

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2783

# Memorandum

Department of Administration  
Office of the Commissioner

To: Cheryl Frasca, Director  
Office of Management & Budget

Date: May 3, 2005

From: Ray Matiashowski  
Commissioner

Phone: 465-5671



**Subject:** Increase to monetary terms of the July 1, 2004- June 30, 2006 Bargaining Agreement between the State and the Teachers Education Association Mt. Edgecombe (TEAME) due to recent Arbitration Award.

## Terms Requiring Appropriation.

### I. Change in Productive Work Hours.

In a recent arbitration award issued on March 4, 2005 by Arbitrator Howell Lankford (attached) he interpreted the TEAME contract in a manner that was neither anticipated nor consistent with the monetary terms previously reported to the legislature. The State had and has interpreted the language to mean that the teachers would be afforded preparation time, within the contractual eight (8) hour day, equivalent to a class period.

The arbitrator ruled that the preparation time must fall within the student contact day and that the teachers be made whole at the usual per diem rate for the additional class they taught as a result of that contract violation. The teachers at Mt. Edgecombe High School (MEHS) currently teach four (4) eighty-minute classes with an eighty-minute preparation period from 8:00 a.m. to 9:20 a.m. and eighty minutes of free time or passing time.

The usual per diem rate in the collective bargaining agreement is calculated at 1/188 of the contracted annual salary hereby developing a daily pay rate (the teachers contract is for 188 days, however the pay is spread out for a 12 month period). The agreement does not provide for any other calculation that could be interpreted to allow for additional daily pay to subsidize the standard eight (8) hour workday. The Teachers did not perform duties outside the eight (8) hour workday.

In effort to calculate a monetary value the daily rate has been broken down in to an amount per minute and multiplied by the 65 minutes of teaching that is in addition to last year, but not outside the contractual eight (8) hour day (see attached spreadsheet).

Since the collective bargaining agreement only provides for daily per diem, one must reduce the daily rate to an amount per minute. The Teachers taught three (3) eighty-five minutes classes last year and are teaching four (4) eighty minute classes this school year, an additional sixty-five (65) minutes. Please see the attached spreadsheet for the estimated increase of monetary terms.

Pursuant to AS 23.40.215 this award constitutes a monetary term and must be approved by the legislature. Please prepare the necessary appropriation request for submission.

cc: Roger Sampson, Commissioner,  
Department of Education and Early Development

Karen Rehfeld, Deputy Commissioner,  
Department of Education and Early Development

Eric Swanson, Administrative Services Director,  
Department of Administration

Kim Garner, Director Division of Finance,  
Department of Administration

Art Chance, Director, Division of Labor Relations,  
Department of Administration

Mia Cosgrove, Director, Division of Personnel,  
Department of Administration

In the Matter of the Arbitration

between Teachers' Education Association of Mt.  
Edgecombe ("Association")

and

State of Alaska, Mt. Edgecumbe High School ("School").

Findings,  
Discussion and  
Award.

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Case Numbers:	Arbitrator's case No. FB6.
Representing the Association:	Willie Anderson, UniServ Director, NEA-Alaska, 114 Second Street, Juneau, AK 99801.
Representing the Company:	Dianne Kiesel, Labor Relations Analyst, Division of Labor Relations, State of Alaska, Dept. Of Administration, P.O. Box 110201, Juneau, AK 99811-0211.
Arbitrator:	Howell L. Lankford, Esq., P.O. Box 22331, Milwaukie, OR 97269-0331.
Hearing held:	In the Employer's facilities in Sitka, Alaska on January 31, 2005.
Witnesses for the Association:	Lu Seapy and Kathleen McCrossin.
Witnesses for the Company:	Kari Brookover, Wilhelm Denkinger, and Penny Beiler.
Post-hearing argument received:	February 28, 2005 (by e-mail), both timely mailed on that date.
Date of this award:	March 4, 2005.

This is a dispute over contract interpretation. The Employer made substantial changes in the class schedule—and, particularly, in the schedule of prep time—for the 2004-2005 school year, and the Association grieved. The parties stipulate that the exact issue presented in arbitration is:

Did the Employer violate Articles 1, 7, or 9 of the collective bargaining agreement, or its definitions, when it mandated the schedule for SY 2004-2005, and, if so, what is the appropriate remedy?

There are no preliminary issues of substantive or procedural arbitrability; and the parties agree that the burden is on the Association to show, more likely than not, that the Employer violated the collective bargaining agreement as alleged. The hearing was orderly. Both parties had the opportunity to present evidence, to call and to cross examine witnesses, and to argue the case.

## FACTS

The facts are neither complex nor contested. Mt. Edgecombe High School is a State-run, residential school for grades nine through twelve located in Sitka, Alaska. The facility has grown quite substantially in recent years and now houses about 375 students. The teaching staff is about 17 (with a residential and support staff of about 40). Those 2004-2005 numbers represent a growth of about 30 in the student population over 2003-2004, with essentially no increase in teaching staff.

There is no dispute that the State mandated an increase of nearly 10% in the size of the student body for SY 2004-2005 but provided no increase in the school's budget to cover that increase. The dispute at issue here arises from one part of the School's attempt to deal with that increased student body without any increase in operating funds.

In previous years, the teachers' class schedule has always provided each teacher with one student class period of prep time. In recent years, the student day has been divided into four periods with a 50 minute lunch period. That pattern has shown some variation—in 1994-1995, for example, there were seven periods—but inevitably, as far back as the record extends, whether there were four class periods or seven, each teacher has been assigned one of the class periods as his or her prep period. The "Preparation Time" language of the contract (Article 7, Teacher Rights, Section 7) provides: "Each teacher . . . shall have, in addition to his/her meal period, one full class period daily [of] preparation time during which the teacher shall not be assigned to any other duties."

Late in SY 2003-2004, the State advised the School that the School would have to increase its student body for the coming school year by about 30 students. It was not

immediately clear whether there would be any increase in funding to go along with that almost 10% increase in size, but the Superintendent feared the worst. Because the High School is residential, an increase in the student body automatically brings increases in housing, food, and supervision costs.<sup>1</sup> The Superintendent was determined to find some way to avoid a substantial increase in average class size in the face of the coming increase in student population without, probably, any increase in teaching staff budget.

There were already ongoing discussions of class schedule problems even before the ominous prospect of an unfunded increase in student population appeared on the horizon. The SY 2003-2004 schedule was a variation of the A/B-block pattern with the same number class period being, e.g., English and some form of social studies on alternating days.<sup>2</sup> Some subjects were offered *every* day, with no A/B variation. The teachers were dissatisfied with that pattern for a variety of reasons, and the School had established an Academic Steering Committee to explore possible alternatives. The Academic Principal attended the first meeting of that Committee, but she found that the teachers were unwilling to even consider scheduling their prep time all together and apart from the student contact day; and she attended no further meetings of the Committee.

Despite the undisputed fact that the teachers made it pretty clear, in a variety of ways, that they would not accept a schedule revision separating their prep time from the student contact day, the Superintendent decided that the only way to maintain the average class size from SY 2003-2004 was to assign each teacher to an additional class period and move every teacher's prep time to the "period" from 8:00 to 9:20 a.m., before the beginning of classes. The Superintendent informed the Association of the coming change sometime around the end of the 2003-2004 school year (although the teachers were not individually informed of their forthcoming schedules until quite late in August, 2004). The Association grieved the new schedule.

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1. It also increases transportation costs substantially because admission to the High School includes State-paid transportation to and from school.

2. One of the subjects ran Monday and Wednesday and the other ran Tuesday and Thursday, with alternating Fridays. Some schools achieve the same division by simply alternating classes A, B, A, B, A, B, week after week.

## DISCUSSION

The goal in resolving contract interpretation disputes is always the same, to determine what the parties should have understood their deal to be. There are three usual sources of evidence in that search: the language of the written contract itself, the bargaining history of that language (e.g., how did the parties explain it to one another in negotiations), and the parties' actions in the past in situations where their understanding of the disputed language would have made a difference in those actions. The first of those three—the language of the written agreement itself—has more than mere pride of place: a majority of American labor arbitrators continue to honor the “clear language” rule:

If the language of an agreement is clear and unequivocal, an arbitrator generally will not give it a meaning other than that expressed. As Arbitrator Fred Witney has stated, an arbitrator cannot “ignore clear-cut contractual language,” and he “may not legislate new language, since to do so would usurp the role of the labor organization and employer.” Even though the parties to an agreement disagree as to its meaning, an arbitrator who finds the language to be unambiguous will enforce the clear meaning. Elkouri & Elkouri, *How Arbitration Works* (IV ed., BNA) at 348-349.<sup>3</sup>

In this case, both parties argue that the language of Article 7, Section 7 is pretty clear: “Each teacher . . . shall have, in addition to his/her meal period, *one full class period* daily [of] preparation time during which the teacher shall not be assigned to any other duties.” Interestingly, the Academic Principal's recounting of that language from memory at hearing was slightly different: “I have to give them prep time equal to a class period.” The School's post-hearing brief offers that same approximation as the basis of its “clear language” argument; so that difference between the Principal's recollection and the actual contract language accurately expresses the heart of this dispute.

That difference also compels the result in this arbitration: what the contract actually says is *not* “time equal to a class period;” what the contract actually says is “one full class period.” That difference is not trivial. If a teacher has a right to one actual class period as prep time, then that teacher *cannot* be assigned to *teach* every single class

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3. The fifth edition of *Elkouri* (at 434-439) offers a far more technical and critical (and perhaps less illuminating) discussion of the “plain meaning rule” (which the 5<sup>th</sup> Edition admits is “still dominant”). The case at hand illustrates just how questionable Farnsworth's observation is (§ 7.8, quoted by the Fifth Edition at 437) that “It is a rare contract that needs no interpretation.” On the contrary, most contracts, in most respects, need no outside interpretation most of the time. Otherwise, the whole idea of entering into contracts would never have caught on in the first place. Even when, rarely, a disagreement over interpretation drives the parties to arbitration, what arbitrators end up saying more often than not, I submit, amounts to “read just exactly what the contract says, and do that.”

period. Of course, that was exactly the Superintendent's primary motivation for the change: with prep time "equal to" a class period, but not scheduled during the student contact day, every teacher ended up teaching one additional class period every day. The time before the students' day begins, which is now designated as prep time, was always part of the teachers' workday and was generally used for preparation for the upcoming class day. Thus the change from the contract's "one full class period" to the School's interpretation, "*equal to* a class period," resulted in less out-of-class time to prepare for a third more in-class time. The difference between what the contract actually says and what it would have to say in order to support the High School's interpretation is clearly substantial.<sup>4</sup>

Even if the contract language were not clear by itself, none of the other traditional sorts of evidence in the record provides any support for the School. There is no evidence at all of the actual bargaining history behind this particular language. But when we consider the past actions of the parties, as far as the record shows, until the 2004-2005 school year, the School has always scheduled its teachers to have "one full *class period*" of daily prep time. That record is consistent with the Association's interpretation and does nothing to support the School's.

If we look further, past the three traditional sources of evidence in contract interpretation disputes, the School's situation only gets worse. In terms of common practice in the industry and the usual bargaining dynamics behind such language, it would be difficult to imagine a teachers' union that did not bargain hard for contract language assuring bargaining unit members of prep time *during the student contact day*. In my experience, most teacher collective bargaining agreements include such language; and teachers' unions have been vigilant in defending such language through contract arbitration.<sup>5</sup> The reason for that vigilance is obvious: apart from simple considerations of workload, the guarantee of one class period as prep time—i.e. of prep time during the student contact day—means that most of the teachers in the bargaining unit will get a break from constant student contact sometime during the course of the day. (Even the teachers assigned to prep in the first or last class periods of the day at least face a consecutive student contact period which is reduced by the time of that one class period.)

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<sup>4</sup> The School points to an unfortunate arithmetic inconsistency between the contract's definitions of "academic school day" and "standard work day." Those provisions apparently somewhat befuddled the parties' discussions; but none of those provisions is inconsistent with the clear language of Article 7, Section 7, which addresses prep time.

<sup>5</sup> Throughout the Northwest, teachers' unions have also been generally successful—through the ULP process—in preventing school districts from moving prep time to outside the student contact day without bargaining.

Teaching straight through the day without a break from student contact is, in the opinion of very many teachers, quite unacceptable.<sup>6</sup> When this consideration is added to the arithmetic consequences of removing prep time from the student contact day—i.e. one class period more work for no increase in pay—it can be no surprise that teachers always fight hard for exactly the language that is in this prep time provision and fight hard against the misinterpretation of that language offered by the School in this case.<sup>7</sup>

There is a subsidiary issue in this case: the parties disagree about the interpretation of part of the contract's arbitration provision: "The cost of the services for the arbitrator, and his/her travel and subsistence . . . will be borne as designated by the arbitrator." That sentence is composed of *part* of the language usually found in a "loser pays" provision: That usual language is ". . . will be borne by the losing party as designated by the arbitrator." The School proposes to interpret the provision as "loser pays" language. The Association disagrees but does not offer any attractive alternative. I took notice that many of the NEA's collective bargaining agreements include loser pays language; but the record shows NEA-Alaska has always vigorously resisted loser pays proposals. There is no other evidence of the intent of the parties behind this contract language.

That record provides me with little guidance about the parties' expectations as to *how* an arbitrator would designate the allocation of fees under this contract, although it seems clear that I am *not* to automatically split the fees and expenses. The best touchstone, perhaps, is by asking whether either party had a clear opportunity to avoid the cost of arbitration and to allocate these expenses to that party (if one exists). In the case at hand, the prep period contract language is quite clear, even if it is quite brief—the result of forcing the Association to go to arbitration is simply a declaration that Article 7, Section 7 means *exactly* what it says on its face—and there is no dispute that the teachers made their vigorous opposition to the contemplated schedule change known to the

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6. Most Northwest school districts are now K-12, so the bargainers also encounter the scheduling problem of assuring that *elementary* teachers, too, will have prep time as a break in the constant student contact of their day.

7. The contract language, "one full class period," would allow the School to schedule any number of class periods, as long as every teacher gets one of those periods as prep time. That is one of the traditional complications that must be factored into schedule design: if there are more class periods, then the time lost to passing time (the time required for students to get from one classroom to the next) is increased, but the time "lost" to prep time is reduced. Because one *class period* of prep time is such a common feature of high school teacher collective bargaining agreements, the literature on schedule design usually begins with the recognition of those basic considerations.

Superintendent in advance.<sup>8</sup> Moreover, the record does not suggest any Association responsibility for the ultimate necessity to resort to arbitration. In the face of that record, it is appropriate to allocate all these costs to the School.

The final issue is the determination of the appropriate remedy. There is no doubt that the School must make the teachers whole for the additional classes taught under the improperly revised schedule. I greatly regret the additional expense, particularly in light of the what amounts to a thinly disguised reduction of more than 10% in the School's budget for this school year. There is no doubt that the School was in a bind. But that choice by the State to decrease the per-student funding of the School did not grant the School the authority to increase the teachers' workload without any bargaining and contrary to the language of the prep time provision of the collective bargaining agreement. The School's unilateral change clearly breached that prep time provision; and the teachers actually performed the substantial additional work which was required by the School's breach of that provision, an additional workload above and beyond the workload the Association agreed to in the collective bargaining agreement. (This was as far beyond the Association's bargain with the School as if a contractor agreed on a fixed price to build a three-bedroom house only to have the owner insist that the contractor provide a much larger, four-bedroom house at the price agreed for three.) The teachers must be made whole for the additional work at the appropriate per diem rate for every day that they have worked (or will work during the rest of the year) one class period too many.

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S. Much of the parties' attention throughout the grievance process was misdirected at the differences between the contract's definitions of "academic school day" ("the day starting at 8 a.m and ending at 4 p.m. . .") and "standard workday ("eight . . . hours exclusive of a [30 minute] meal period.""). But the Association President specifically pointed to Article 7, Section 7 in her final, August 17 remonstrance to the Superintendent.

## AWARD

The School violated Article 7 of the collective bargaining agreement when it mandated the schedule for SY 2004-2005. The School shall make the teachers whole—at the usual per diem rate—for the additional classes they taught as a result of that contract violation. Beginning with the next, 2005-2006 school year, the School shall once again schedule each teacher to have a full duty free prep period at the time of one of the regular class periods during the regular student contact day. The School shall also pay the entire expenses and fees of the arbitrator.

By stipulation of the parties, I retain jurisdiction for the limited purpose of resolving issues that might arise under the general "make whole" language of this award. That retained jurisdiction shall lapse 30 days from the date of this Award unless it is previously invoked or is extended by mutual agreement or for good cause shown.

Respectfully submitted,



Howell L. Lankford  
Arbitrator



Official Business

# Alaska State Legislature

House of Representatives


Office of the Chief Clerk

State Capitol, Room 216  
Juneau, AK 99801-1182  
Phone: (907) 465-3725  
Fax: (907) 465-5334

## MEMORANDUM

Date: March 18, 2005

To: Representative Chenault, Co-chair  
Representative Meyer, Co-chair  
Finance Committee

From: Suzi Lowell   
Chief Clerk

Subject: Monetary Terms of Agreements

The Speaker referred the following monetary terms of agreements to the Finance Committee during floor session today:

Amended Monetary Terms of Agreement Between the  
State and the Inlandboatmen's Union of the Pacific  
March 9, 2005

Monetary Terms of Agreement Between the  
State and the Marine Engineers Beneficial Association  
March 9, 2005

Monetary Terms of Agreement Between the  
State and the International Organization of Masters,  
Mates and Pilots  
March 9, 2005

Monetary Terms of Agreement Between the  
State and the Public Safety Employees Association  
March 9, 2005

Amended Monetary Terms of Agreement Between the  
State and the Public Safety Employees Association  
March 17, 2005

Attachments:

# STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

## DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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

March 9, 2005

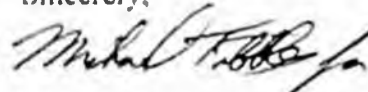
The Honorable John Harris  
Speaker of the House  
Alaska State Legislature  
State Capital, Room 208  
Juneau, AK 99801-1182

Dear Mr. Speaker:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organization. By copy of my memorandum to Cheryl Frasca, Director of the Office of Management and Budget (enclosed), please accept my amended report of monetary terms of the collective bargaining agreement reached with the Inlandboatmen's Union of the Pacific. The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. In the interest of maintaining harmonious relations, I respectfully request that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215 (b).

If my staff or I may answer any questions or provide further information, please do not hesitate to call me.

Sincerely,



Ray Matiashowski  
Commissioner

Enclosure

cc: Cheryl Frasca, Director  
Office of Management and Budget



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# Memorandum

Department of Administration  
Office of the Commissioner

To: Cheryl Frasca, Director  
Office of Management and Budget

Date: March 9, 2004

From: Ray Matiashowski *m.t. for*  
Commissioner

Phone: 465-5671

Subject: Amended Monetary terms of the July 1, 2004- June 30, 2007 Bargaining Agreement  
between the State and the Inlandboatmen's Union of the Pacific.

The Department of Administration had reached a tentative agreement with the Inlandboatmen's Union of the Pacific (IBU). The tentative agreement included language that if the licensed bargaining units (MM&P, MEBA) reached an agreement providing for a higher percentage of pay for the crew of the M/V Fairweather, the State would extend that percentage to the IBU.

## I. Terms Requiring Appropriation.

### Current Legislative Session

Fairweather Supplemental Agreement: Upon the effective date of the legislation authorizing the contracts, employees of the M/V Fairweather will have their wages reduced to the hourly rates found in the Master Agreement which will then be increased by five percent (5%).

cc: All Commissioners

All Administrative Services Directors

Kim Garner, Director  
Division of Finance

Art Chance, Director  
Division of Labor Relations

Mila Cosgrove, Director  
Division of Personnel

# STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

## DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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

March 9, 2005

The Honorable John Harris  
Speaker of the House  
Alaska State Legislature  
State Capital, Room 208  
Juneau, AK 99801-1182

Dear Mr. Speaker:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organization. By copy of my memorandum to Cheryl Frasca, Director of the Office of Management and Budget (enclosed), please accept my report of monetary terms of the collective bargaining agreement reached with the Marine Engineers Beneficial Association. The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. In the interest of maintaining harmonious relations, I respectfully request that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215 (b).

If my staff or I may answer any questions or provide further information, please do not hesitate to call me.

Sincerely,



Ray Matiashowski  
Commissioner

Enclosure

cc: Cheryl Frasca, Director  
Office of Management and Budget



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by Alaska Litho, Inc.

# Memorandum

Department of Administration  
Office of the Commissioner

To: Cheryl Frasca, Director  
Office of Management and Budget

Date: March 9, 2005

From: Ray Matiashowski *RM*  
Commissioner

Phone: 465-5671

Subject: Monetary terms of the July 1, 2004- June 30, 2007 Bargaining Agreement between the State and the Marine Engineers Beneficial Association (MEBA).

The Department of Administration has reached a tentative agreement with the MEBA. The agreement is pending ratification by union membership; probability of acceptance is good. If approved by the Legislature the terms of this agreement become effective July 1, 2004 and remain in effect through June 30, 2007.

## I. Terms Requiring Appropriation.

### Current Legislative Session

- A. Wages. (Rule 17) Effective July 1, 2004 the hourly rates, nonwatch pay, lead chief pay and COLD currently in effect for all job classifications will increase by seven percent (7%).

Fairweather Supplemental Agreement: Upon the effective date of the legislation authorizing the contracts, employees of the M/V Fairweather will have their wages reduced to the hourly rates found in the Master Agreement which will then be increased by five percent (5%).

Tustumena Supplemental Agreement: Effective July 1, 2004 the hourly rates currently in effect for the Tustumena will increase by half the difference between the Tustumena rate and the Kennecott rates of pay.

Effective July 1, 2005, the hourly rates in effect on June 30, 2004 for all job classifications will increase by six percent (6%).

- B. Health and Welfare. (Rule 27) Effective July 1, 2004, the State contribution for health insurance will be \$742. Effective July 1 for each subsequent year of the agreement the Employer's contribution will increase by an amount of money not exceeding that necessary to maintain comparable coverage under the current Select Benefits Default/Economy Plan.

Effective January 1, 2004, the amount paid to Temporary Relief Engineers in lieu of health and life insurance will increase by \$10.50 per day for a total of \$40.00 per day. Effective January 1, 2005, the amount paid will increase by \$1.50 per day for a total of \$41.50 per day. Effective January 1, 2006, the amount will increase by \$1.50 per day for a total of \$43.00 per day.

Pensions. Effective July 1, 2004, Employer contributions to the money purchase benefit shall increase by \$5.00 per day for a total of \$18.50 per day for all Engineer Officers.

- C. Education (Rule 37). Effective July 1, 2004, the Employer contribution to the MEBA training plan will increase by \$.505 per day for a total of \$.85 per day per man for each Engineer Officer employed with the AMHS.
- D. Joint Employment Committee (JEC). Effective July 1, 2004 the Employer contribution to the JEC will increase by \$.374 per day for a total of \$1.00 per man per day for each Engineer Officer employed with the AMHS.

#### Future Legislative Sessions

Effective July 1, 2006, the hourly rates in effect on June 30, 2005 for all job classifications will increase by six percent (6%).

#### II. Change in State Revenues.

No terms of this agreement would result in a change to State revenues.

#### III. Change in Productive Work Hours.

Allows reduced operation of the M/V Fairweather during winter months. The vessel will operate with one crew rather than two crews. The crew will work and be paid for four days as opposed to working and being paid for seven days.

#### IV. Other Terms of Interest.

Commencing in 2005, service to Angoon, Gustavus, Hoonah, Kake, Tenakee and Pelican may be provided without regard to MEBA jurisdiction.

The number of licensed engineering positions required to be filled by contract has been reduced from 82.5 to 67.5 over the life of the agreement.

cc: All Commissioners

All Administrative Services Directors

1 Cheryl Frasca

3

March 9, 2005

Kim Garner, Director  
Division of Finance

Art Chance, Director  
Division of Labor Relations

Mila Cosgrove, Director  
Division of Personnel

# STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110200  
JUNEAU, ALASKA 99811-0200  
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March 9, 2005

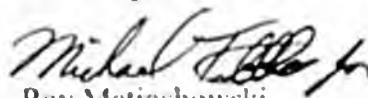
The Honorable John Harris  
Speaker of the House  
Alaska State Legislature  
State Capital, Room 208  
Juneau, AK 99801-1182

Dear Mr. Speaker:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organization. By copy of my memorandum to Cheryl Frasca, Director of the Office of Management and Budget (enclosed), please accept my report of monetary terms of the collective bargaining agreement reached with the Masters, Mates and Pilots. The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. In the interest of maintaining harmonious relations, I respectfully request that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215 (b).

If my staff or I may answer any questions or provide further information, please do not hesitate to call me.

Sincerely,

  
Ray Matiashowski  
Commissioner

Enclosure

cc: Cheryl Frasca, Director  
Office of Management and Budget



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by Alaska Litho, Inc.

# Memorandum

Department of Administration  
Office of the Commissioner

To: Cheryl Frasca, Director  
Office of Management and Budget

Date: March 9, 2005

From: Ray Matiashowski *RM*  
Commissioner

Phone: 465-5671

Subject: Monetary terms of the July 1, 2004- June 30, 2007 Bargaining Agreement between the State and the International Organization of Masters, Mates and Pilots (MM&P).

The Department of Administration has reached a tentative agreement with the MM&P. The agreement is pending ratification by union membership; probability of acceptance is good. If approved by the Legislature the terms of this agreement become effective July 1, 2004 and remain in effect through June 30, 2007.

## I. Terms Requiring Appropriation.

### Current Legislative Session

- A. Wages. (Rule 17) Effective July 1, 2004 the hourly rates, master's pay and COLD currently in effect for all job classifications will increase by seven percent (7%).

Fairweather Supplemental Agreement: Upon the effective date of the legislation authorizing the contracts, employees of the M/V Fairweather will have their wages reduced to the hourly rates found in the Master Agreement which will then be increased by five percent (5%).

Lituya Supplemental Agreement: Upon the effective date of the legislation authorizing the contracts, employees of the M/V Lituya will be paid wages consistent with those in the Master Agreement.

Effective July 1, 2005, the hourly rates in effect on June 30, 2004 for all job classifications will increase by six percent (6%).

- B. Health Insurance. (Rule 27) Effective July 1, 2004, and for each year of this agreement, the State contribution for health insurance will be either the amount of increase as recommended by the Employer's actuary or what the actual increase of the Economy plan Employer contribution is; whichever is greater.
- C. Compensation for Loss of Effects. (Rule 10) Effective July 1, 2004, reimbursement for loss of personal effects in the event of shipwreck, stranding, sinking, burning, flooding or collision will increase three thousand dollars (\$3,000.00) to a maximum of five thousand dollars (\$5,000).

- D. Standard Dress and Equipment (Rule 30) Effective July 1, 2004, the laundry and uniform allowance will increase by seven dollars and seventy cents (\$7.70) per pay period to a total of thirty dollars seventy-eight cents (\$30.78) per pay period.

There is established a navigational equipment and maintenance fund of \$45,905 each year of the agreement. Each Deck Officer in pay status shall be entitled to a per capita distribution of this fund in the first pay period in July of each year of the agreement.

#### **Future Legislative Sessions**

Effective July 1, 2006, the hourly rates in effect on June 30, 2005 for all job classifications will increase by six percent (6%).

There is established a navigational equipment and maintenance fund of \$45,905 each year of the agreement. Each Deck Officer in pay status shall be entitled to a per capita distribution of this fund in the first pay period in July of each year of the agreement.

#### **II. Change in State Revenues.**

No terms of this agreement would result in a change to State revenues.

#### **III. Change in Productive Work Hours.**

Allows reduced operation of the M/V Fairweather during winter months. The vessel will operate with one crew rather than two crews. The crew will work and be paid for four days as opposed to working and being paid for seven days.

#### **IV. Other Terms of Interest.**

Commencing in 2005, service to Angoon, Gustavus, Hoonah, Kake, Tenakee and Pelican may be provided without regard to MM&P jurisdiction.

cc: All Commissioners

All Administrative Services Directors

Kim Garnero, Director  
Division of Finance

Art Chance, Director  
Division of Labor Relations

Mila Cosgrove, Director  
Division of Personnel

# STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

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

March 9, 2005

The Honorable John Harris  
House Speaker  
Alaska State Capitol, Room 208  
Juneau, AK 99801-1182

Dear Mr. Speaker:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organizations. By copy of my memorandum to Cheryl Frasca, Director of the Office of Management and Budget (enclosed), please accept my report of the monetary terms of the collective bargaining agreement reached between the State and the Public Safety Employees Association (PSEA) on behalf of the Regularly Commissioned Public Safety Officers. The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. In the interest of maintaining harmonious relations, I respectfully request that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215(b).

If my staff or I may answer any questions or provide further information, please do not hesitate to call me.

Sincerely,



Ray Matiashowski  
Commissioner

Enclosure



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*Monetary  
Terms*

# Memorandum

Department of Administration  
Office of the Commissioner

To: Cheryl Frasca, Director  
Office of Management & Budget

Date: March 10, 2005

From: Ray Matiashowski *M.T.A.*  
Commissioner

Phone: 465-5671

Subject: Monetary terms of the Collective Bargaining Agreement between the State and the Public Safety Employees Association (regularly commissioned public safety officers).

The Department of Administration has received the Interest Arbitration award from the Arbitrator for the Bargaining Agreement of the regularly commissioned public safety officers represented by the Public Safety Employees Association. Pursuant to A.S. 23.40.215, the monetary terms of the award require legislative approval.

## I. Terms Requiring Appropriation

### Current Legislative Session

- A. Rural Relocation Expense Offset. (Article 12.3) Effective July 1, 2005 there shall be four types of remote transfer with each type receiving a one time Rural Relocation Expense Offset (although the payment will be made in two installments).
- A Type 1 Transfer employee will receive an offset of \$2,000 (\$1,000 at initial relocation and \$1,000 upon completion of one year of service in remote location).
  - A Type 2 Transfer employee will receive an offset of \$2500 (\$1500 initially and \$1,000 upon completion of one year in remote location).
  - A Type 3 Transfer employee will receive an offset of \$3500 (\$2000 initially and \$1500 upon completion of one year in remote location).
  - A Type 4 Transfer employee will receive \$5,000 (\$3,000 initially and \$2,000 upon completion of one year in remote location).
- B. Wages. (Article 15) Effective July 1, 2005 the wage schedule provided in Section 2.a. shall be increased by 3%.

Field Training Officer/Officer In Charge/Acting Watch Commander differentials (Article 15.6) Effective July 1, 2005 a member assigned to FTO duty, OIC duty or AWC duty shall receive a pay differential of 5% of the member's regular hourly rate for each hour worked in that capacity.

- If a member is assigned simultaneously to either FTO and OIC duty or FTO and AWC duty, the member shall receive a pay differential of 10% of the member's regular hourly rate of pay for each hour worked in those capacities.

Interruption of vacation/leave (Article 15. 11) Effective July 1, 2005 when a member must return from a vacation/leave the member will be paid at the overtime rate for

time spent in travel and while placed in normal duty status. This overtime rate is 1 ½ their regular rate of pay for all hours worked.

Compensatory time (Article 15.13(e)) Effective July 1, 2005 compensatory time shall be accrued at the rate worked. This was formerly accrued at the rate of time and one-half on the employees base rate.

Premium Pay (new sections in Article 15) Effective July 1, 2005 the following Premium Pays shall be instituted:

- Instructor Pay: a member assigned to give instruction to other employees of the department as an additional assignment to their regular duties shall receive a 5.5% premium pay for all hours worked in preparation, presentation and travel associated with the course of instruction.
- Pilot Pay/Pilot Flight Time Differential: all DPS members who are designated as current authorized DPS pilots shall receive a pay differential of 5% of their regular hourly rate for each hour preparing to fly, flying and concluding a flight for DPS.
- Diver Pay: a member assigned as a department diver shall receive a 5.5% premium pay for all hours worked while actually engaged in diving activities.
- SERT Pay: a member assigned to SERT shall receive a 5.5% premium pay for all hours worked while actually engaged in SERT activities.
- Explosive Ordinance Disposal (EOD) Pay: members assigned to EOD shall receive a 5.5% premium pay for all hours worked while actually engaged in EOD activities, including training.

- C. Moving Expenses (Article 19) Effective July 1, 2005 each member's dependents (other than spouse) shall receive one quarter of the member's standard per diem when the member is required to change place of residence because of a required change of duty station.

Mandatory Change of Housing at Duty Stations (Article 19.2) Effective July 1, 2005 members shall be reimbursed for transportation and moving expenses when they are required to change their place of residence because of a change in housing at their current duty station.

- D. Health Insurance (Article 22) Effective July 1, 2005 the Employer health insurance contribution shall increase by an amount of money not exceeding that necessary to maintain the plan in effect at the expiration of the prior collective bargaining agreement.

#### Future Legislative Sessions

Effective July 1, 2006, the wage schedule provided in Section 2.a shall be increased by 3%. Effective July 1, 2007, the wage schedule provided in Section 2.a shall be increased by 3%.

**II. Change in State Revenues.**

No terms of this agreement would result in a change to State revenues.

**III. Change in Productive Work Hours.**

There are no provisions in the agreement that would change productive work hours.

Please forward to the legislature the foregoing monetary terms in accordance with A.S. 23.40.215

cc: All Commissioners

All Administrative Services Directors

Kim Garnero, Director  
Division of Finance

Art Chance, Director  
Division of Labor Relations

Mila Cosgrove, Director  
Division of Personnel

# Memorandum

Department of Administration  
Office of the Commissioner

To: Cheryl Frasca, Director  
Office of Management & Budget

Date: March 17, 2005

From: Ray Matiashowski *M.M.*  
Commissioner

Phone: 465-5671

**Subject:** Amended Monetary terms report of the interest arbitrator's award between the State and the Public Safety Employees Association.  
This amended report supercedes and corrects the earlier report in the areas of premium pays and health insurance contributions.

**Erratum—premium pay terms reflecting 5.5% corrected at page 2 to reflect 5%**

The Department of Administration has received the Interest Arbitration award from the Arbitrator for the Bargaining Agreement of the regularly commissioned public safety officers represented by the Public Safety Employees Association. Pursuant to A.S. 23.40.215, the monetary terms of the award require legislative approval.

## I. Terms Requiring Appropriation

### Current Legislative Session

- A. Rural Relocation Expense Offset. (Article 12.3) Effective July 1, 2005 there shall be four types of remote transfer with each type receiving a one time Rural Relocation Expense Offset (although the payment will be made in two installments).
- A Type 1 Transfer employee will receive an offset of \$2,000 (\$1,000 at initial relocation and \$1,000 upon completion of one year of service in remote location).
  - A Type 2 Transfer employee will receive an offset of \$2500 (\$1500 initially and \$1,000 upon completion of one year in remote location).
  - A Type 3 Transfer employee will receive an offset of \$3500 (\$2000 initially and \$1500 upon completion of one year in remote location).
  - A Type 4 Transfer employee will receive \$5,000 (\$3,000 initially and \$2,000 upon completion of one year in remote location).
- B. Wages. (Article 15) Effective July 1, 2005 the wage schedule provided in Section 2.a. shall be increased by 3%.

Field Training Officer/Officer In Charge/Acting Watch Commander differentials (Article 15.6) Effective July 1, 2005 a member assigned to FTO duty, OIC duty or AWC duty shall receive a pay differential of 5% of the member's regular hourly rate for each hour worked in that capacity.

- If a member is assigned simultaneously to either FTO and OIC duty or FTO and AWC duty, the member shall receive a pay differential of 10% of the member's regular hourly rate of pay for each hour worked in those capacities.

Interruption of vacation/leave (Article 15.11) Effective July 1, 2005 when a member must return from a vacation/leave the member will be paid at the overtime rate for time spent in travel and while placed in normal duty status. This overtime rate is 1 ½ their regular rate of pay for all hours worked.

Compensatory time (Article 15.13(e)) Effective July 1, 2005 compensatory time shall be accrued at the rate worked. This was formerly accrued at the rate of time and one-half on the employees base rate.

Premium Pay (new sections in Article 15) Effective July 1, 2005 the following Premium Pays shall be instituted:

- Instructor Pay: a member assigned to give instruction to other employees of the department as an additional assignment to their regular duties shall receive a 5% premium pay for all hours worked in preparation, presentation and travel associated with the course of instruction.
- Pilot Pay/Pilot Flight Time Differential: all DPS members who are designated as current authorized DPS pilots shall receive a pay differential of 5% of their regular hourly rate for each hour preparing to fly, flying and concluding a flight for DPS.
- Diver Pay: a member assigned as a department diver shall receive a 5% premium pay for all hours worked while actually engaged in diving activities.
- SERT Pay: a member assigned to SERT shall receive a 5% premium pay for all hours worked while actually engaged in SERT activities.
- Explosive Ordinance Disposal (EOD) Pay: members assigned to EOD shall receive a 5% premium pay for all hours worked while actually engaged in EOD activities, including training.

- C. Moving Expenses (Article 19) Effective July 1, 2005 each member's dependents (other than spouse) shall receive one quarter of the member's standard per diem when the member is required to change place of residence because of a required change of duty station.

Mandatory Change of Housing at Duty Stations (Article 19.2) Effective July 1, 2005 members shall be reimbursed for transportation and moving expenses when they are required to change their place of residence because of a change in housing at their current duty station.

- D. Health Insurance (Article 22) Effective July 1, 2005 the Employer health insurance contribution shall increase by an amount of money not exceeding that necessary to maintain the plan in effect at the expiration of the prior collective bargaining agreement. This amount is set at \$820.00 effective July 1, 2005, and shall be increased by the amount necessary to maintain the Select Benefits Economy/Default plan on July 1 in each subsequent year of the agreement.

**Future Legislative Sessions**

Effective July 1, 2006, the wage schedule provided in Section 2.a shall be increased by 3%. Effective July 1, 2007, the wage schedule provided in Section 2.a shall be increased by 3%.

Effective July 1, 2006, and July 1, 2007, the health insurance contribution shall be increased by the amount necessary to maintain the Select Benefits Economy/Default plan on July 1 in each subsequent year of the agreement.

**II. Change in State Revenues.**

No terms of this agreement would result in a change to State revenues.

**III. Change in Productive Work Hours.**

There are no provisions in the agreement that would change productive work hours.

Please forward to the legislature the foregoing monetary terms in accordance with A.S. 23.40.215

cc: All Commissioners

All Administrative Services Directors

Kim Garner, Director  
Division of Finance

Art Chance, Director  
Division of Labor Relations

Mila Cosgrove, Director  
Division of Personnel



Official Business

# Alaska State Legislature

House of Representatives


Office of the Chief Clerk

State Capitol, Room 216  
Juneau, AK 99801-1182  
Phone: (907) 465-3725  
Fax: (907) 465-5334

## MEMORANDUM

Date: January 28, 2005

To: Representative Chenault, Co-chair  
Representative Meyer, Co-chair  
Finance Committee

From: Suzi Lowell   
Chief Clerk

Subject: Monetary Terms of Agreement between the State and the IBU

The attached monetary terms of the collective bargaining agreement between the State and the Inlandboatmen's Union of the Pacific (IBU) was referred to the Finance Committee during floor session today.

Attachment:

# STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

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

January 26, 2005

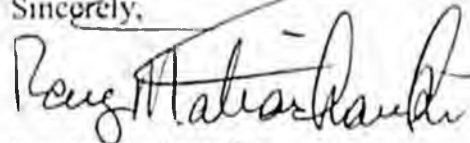
The Honorable John Harris  
Speaker of the House  
Alaska State Legislature  
State Capital, Room 208  
Juneau, Alaska 99801-1182

Dear Mr. Speaker:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organization. By copy of my memorandum to Cheryl Frasca, Director of the Office of Management and Budget (enclosed), please accept my report of the monetary terms of the collective bargaining agreement reached between the Inlandboatmen's Union of the Pacific. The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. In the interest of maintaining harmonious relations, I respectfully request that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215 (b).

If my staff or I may answer any questions or provide further information, please do not hesitate to call me.

Sincerely,



Ray Matiasowski  
Commissioner

Enclosure

cc: Cheryl Frasca, Director of the Office of Management and Budget



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# Memorandum

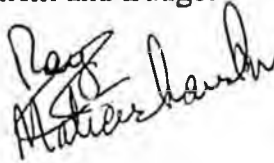
Department of Administration  
Office of the Commissioner

To: Cheryl Frasca, Director  
Office of Management and Budget

Date: January 26, 2005

From: Ray Matiashowski  
Commissioner

Phone: 465-5671



Subject: Monetary terms of the July 1, 2004- June 30, 2007 Bargaining Agreement between the State and the Inlandboatmen's Union of the Pacific.

The Department of Administration has reached a tentative agreement with the Inlandboatmen's Union of the Pacific (IBU). The agreement is pending ratification by union membership; probability of acceptance is good. If approved by the Legislature the terms of this agreement become effective July 1, 2004 and remain in effect through June 30, 2007.

## I. Terms Requiring Appropriation.

### Current Legislative Session

- A. Wages. (Rule 17) Effective July 1, 2004 the hourly rates currently in effect for all job classifications will increase by seven percent (7%).

Fairweather Supplemental Agreement: Upon the effective date of the legislation authorizing the contracts, employees of the M/V Fairweather will have their wages reduced to the hourly rates found in the Master Agreement which will then be increased by three percent (3%).

Lituya Supplemental Agreement: Upon the effective date of the legislation authorizing the contracts, employees of the M/V Lituya will be paid wages consistent with those in the Master Agreement.

Southwest Supplemental Agreement: Effective July 1, 2004 the hourly rates currently in effect for the Southwest System will increase by half the difference between the Southeast rate and the Southwest rate. Effective July 1, 2004, non-resident employees in the Junior Engineer classification shall have fifty two cents (\$0.52) per hour added to their hourly rate.

Effective July 1, 2005, the hourly rates in effect on June 30, 2004 for all job classifications will increase by six percent (6%).

- B. Health Insurance. (Rule 29) Effective July 1, 2004, and for each year of this agreement, the State contribution for health insurance will be \$852 per employee per month.

C. Compensation for Loss of Effects. (Rule 10) Effective July 1, 2004, reimbursement for loss of personal effects in the event of shipwreck, stranding, sinking, burning, flooding or collision will increase three thousand dollars (\$3,000.00) to a maximum of five thousand dollars (\$5,0000).

D. Standard Dress (Rule 32) Effective July 1, 2004, the laundry and uniform allowance will increase by two dollars and eight cents (\$2.08) per pay period to a total of fourteen dollars and fifty-eight cents (\$14.58) per pay period. Chief Pursers, Senior Assistant Pursers, Junior Assistant Pursers, Chief Stewards and Second Stewards and/or other positions required to wear standard navy dress blue uniforms with internationally recognized insignia will be paid an additional two dollars and eight cents (\$2.08) per pay period to a total of eighteen dollars and seventy-five cents (\$18.75) per pay period.

### Future Legislative Sessions

Effective July 1, 2006, the hourly rates in effect on June 30, 2005 for all job classifications will increase by six percent (6%).

### II. Change in State Revenues.

No terms of this agreement would result in a change to State revenues.

### III. Change in Productive Work Hours.

Allows reduced operation of the M/V Fairweather during winter months. The vessel will operate with one crew rather than two crews. The crew will work and be paid for four days as opposed to working and being paid for seven days.

### IV. Other Terms of Interest.

Commencing in 2005, service to Angoon, Gustavus, Hoonah, Kake, Tenakee and Pelican may be provided without regard to IBU jurisdiction.

Any service not currently provided onboard the vessels may be contracted out.

Crew Requirements. The minimum crewing of each vessel will be no more than that required by the United States Coast Guard. (This eliminates the Union previous rights to the "proper complement of personnel").

Dispatch. Work Assignments will be scheduled on a quarterly basis. This has potential to reduce overtime costs and create a more cohesive work force.

cc: All Commissioners

All Administrative Services Directors

Kim Garner, Director  
Division of Finance

Art Chance, Director  
Division of Labor Relations

Mila Cosgrove, Director  
Division of Personnel



Official Business

# Alaska State Legislature

House of Representatives


Office of the Chief Clerk

State Capitol, Room 216  
Juneau, AK 99801-1182  
Phone: (907) 465-3725  
Fax: (907) 465-5334

## MEMORANDUM

Date: January 18, 2005

To: Representative Chenault, Co-chair  
Representative Meyer, Co-chair  
Finance Committee

From: Suzi Lowell   
Chief Clerk

Subject: Monetary Terms of Agreement between the State and the ASFA

The attached monetary terms of the collective bargaining agreement between the State and the Alaska State Employees Association (General Government Unit) was referred to the Finance Committee during floor session today.

Attachment:

# STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

PO BOX 110200  
JUNEAU, ALASKA 99811-0200  
PHONE (907) 465-2200  
FAX (907) 465-2135

January 14, 2005

The Honorable John Harris  
Speaker of the House  
Alaska State Legislature  
State Capital, Room 208  
Juneau, Alaska 99801-1182

Dear Mr. Speaker:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organization. By copy of my memorandum to Cheryl Frasca, Director of the Office of Management and Budget (enclosed), please accept my report of the monetary terms of the collective bargaining agreement reached between the State and the Alaska State Employees Association (General Government Unit). The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. In the interest of maintaining harmonious relations, I respectfully request that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215(b).

Please do not hesitate to contact my staff or myself with your questions and information requests.

Sincerely,



Ray Matashowski,  
Commissioner

enclosure

cc: Cheryl Frasca, Director of the Office of Management and Budget



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# MEMORANDUM

State of Alaska  
Department of Administration  
Office of the Commissioner

To: Cheryl Frasca, Director  
Office of Management and Budget  
Office of the Governor

Date: June 22, 2004

From: Ray Matlashov'ski  
Commissioner



Phone: 465-5671

Subject: Monetary terms of the July 1, 2004 to June 30, 2007, Collective Bargaining Agreement between the State and the Alaska State Employees Association representing the General Government bargaining unit.

The Administration has concluded negotiations with the Alaska State Employees Association (ASEA) representing the General Government bargaining unit. If approved by the Legislature the terms of this agreement become effective July 1, 2004 and remain in effect through June 30, 2007.

## I. Terms Requiring Appropriation.

### Current Legislative session

Effective July 1, 2004, the employer health premium contribution shall increase to seven hundred sixty three dollars (\$763.00) per eligible employee per month.

Effective July 1, 2004, the employer will contribute \$8.00 per year per employee for injury leave.

### Future Legislative sessions

The employer health premium contribution shall be increased on July 1 of each subsequent year of the agreement by an amount equal to the premium percentage increase necessary to maintain the select benefits economy plan.

Effective July 1, 2005, the wage schedule in effect on June 30, 2004 shall increase by one and one half percent (1 1/2%).

Effective July 1, 2006, the wage schedule in effect on June 30, 2006, shall increase by two percent (2%).

## II. Change in State Revenues.

No terms of this agreement would result in a change to State revenues.

### III. Change in Productive Work Hours.

Effective July 1, 2004 and each subsequent year of the agreement, each leave eligible employee will receive a credit of seven and one half (7 1/2) hours to their leave account to be used as a floating holiday.

This report of monetary terms is consistent with the requirements of the Public Employment Relations act. Please forward these monetary terms to the Legislature in accordance with AS 23.40.215.

cc: All Commissioners

All Administrative Service Directors

Kim Garner, Director  
Division of Finance

Art Chance, Director  
Division of Labor Relations

Dianne Corso, Director  
Division of Personnel

---