core of this job. List only as many essential functions as necessary to describe the job. Estimate how frequently each function is performed. Identify the primary job skills necessary to perform the function rather than the personal skills used (Example: Function: *Analyze and repair electrical system.*

Skills: (*Knowledge of national electrical code.*)

Choose the description that most closely describes the frequency of the activity

List of Functions	Frequency	
1.		Daily
		Weekly
		Monthly
		Biannually
		Annually
Skills Required:		
2.		Daily
		Weekly
		Monthly
		Biannually
		Annually
Skills Required:		
3.		Daily
		Weekly
		Monthly
		Biannually
		Annually
Skills Required:		
4.		Daily
		Weekly
		Monthly
		Biannually
		Annually
Skills Required:		
5.		Daily
		Weekly
		Monthly
		Biannually
		Annually
Skills Required:		

Job Requirements

A. Does this job require a degree, certificate or license of any kind?

- Yes
- No

If yes, please specify what degree, certificate or license is required.

B. What specific knowledge and training is required to perform this job?

Examples: *Hazardous materials training, electrical training, drivability training, plumbing training, etc.*

- 1) _____
- 2) _____
- 3) _____
- 4) _____

Challenges and Solutions

State the most difficult challenges this job has the responsibility to solve and how they are solved.

Example: *Challenge: designing, interpreting specifications.*

Solution: implementing installation of equipment and fixtures.

Difficult Challenges	Typical Solutions

Other Comments Necessary to Describe this Job

Provide additional information necessary to further clarify this job.

This section must be completed by the Supervisor

Guidance and Authority

A. Choose the description below which most accurately describes this job and the supervision it receives.

_____ Frequent and short assignments with detailed instructions. Progress checked regularly.

_____ A series of similar assignments performed alone. Used established standard procedures.
Complex _____ and unusual
problems referred to supervisor.

_____ Assigned objectives are only outlined. Responsible and accountable for completion of the objectives, choosing and using best procedure.

_____ Works and makes substantial decisions independently. Infrequent, unstructured supervision.

B. List specific budget, staffing, administrative and/or technical decisions made by this job. Specify *only* those decisions made by this job without obtaining a supervisor's approval. Do not include decisions referred to others (for example: supervisor) or those governed by policies and regulations or written procedures.

INDEX

Accidental Death and Dismemberment Coverage.....	48
Administration of Discipline.....	32
Administrative Organization.....	11
Agency Shop.....	8
Annual Leave.....	42-43
Availability of Parties.....	6
Bargaining Unit Member Notice.....	33-34
Bargaining Unit Members' Rights & Responsibilities.....	35-38
Bargaining Unit Vacancies.....	37-38
Indemnification and Property Protection.....	37
Licenses.....	35-36
Prohibited Work.....	35
University Notification.....	38
Bargaining Unit Vacancies.....	37-38
Benefits.....	46-49
Accidental Death and Dismemberment Coverage.....	48
Health Care Plan.....	46-47
Legal Trust.....	8
Life Insurance.....	47
Long Term Disability.....	47
Parking.....	47
Public Employees Retirement System.....	47
Reimbursement Accounts (Ras).....	47
Tax Sheltered Annuities [403(b)] (TSAs).....	47
Tool Allowance.....	48
Tuition Waiver Benefit.....	48-49
University Pension Plan.....	47
Call-In Work.....	14-15
Check Off.....	8-9
Classification Review.....	51-53

Effect of Reclassification	52-53
Effective Date of Reclassification	52
Step 1	51
Step 2	51
Step 3	51
Step 4	52
Step 5	52
Coercion and Intimidation	10
Compensatory Time	16
Continuous Hours of Work	16
Contracting Out.....	6-7
Discharge for Failure to Comply with 3.1	9
Discipline and Discharge	32-34
Administration of Discipline.....	32
Bargaining Unit Member Notice	33-34
Just Cause, Due Process, and Progressive Discipline.....	32
Union Notification	34
Duration	50
Effect of Reclassification.....	52-53
Effective Date of Reclassification	52
Emergency Search and Rescue Leave	44
Employee Representatives	10
Extra Hours of Work.....	14
Family Medical Leave	44
General Provisions	13
Geographic Salary Differentials	39
Grievance Procedure	24-27
Arbitration.....	26-27
Definitions.....	24
Grievance Steps	25-26
Grievance Time Limits	25
Objective	24

Withdrawal of a Grievance	27
Health and Safety	16-18
Health Care Plan	46-47
Holidays and Leaves	41-45
Annual Leave	42-43
Emergency Search and Rescue Leave	44
Family Medical Leave	44
Holidays	41-42
Jury Duty.....	44
Military Leave.....	44
Rate of Pay for Leave	45
Sick Leave.....	43
Workers' Compensation Leave.....	44
Holidays	41-42
Indemnification and Property Protection	36-37
Indemnification of the University	9
Jury Duty.....	44
Just Cause, Due Process, and Progressive Discipline	32
Labor Management Committees.....	28-30
Labor-Management Committee Limitations.....	29-30
Other Labor-Management Committees	29
Purpose.....	28
Statewide Labor-Management Committee (SLMC).....	28-29
Leadperson Pay.....	39-42
Legal Trust	48
Legislative Appropriation	6
Licenses.....	35-36
Life Insurance	47
List of Bargaining Unit Members	10
Local 6070 Paid Staff.....	11
Long Term Disability.....	47
Meal Period and Breaks	15

Military Leave.....	44
No Strike or Lockout	5
Non-Discrimination	6
Parking.....	47
Pay for Overtime Work.....	15
Performance Appraisal.....	31
Position Review Forms	59-62
Prohibited Work.....	35
Public Employees Retirement System	47
Rate of Pay for Leave	45
Recognition	1-3
Casual.....	2
Recognition	1
Student	2-3
Temporary Appointments	2
Term Employees	1
Reimbursement Accounts (Ras)	47
Retention of Managerial Prerogatives	4
Savings Clause	6
Salary Steps.....	55-58
Scope and Interpretation	4-7
Availability of Parties	6
Contracting Out.....	6-7
Legislative Appropriation	6
No Strike or Lockout	5
Non-Discrimination	6
Retention of Managerial Prerogatives	4
Savings Clause	6
University Policy and Regulation	6
Zipper Clause	5
Seniority and Its Applications.....	19-23
Definitions.....	19

Layoff and Recall.....	20-22
Probationary Bargaining Unit Members.....	20
Superseniority	22-23
Termination of Seniority	19
Shift Schedule Premium	16
Sick Leave.....	43
Special Assignment Premium Pay.....	16
Stand-By	15
Step Placement.....	39
Tax Sheltered Annuities [403(b)] (TSAs).....	47
Temporary Upgrade.....	40
Tool Allowance.....	48
Tuition Waiver Benefit	48-49
Union Business Leave Bank	11-12
Union Notification	34
Union Security	8-12
Administrative Organization.....	11
Agency Shop.....	8
Check Off.....	8-9
Coercion and Intimidation	10
Discharge for Failure to Comply with 3.1	9
Employee Representatives.....	10
Indemnification of the University.....	9
List of Bargaining Unit Members.....	10
Local 6070 Paid Staff.....	11
Union Business Leave Bank	11-12
Union Use of University's Facilities.....	10-11
Union Use of University's Facilities.....	10-11
University Pension Plan.....	47
University Policy and Regulation	6
Wage Grade Schedule.....	39
Wages	39-40

Geographic Salary Differentials	39
Leadperson Pay	39-40
Retention Payment	40
Step Placement.....	39
Temporary Upgrade.....	40
Wage Grade Schedule.....	39
Withdrawal of a Grievance	27
Work Schedules	13-14
Work	13-18
Call-In Work	14-15
Compensatory Time.....	16
Continuous Hours of Work.....	16
Extra Hours of Work.....	14
General Provisions	13
Health and Safety	16-18
Meal Period and Breaks	15
Pay for Overtime Work.....	15
Shift Schedule Premium	16
Special Assignment Premium Pay.....	16
Stand-By	15
Work Schedules	13-14
Workers' Compensation Leave.....	44
Zipper Clause.....	5

**CONF. OF
ALASKANS
RES.**

3/15/04

(FILE 1 OF 2)

SFIN

FILE

Governor's Statement—Senate Finance

March 15, 2004

-
- In my January State of the State message, I noted that Alaskans when confronted with challenges have shown the heartwarming ability and firm resolve to balance individual and shared needs.
 - Our state faces one of those challenging situations today.
 - Now that we have the recommendations from the Conference of Alaskans that address the state's fiscal gap, it is time for the Legislature to act on them.
 - Your responsiveness to date has been noteworthy. Thank you for agreeing to take up the recommendations of the Conference of Alaskans beginning today and working to resolve the issue by the end of the month.
 - We all agree that the state needs a resolution this session of Alaska's long-term fiscal problem.
 - It is not responsible to pass on to a future Legislature or Governor the fiscal gap with which I was confronted on assuming office in December 2002.
 - The fiscal solution we need must cover the period between now and the time when revenue from the gas pipeline and other natural resource development starts to fill our treasury
 - - In short, Alaska needs a fiscal bridge.
 - With regard to the distance which the financial bridge will have to span - I can report that we are continuing to make great progress on the gasline -- which is the major pier on the other shore.

Governor's Statement—Senate Finance

March 15, 2004

-
- First on the gasline: We have met, and will be meeting, with:
 - The producers who have lease rights to the gas:
 - TransCanada which has pipeline rights in Canada, and
 - MidAmerican which is working on a plan to construct the line in Alaska.
 - This administration intends to have firm commitments if at all possible to get the line committed before the end of the year. These proposals will be referred to you for approval. Obviously they will help solve our budget shortfall.
 - A prompt fiscal solution is necessary so that we are able to avoid the harms which would otherwise come to our citizens from the loss of public services between now and when we receive revenues from the gasline and other natural resource development.
 - We have done well in FY04 due to the high price of oil and by keeping our commitment to follow our plan to reduce government spending below the previous year and by limiting the CBR draw to under \$400 million.
 - We have been blessed by an increase in oil prices far beyond our expectations.

Governor's Statement—Senate Finance

March 15, 2004

-
- But we cannot bet our children's future education, our families' public safety, or our social obligations on the continued high price of oil. It is our obligation to act now.
 - Just as we can't bank on continued high oil prices, we cannot continue to count on the CBR to bail Alaska out every year.
 - What happens if the price of oil drops significantly over the next couple of years? This would result in a major draw on the CBR, which I will not allow to go below \$1 billion. This minimum balance is necessary to provide a cushion against dramatic disruptions in public services.
 - The CBR cannot be considered a permanent crutch.
 - On the revenue side: We must look for new revenue. On February 2nd we provided you a list of \$212 million in potential new revenues of which we need \$150 million for FY05.
 - We have been discussing a \$1 per pack increase in the tobacco tax, which would raise \$36 million.
 - I can't help reflect on the scourge of alcohol in our state. The cost of alcohol treatment is \$463 million –more than half of what we spend on education.
 - State revenue raised from alcohol tax is only \$25 million.
 - We average the highest alcohol consumption in the nation – an average of 500 drinks per year for every man, woman, and child.
 - We must continue to increase state government efficiency and reduce waste. While we have cut spending by \$245 million, our
-

Governor's Statement—Senate Finance

March 15, 2004

-
- missions and measures process continues to allow us to identify lower priorities and less effective programs that can be eliminated.
- We received very good direction from the Conference of Alaskans:
 - Pass POMV, which will limit to 5% the amount of money which the Legislature can use from the Permanent Fund earnings
 - Maintain a prudent level in the CBR
 - Protect the dividend
 - Use some of the Permanent Fund earnings to maintain essential public services.
 - Consider broad-based taxation
 - I do not intend today to propose a specific package for the Legislature to pass. You will want first to consider the results of the hearings like those you plan for this week before we reach that point.
 - But as you put the fiscal package together, please be guided by the following criteria: Will it raise the revenue needed to meet the state's fiscal needs during the bridging period?
 - Even though it might fall short of any individual's or group's maximum desires, is it better than the adverse impacts of the loss of public services if there is no resolution?
 - Will it have bipartisan support both in the Legislature and with the public?
-

Governor's Statement—Senate Finance
March 15, 2004

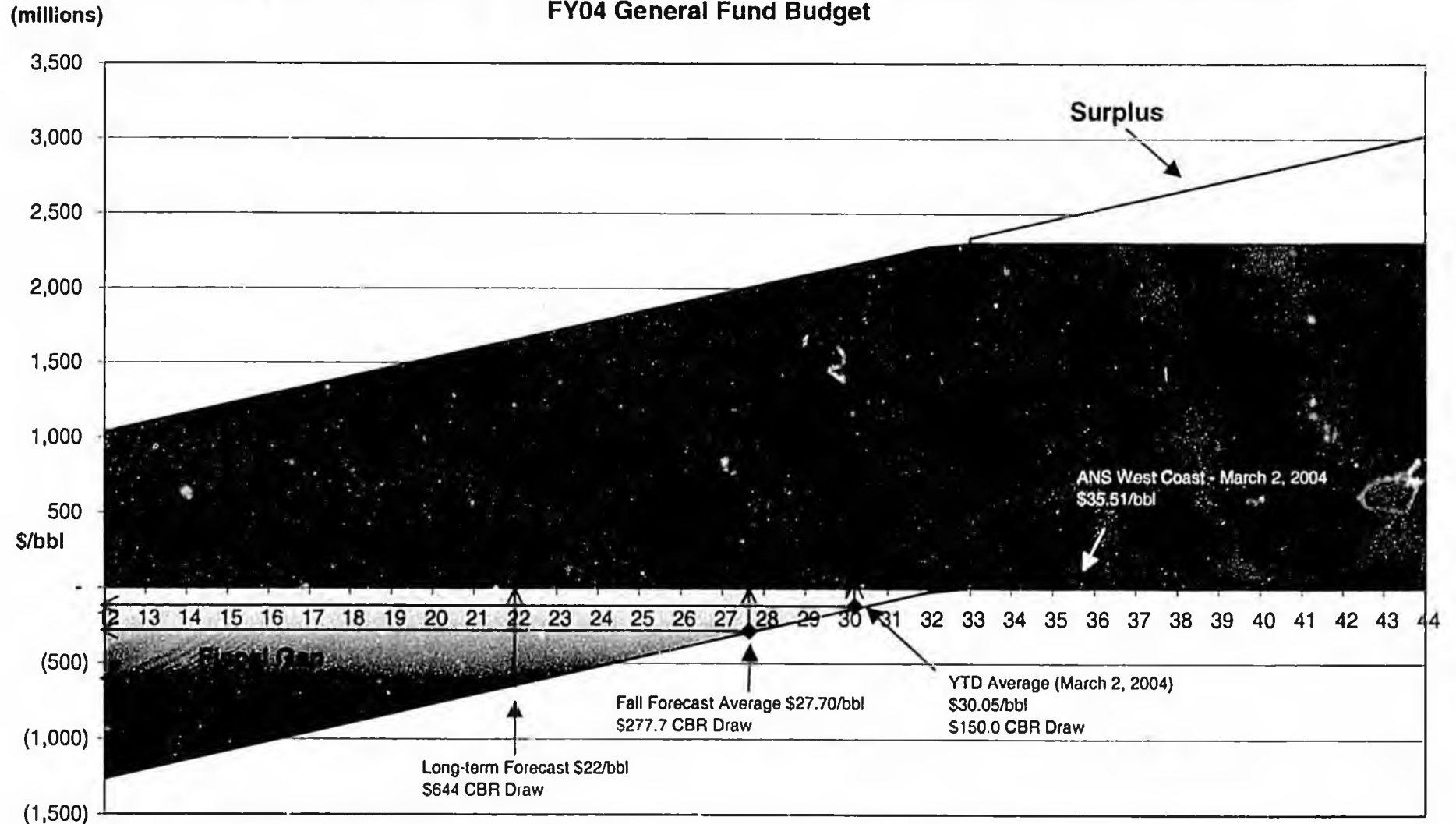
- Is it consistent with the intent of the resolutions adopted by the Conference of Alaskans?
 - Is it basically fair to all Alaskans?
 - Will it unreasonably impact Alaskans' current, reasonable expectation for the amount of a Permanent Fund dividend?
 - Will the Permanent Fund and the dividend be protected?
 - How will it affect Alaska's economy?
 - Is it good for Alaska? Not only today, but in the future?
 - Does it provide Alaskans the opportunity to have their say, to vote on the matter?
- I know that members of the Legislature have a number of good ideas on how best to proceed. I look forward to working with you reviewing the package that you develop to build a consensus which meets these criteria.
 - Each step in this year-long process to secure Alaska's future is of critical importance. The first step was the Conference of Alaskans in Fairbanks last month.
 - The 55 men and women from across the state did well. Now it is the Legislature's turn to get our state on sound fiscal footing.
 - In his simple life philosophy, Yogi Berra explains that tragedy lies in paralysis – not in choice.
 - Doing nothing is not a solution!

Governor's Statement—Senate Finance

March 15, 2004

-
- I will now turn this over to Cheryl Frasca and others from our administration who will provide the context explaining why the state needs to resolve its fiscal gap this year.
 - I look forward to working with you to meet the expectation of Alaska that we resolve the issue and bridge the gap this year.

**Projected Fiscal Gap/Surplus at Various Year-End Average ANS Crude Prices Given \$2.3 Billion
FY04 General Fund Budget**



*Includes revenues not directly affected by fluctuations in oil prices
 *Assumes DOR Fall 2004 Production Projection of .996 million barrels per day

Distributed by Senator Wilken 3/15/04



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

MEMORANDUM

TO: Senate Colleagues

FROM: Gary Wilken, Co-chair
Senate Finance Committee

DATE: March 12, 2004

RE: Week of March 15

On Monday, March 15, 2004 the Senate Finance Committee begins work on legislation encompassing recommendations forwarded by the 55-member Conference of Alaskans that met in Fairbanks last month. I invite you to join the Senate Finance Committee to listen to the discussion on legislation to implement an appropriation limit, to constitutionally guarantee the dividend, and to allow for some limited use of surplus earnings of the permanent fund. The committee will also consider proposals to switch to a percent of market value management approach for the permanent fund. (Please see the attached schedule.)

On Wednesday, March 17 you are welcomed to offer comments or a presentation on the Conference of Alaskans four resolutions submitted to the legislature. Please contact my office at 465-3709 and let me know of your interest. Based on the number of senators who wish to address the Senate Finance Committee, I will schedule the various talks.

I hope that your office schedule will allow you to join the Senate Finance Committee next week. The committee room will be arranged to accommodate you and other senators. I look forward to discussing the issues brought to the legislature by the Conference of Alaskans in the hope that we can help lay a good foundation for a long-term fiscal plan.

See you on Monday.

A handwritten signature in cursive, appearing to read "Gary Wilken".

State Senate

Conference of Alaskans Resolutions

Time	Mon., March 15	Tues., March 16	Wed., March 17	Thurs., March 18	Fri., March 19	Sat., March 20
Morning 9:00 – 11:00	State's Fiscal Picture – Looking Forward Presentation by Ms. Cheryl Frsaca Conference of Alaskans Presentation by Mr. Mike Burns Comments by Sens. Stevens/Elton	SJR 19 – Const. Amend: Permanent Fund Income (By Sen. Lincoln) SJR 32 – Const. Amend: Permanent Fund Income for Dividends (By Sen. Elton)	Additional Legislative Proposals Presentations offered by Senators	Committee Discussion/ Action (If Necessary)	Committee Discussion/Action (If Necessary)	Committee Discussion/Action (If Necessary)
Afternoon 1:50 – 4:00	SJR 18 – Const. Amend: PF Appropriation/Inflation Proofing (By Mr. Bob Storer, Director, Perm Fund Corporation)	SJR 24 – Const. Amend: Guarantee Permanent Fund Dividend (By Sen. Ogan) CBR Presentation by Mr. William Corbus, DOR SJR 3 – Const. AM: Appropriation/Spending Limit (By Sen. Dyson)	Statewide Public Testimony	Committee Discussion/Action (If Necessary)		
Evening 6:00 – 9:00		Continuation of the afternoon hearing (If Necessary)	Statewide Public Testimony			



OFFICIAL BUSINESS

Alaska State Legislature

Senate

STATE CAPITOL ROOM 213
JUNEAU, ALASKA 99801-1182
(907) 465-3701
FAX 465-2832
EMAIL: senate_secretary@legis.state.ak.us

February 18, 2004

MEMORANDUM

TO: Senator Green, Cochair
Senator Wilken, Cochair
Senate Finance Committee

FROM: Kirsten Waid *KW*
Secretary of the Senate

SUBJECT: Resolutions and Letter from the Conference of Alaskans

President Therriault has referred the following to your committee for review:

Letter dated February 17 from Michael John Burns, Chair of the Conference of Alaskans and Resolutions adopted by the Conference of Alaskans February 14, 2004

KW:lc
attachmen.s



FEB 17 2004

FRANK H. MURKOWSKI
GOVERNOR
GOVERNOR@GOV.STATE.AK.US

P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 17, 2004

The Honorable Gene Therriault
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear President Therriault and Speaker Kott:

Enclosed for your consideration are copies of the four resolutions as presented to me, which were passed by the 55 delegates to the Conference of Alaskans, held February 10-12 in Fairbanks. I am also forwarding a letter adopted by the delegates.

In my view, the conference was a success and provided for broad public involvement. The delegates substantively debated before a statewide audience the four issues I had presented them. The conference served to elevate these crucial questions for the public by the tone and content of their debate. The conference should be seen by us all as an indication from the people to get us to resolution of our fiscal situation this year. I truly appreciate the sacrifice of time and effort made by each of the participants in the conference.

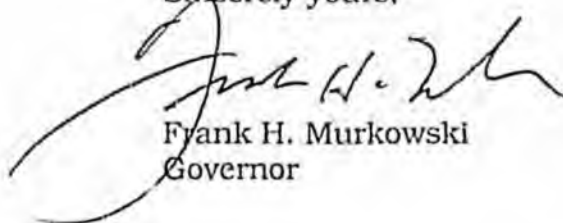
As you know, I asked the conference to provide responses to four questions related to the percent of market value approach to management of the Permanent Fund, use of a portion of Permanent Fund income to pay for essential public services, the dividend, and maintaining a minimum balance in the Constitutional Budget Reserve (CBR).

On the first and fourth questions, the conference was clear that it prefers the percent of market value approach to current management of the fund, and that a prudent balance should be maintained in the CBR.

On the second and third questions, the majority of the members of the conference agreed that a portion of the income should be used to support essential public services, and that the dividend should be protected in the Constitution. However, the specific details as to how those solutions should be crafted were appropriately left to the Legislature and the administration to work out.

I look forward to working with you and all members of the Legislature on those details, and crafting legislative approaches acceptable to the people of Alaska. Thank you for your cooperation.

Sincerely yours,



Frank H. Murkowski
Governor

MICHAEL JOHN BURNS

February 17, 2004

The Honorable Governor Frank H. Murkowski
P.O. Box 110001
Juneau, AK 99811

Dear Governor Murkowski,

In your State of the State Address on January 13, 2004, you issued a call for a "Conference of Alaskans" to consider four questions of vital importance to Alaska's fiscal future. In that same address, you named me as chair of that Conference and directed me to place those questions before 55 delegates and to deliver their answers to you.

Those questions were:

- Should the use of income from the Permanent Fund be limited by the Constitution to 5% of the Fund's value, as the Permanent Fund Trustees have proposed?
- Should a portion of the income of the Permanent Fund be used for essential state services, such as education?
- Should the use of the income of the Permanent Fund for dividends and possibly for other purposes be determined annually by the Legislature, as is currently the case? Or should it be dedicated in the Constitution?
- Should the state maintain a minimum balance in the Constitutional Budget Reserve to stabilize state finances against fluctuation in oil production or prices?

I am pleased to report that we convened at the University of Alaska's Fairbanks campus, and I am honored to convey to you herewith the four resolutions adopted by the delegates.

As adopted by the Conference of Alaskans Feb. 12, 2004

A RESOLUTION

Expressing the sense of the conference that the state should maintain a prudent balance in the constitutional budget reserve fund.

BE IT RESOLVED BY THE CONFERENCE OF ALASKANS:

WHEREAS the constitutional budget reserve fund was established by an amendment to the Alaska Constitution after a vote of the people held at the 1990 general election;

WHEREAS the constitutional budget reserve not only provides a contingency fund for the operations of the State of Alaska, it is also an integral component of maintaining the state's credit rating and that of the local communities throughout the state; and

WHEREAS the state relies on the balance of the constitutional budget reserve fund to meet its financial needs from time to time.

NOW THEREFORE LET IT BE RESOLVED that the state should maintain a prudent balance in the constitutional budget reserve fund.

As adopted by the Conference of Alaskans Feb. 12, 2004

A RESOLUTION

Expressing the sense of the conference that a part of the income of the Alaska permanent fund should be used for essential state services, such as education, public protection and other necessary public services.

BE IT RESOLVED BY THE CONFERENCE OF ALASKANS:

WHEREAS the earnings of the Alaska Permanent Fund exceed the amount of revenue realized by the state from oil and gas taxation and royalties;

WHEREAS the fiscal crisis facing Alaska is a clear and present danger to the adequate provision of necessary public services;

WHEREAS Alaska must not impose self-inflicted harm; and

WHEREAS Alaska's state spending is inadequate to meet current needs for public education, public protection, and many other necessary state services; and

WHEREAS the conference believes that after the dividend is protected a permanent fund dividend distributed, and any remaining funds available for distribution are used for essential government services, additional revenues will be needed to fully fund and protect those essential government services.

NOW THEREFORE LET IT BE RESOLVED: A portion of the distribution of the percent of market value (POMV) of the Alaska Permanent Fund should be used for essential state services, such as education, public protection and other necessary state services. However this recommendation is subject to the following conditions:

- (1) Dividends must be paid out first from the amount available under the percent of market value (POMV) distribution method, as recommended by the board of trustees of the Alaska Permanent Fund, with the remainder available to fund essential state services; and
- (2) The governor and legislature must take action to balance the state's revenues and expenditures, including but not limited to consideration of a personal income tax, other broad-based taxes and other alternative sources of income.

As adopted by the Conference of Alaskans Feb. 12, 2004

A RESOLUTION

Expressing the sense of the conference that distributions from the Alaska Permanent Fund for permanent fund dividends be dedicated in the constitution and that distributions from the Alaska Permanent Fund for other public purposes should be determined annually by the legislature.

BE IT RESOLVED BY THE CONFERENCE OF ALASKANS:

WHEREAS the Alaska Permanent Fund was established as an exception to the dedicated fund prohibition so that enough revenue could be segregated and protected to provide a source of money to benefit present and future generations of Alaskans;

WHEREAS dedication of a part of the distributions from the Alaska Permanent Fund provides a predictable and stable means to finance the permanent fund dividend for the foreseeable future;

NOW THEREFORE LET IT BE RESOLVED: The Legislature should pass a resolution proposing a constitutional amendment and present it to the voters for ratification at the 2004 general election that would protect the permanent fund dividend and ensure that the dividend would continue to be paid to state residents.

As adopted by the Conference of Alaskans Feb. 12, 2004

A RESOLUTION

Expressing the sense of the conference whether use of distributions from the Alaska Permanent Fund should be limited to five percent of the market value of the fund (POMV) as the Permanent Fund trustees have proposed.

BE IT RESOLVED BY THE CONFERENCE OF ALASKANS:

WHEREAS the Conference of Alaskans believes that a Permanent Fund dividend should be annually distributed to Alaskans;

WHEREAS the percent of market value (POMV) distribution formula would limit the amount that can be annually withdrawn from the Alaska Permanent Fund to no more than five percent of the market value of the fund (POMV);

WHEREAS the board of trustees of the Alaska Permanent Fund believes that the Permanent Fund is not adequately protected for the future;

WHEREAS the percent of market value (POMV) distribution formula is expected to maintain the purchasing power of the entire Permanent Fund by retaining in the fund enough of the increase in value to protect against inflation; and

WHEREAS the percent of market value distribution formula is expected to allow future generations to benefit equally from the Alaska Permanent Fund.

NOW THEREFORE LET IT BE RESOLVED: The Legislature should pass a resolution proposing a constitutional amendment addressing percent of market value (POMV), as recommended by the Permanent Fund trustees and present it to the voters for ratification at the 2004 general election that would change the method of distributing amounts from the Alaska permanent fund so that distributions are limited to five percent of the market value (POMV) of the fund.

STATE'S
FISCAL
PICTURE

The Fiscal Gap & State Spending

Senate Finance Committee

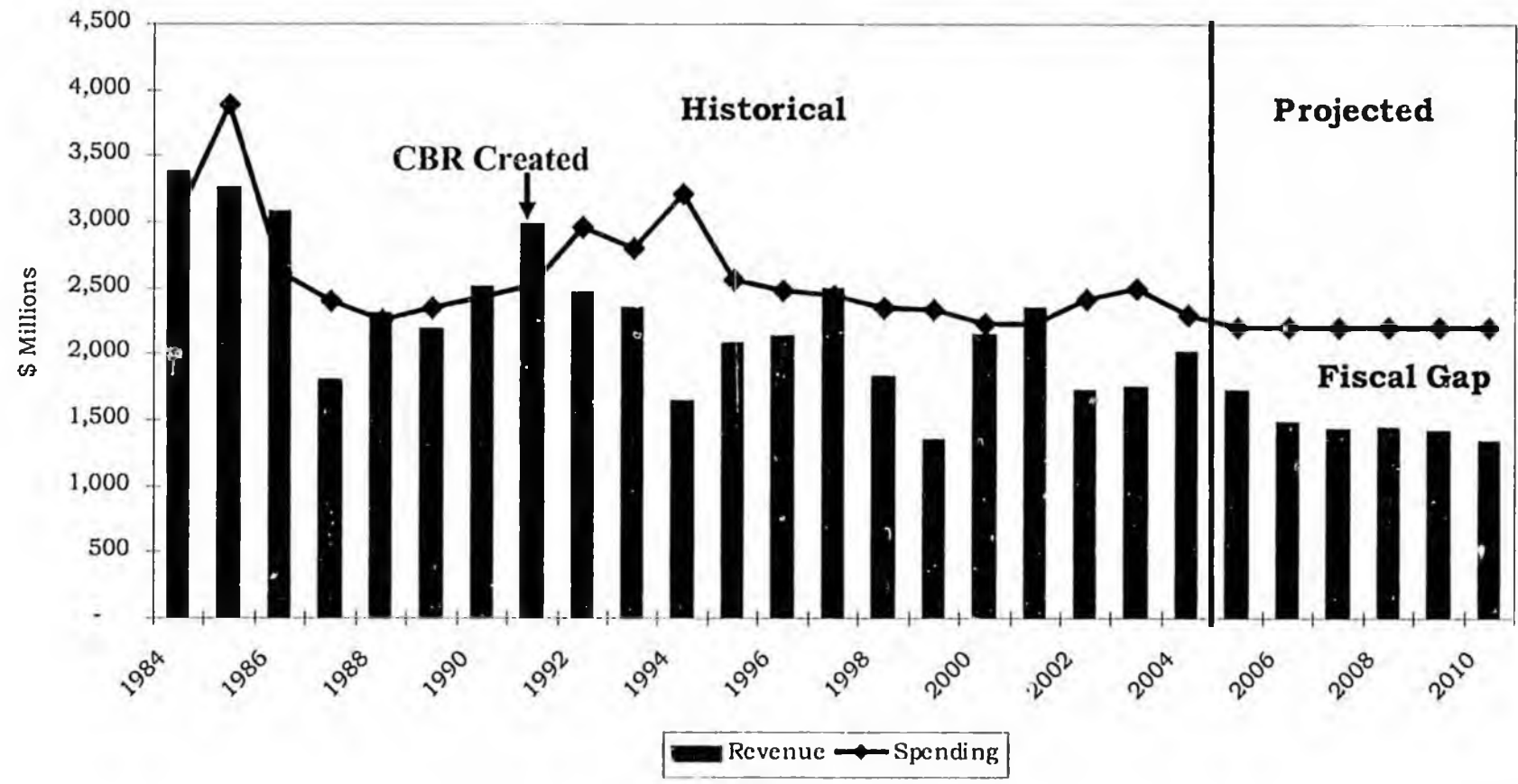
March 15, 2004

Cheryl Frasca, Director

Governor's Office of Management and Budget

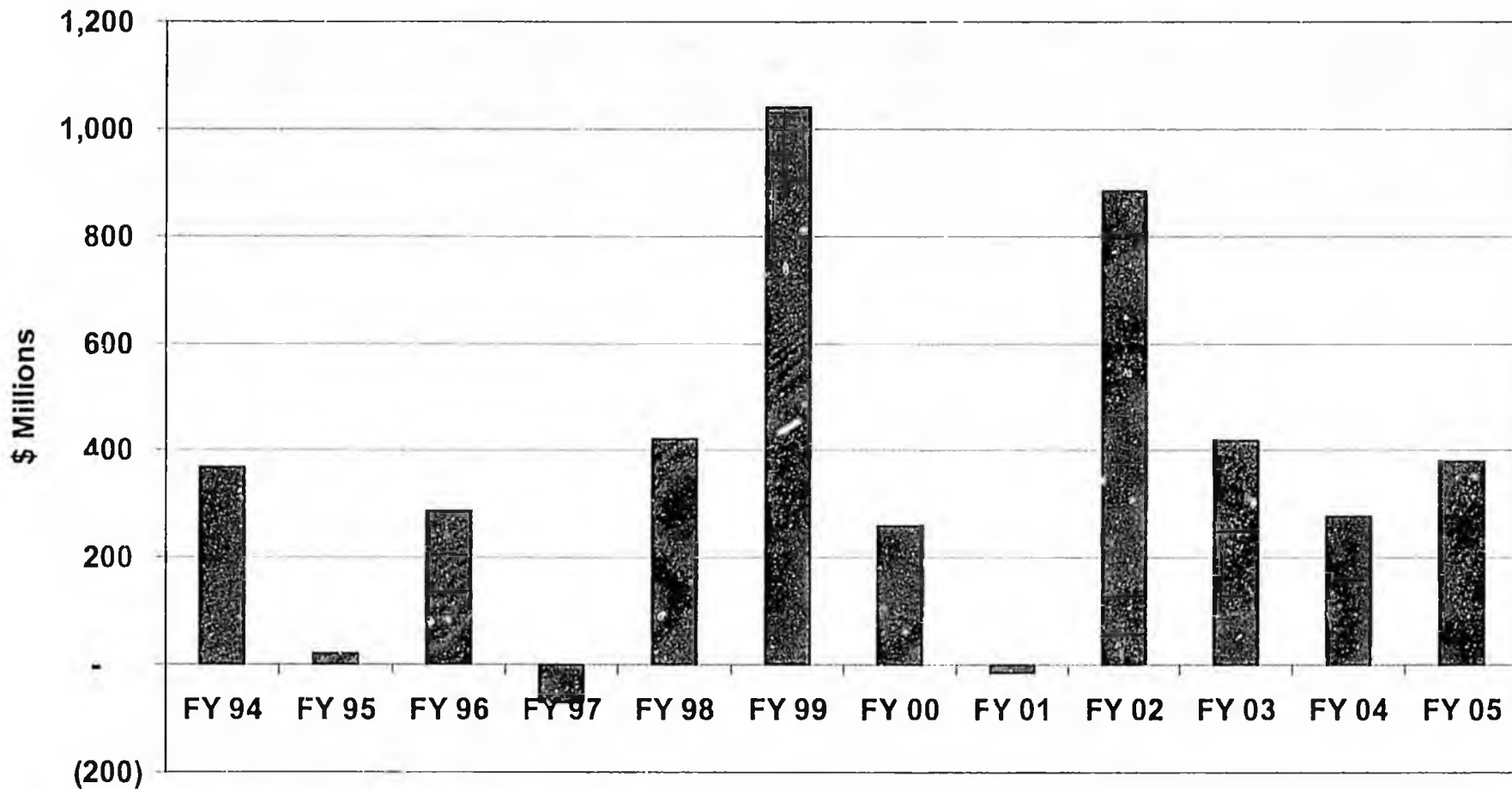
The Gap: Looking Forward

Historical and Projected General Fund Revenues vs. Expenditures: FY 1984 - FY 2010



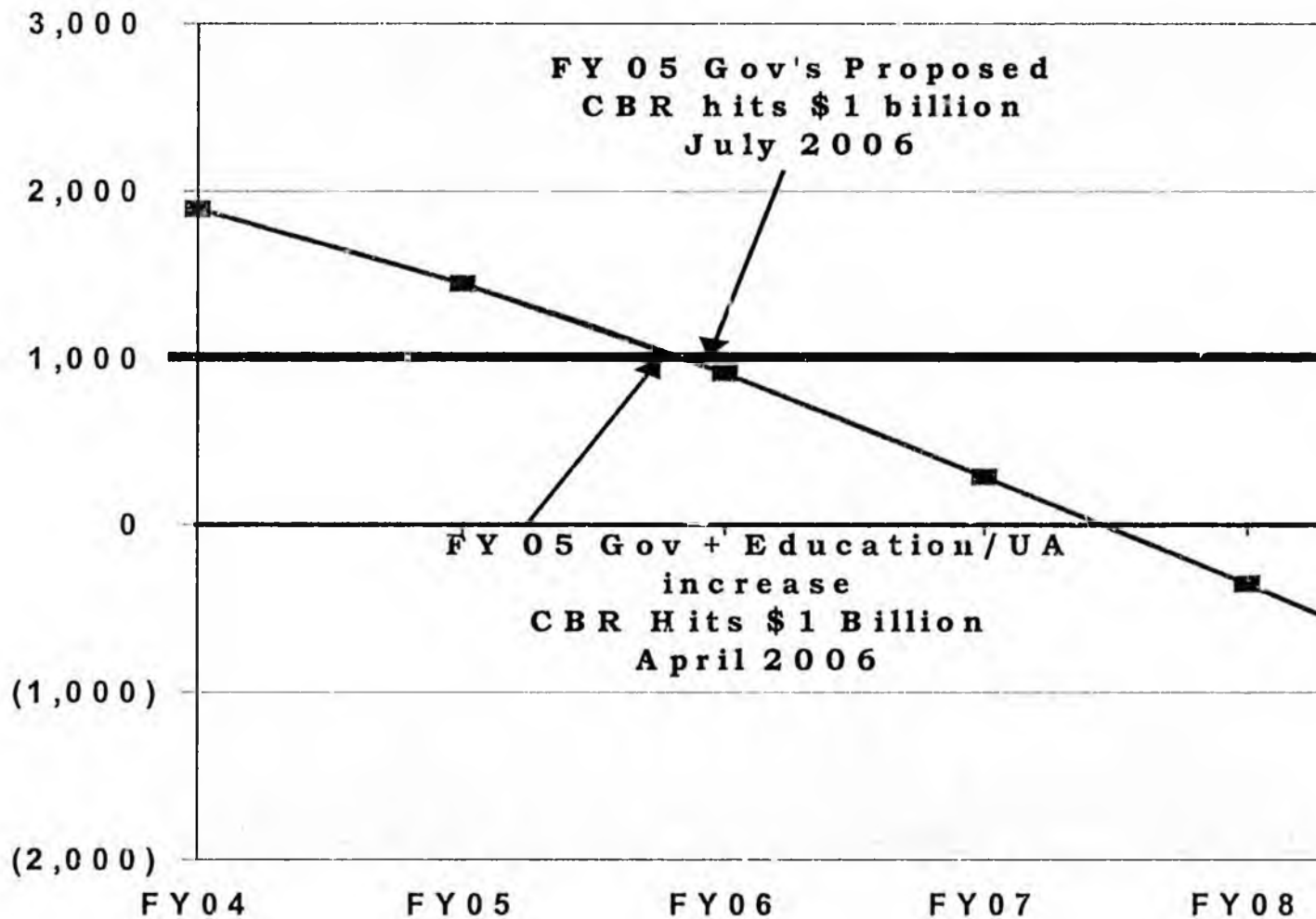
CBR Has Propped Up Spending

FY 94 - 05*: Spent \$5.4 Billion of \$7 Billion



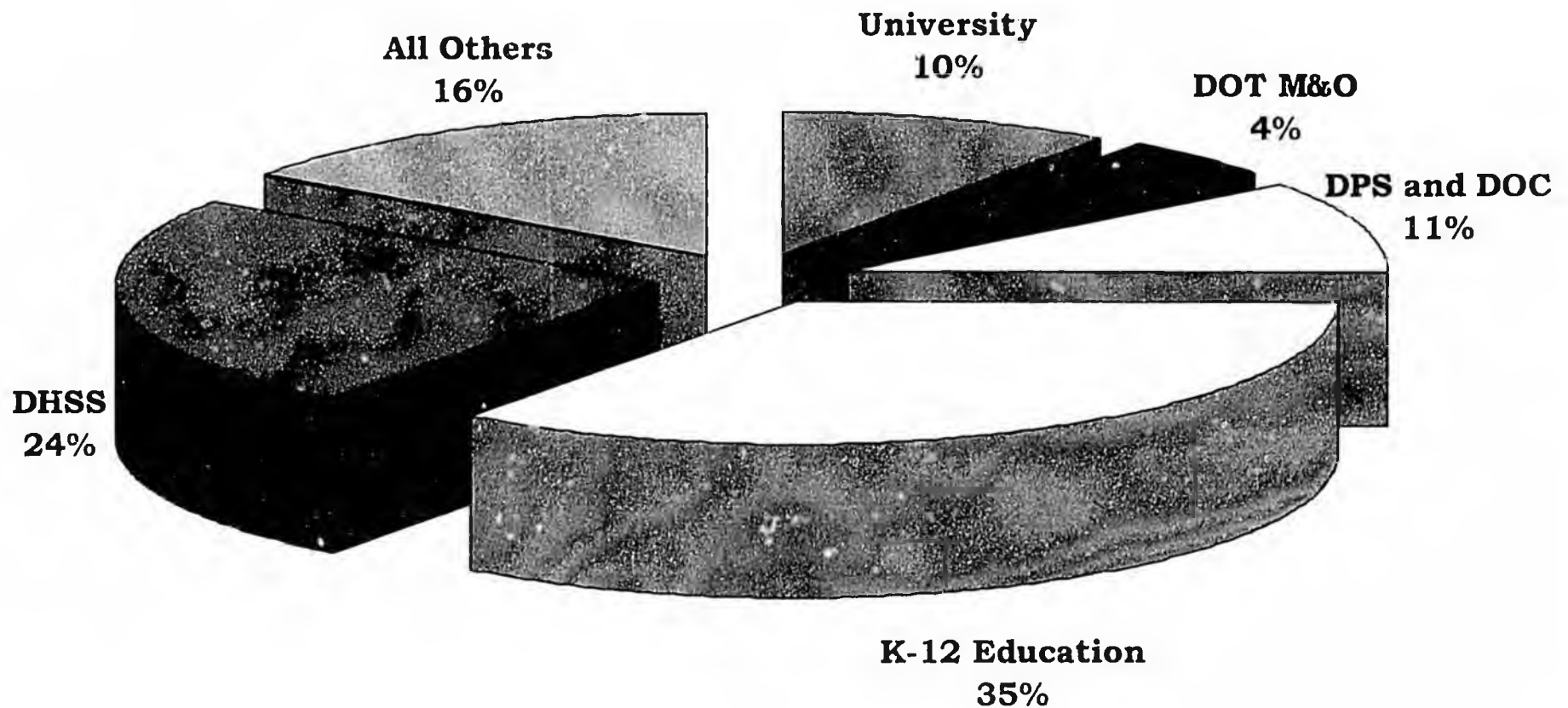
*FY 05 based on Fall 2003 forecast and Governor's proposed spending

Impact on CBR Balance



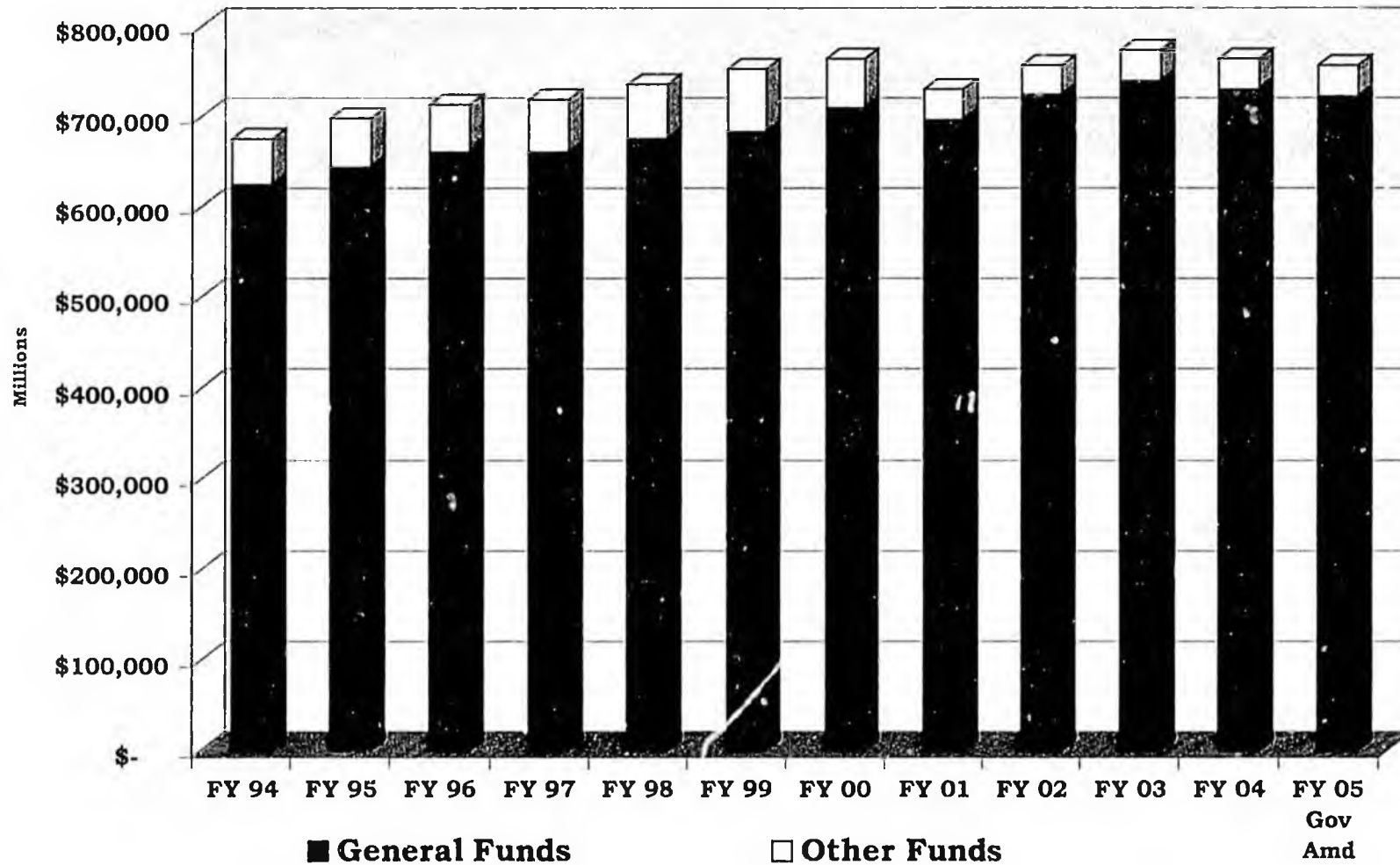
FY2005 Governor's Proposed Operating Budget

General Fund - \$2.1 Billion



K-12 Funding* FY94-05 Gov. Amended

All Fund Sources

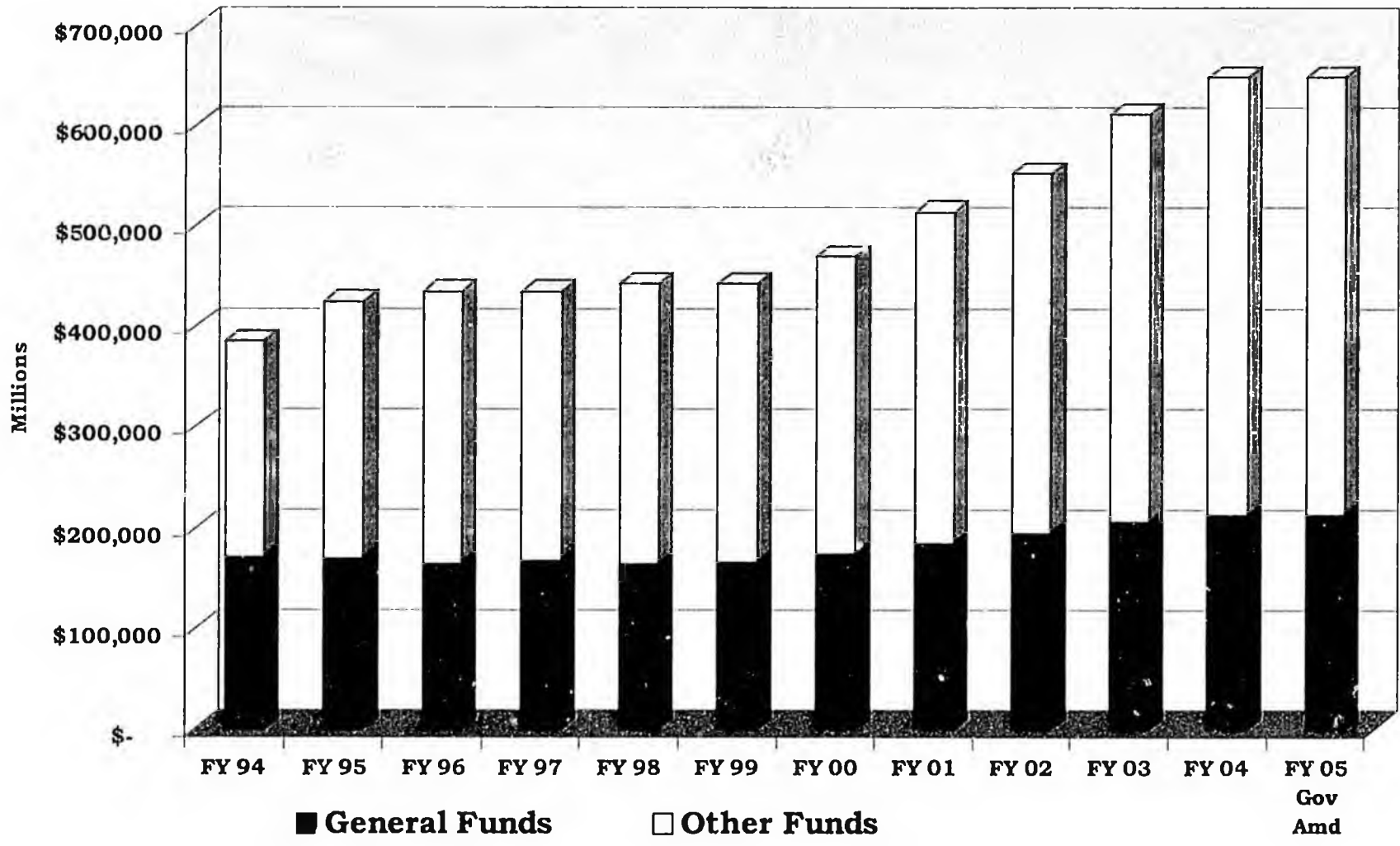


FY 05 v. 94: General funds = +16%
All funds = +12%

*Includes pupil transportation

University Funding FY94-05 Gov. Amended

All Fund Sources



FY 05 v. 94: General funds = +24%
All funds = +68%