

AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3127

State of Alaska
Department of Administration
Office of the Commissioner

To: Karen Rehfeld, Director
Office of Management & Budget
Office of the Governor

Date: May 7, 2007

From: Annette Kreitzer
Commissioner

Phone: 465-5671

Email: Annette.Kreitzer@admin.state.ak.us

Subject: Monetary terms of the collective bargaining agreement between the State and Alaska Public Employees Association representing the Confidential Unit

The State has concluded negotiations with the Confidential Unit (CEA). If approved, the terms will be effective July 1, 2007, through June 30, 2010. The Agreement is pending ratification by union membership; probability of acceptance is high.

I. Terms Requiring Appropriations

A four (4%) percent increase in salary effective July 1, 2007 requires an appropriation at this time. In the second and third years (FY09 & 10) the salary schedule will increase by three (3%) percent each year.

The health care contribution amount will increase by sixteen dollars (\$16.00). This is an amount necessary to pay for the Select Benefits Default/Economy Plan. Although not requiring an appropriation at this time, it is expected the State's contribution will increase the second year by the amount necessary to pay for the Select Benefits Default/Economy Plan.

II. Change in State Revenues

There are no provisions in the tentative agreement that would change State revenues.

III. Change in Productive Work Hours

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

Please forward these monetary terms to the Legislature in accordance with AS 23.40.215.

cc: All Commissioners
All Administrative Services Directors

Dianne Kiesel, Director
Division of Personnel & Labor Relations
Department of Administration

Kim Garner, Director
Division of Finance
Department of Administration

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

Fin
SARAH PALIN, GOVERNOR

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

May 7, 2007

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

Dear Speaker Harris:

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 Karen Rehfeld, 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 Marine Engineers Beneficial Association (MEBA).

The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. 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 can answer any questions or provide further information, please do not hesitate to call me.

Sincerely,



Annette Kreitzer
Commissioner

Enclosure

State of Alaska
Department of Administration
Office of the Commissioner

To: Karen Rehfeld, Director
Office of Management & Budget
Office of the Governor

Date: May 7, 2007

From: Annette Kreitzer 
Commissioner

Phone: 465-5671

Email: Annette.Kreitzer@admin.state.ak.us

Subject: Monetary terms of the July 1, 2007- June 30, 2008 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, 2007 and remain in effect through June 30, 2008.

I. Terms Requiring Appropriation.

Current Legislative Session

- A. Wages (Rule 17) Effective July 1, 2007 the hourly rates, nonwatch pay, and COLD currently in effect for all job classifications will increase by three percent (3%).
- B. Health and Welfare. (Rule 27) Effective July 1, 2007, the State contribution for health insurance will be \$851.
- C. Cash Allowance for Subsistence and Quarters and Travel Pay. Crewmembers assigned to the M/V Chenega will receive lodging and meal allowance through the end of the vessels operating season in Prince William Sound currently scheduled to be September 12, 2007.

Future Legislative Sessions

Not applicable.

II. Change in State Revenues.

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

III. Change in Productive Work Hours.

No terms of this agreement would result in a change in productive work hours.

Please forward these monetary terms to the Legislature in accordance with AS 23.40.215.

cc: All Commissioners
All Administrative Services Directors

Dianne Kiesel, Director
Division of Personnel & Labor Relations
Department of Administration

Kim Garner, Director
Division of Finance
Department of Administration

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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SARAH PALIN, GOVERNOR

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May 7, 2007

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

Dear Speaker Harris:

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 Karen Rehfeld, 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 International Organization of the Masters, Mates and Pilots (MM&P).

The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. 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 can answer any questions or provide further information, please do not hesitate to call me.

Sincerely,



Annette Kreitzer
Commissioner

Enclosure

State of Alaska
Department of Administration
Office of the Commissioner

To: Karen Rehfeld, Director
Office of Management & Budget
Office of the Governor

Date: May 7, 2007

From: Annette Kreitzer
Commissioner

Phone: 465-5671

Email: Annette_Kreitzer@admin.state.ak.us

Subject: Monetary terms of the July 1, 2007- June 30, 2008 Bargaining Agreement between the State and the International Organization of the 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, 2007 and remain in effect through June 30, 2008.

I. Terms Requiring Appropriation.

Current Legislative Session

- A. Wages. (Rule 17) Effective July 1, 2007 the hourly rates, nonwatch pay, Master's pay and COLD currently in effect for all job classifications will increase by three percent (3%).
- B. Health and Welfare. (Rule 27) Effective July 1, 2007, the State contribution for health insurance will be \$851.
- C. Cash Allowance for Subsistence and Quarters and Travel Pay. Crewmembers assigned to the M/V Chenega will receive lodging and meal allowance through the end of the vessels operating season in Prince William Sound currently scheduled to be September 12, 2007.

Future Legislative Sessions

Not applicable.

II. Change in State Revenues.

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

III. Change in Productive Work Hours.

No terms of this agreement would result in a change in productive work hours.

Please forward these monetary terms to the Legislature in accordance with AS 23.40.215.

cc: All Commissioners
All Administrative Services Directors

Dianne Kiesel, Director
Division of Personnel & Labor Relations
Department of Administration

Kim Garner, Director
Division of Finance
Department of Administration



Official Business

Alaska State Legislature

House of Representatives

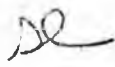
Office of the Chief Clerk

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

MEMORANDUM

Date: February 29, 2008

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 APEA (Supervisor Unit)

The attached monetary terms of the collective bargaining agreement between the State and the Alaska Public Employees Association representing the Supervisor Bargaining Unit was referred to the Finance Committee during floor session today.

Attachment:

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SARAH PALIN, GOVERNOR

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

Fin

February 27, 2008

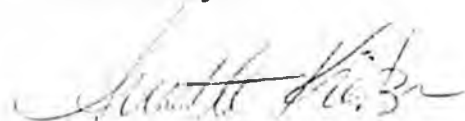
The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capital, Room 208
Juneau Alaska 99801-1182

Dear Mr. Speaker:

Please accept this as my report of monetary terms required by the Public Employees Relations Act (AS 23.40.070-260). By copy of my memorandum to Karen Rehfeld, Director of the Office of Management and Budget (enclosed), this is my report of the monetary terms of the collective bargaining agreement reached between the State and the Alaska Public Employees Association, representing the Supervisory Bargaining Unit. The monetary terms of this agreement are submitted to the Legislature for approval pursuant to AS 23.40.215. I respectfully request and encourage that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215(b).

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

Sincerely,



Annette Kreitzer

Enclosure

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

PHONE: (907) 465-2200
FAX: (907) 465-2135

Memorandum

To: Karen Rehfeld, Director Office
of Management & Budget
Office of the Governor

Date: February 27, 2008

From: Annette Kreitzer 

Phone: 907.465.5671

Subject: Monetary terms of the July 1, 2007 to June 30, 2010, Collective Bargaining Agreement between the State and the Alaska Public Employees Association representing the Supervisory Bargaining Unit.

The Administration has concluded the negotiations process which included an interest arbitration opinion dated February 4, 2008 with the Alaska Public Employees Association representing the Supervisory Bargaining Unit. With few exceptions, the terms of the interest arbitration award have been negotiated and implemented for all employees of the Supervisor Bargaining Unit. If approved by the Legislature the monetary terms of this agreement become effective July 1, 2007 and remain in effect through June 30, 2010.

I. Terms Requiring Appropriation.

Current Legislative session

Retroactive to July 1, 2007, the employer health premium contribution shall increase by the amount of money necessary to maintain the Select Benefits Economy plan. This presents an increase of \$16.00 per month, per member.

Retroactive to July 1, 2007, the wage schedule in effect on June 30, 2007, shall increase by five and one-half (5-1/2%) percent.

Future Legislative sessions

Effective July 1, 2008, the employer health premium contribution shall increase by the amount of money necessary to maintain the Select Benefits Economy plan. This presents an increase of \$17.00 per month, per member.

Effective July 1, 2008, the wage schedule in effect on June 30, 2008, shall increase by three (3%) percent.

Effective July 1, 2009, the employer health premium contribution shall increase by the amount of money necessary to maintain the Select Benefits Economy plan. The amount of increase is yet to be determined.

Effective July 1, 2009, the wage schedule in effect on June 30, 2009, shall increase by three percent (3%).

II. Change in State Revenues.

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

III. Change in Productive Work Hours.

Effective July 1, 2007, the Article 25.11 provisions for overtime exempt employee flex time agreements which offset excessive hours worked reduced the threshold hours worked condition from 50 to 45 hours.

IV. Terms addressing employee compensation, not requiring appropriation.

Retroactive to July 1, 2007 Article 24.3.C contains new language establishing a conditional or limited geographical differential. When a subordinate employee in the same geographic location as their supervisor is paid a geographic differential, the geographic differential specified in the subordinate's collective bargaining agreement shall be applied to the supervisor.

Retroactive to July 1, 2007, the Article 24.7.C entitlement to a one or two step increase upon promotion to a higher salary range in the bargaining unit changed to a two or three step increase entitlement upon promotion to a higher salary range.

Effective July 1, 2008, overtime eligible Class One Nurses working in institutions with continuous operations shall be paid a premium of one dollar (\$1.00/hour) per hour for each hour worked on the calendar days of Saturday and Sunday. Overtime ineligible Class One Nurses working in institutions with continuous operations shall receive this differential only when scheduled to work on the calendar days of Saturday and Sunday and these days fall within their normal 37.5 hour workweek.

Effective July 1, 2008, an employee whose duty station is Spring Creek Correctional Center (SCCC) and who has a subordinate employee who is

February 27, 2008

receiving the SCCC differential shall receive a one step pay increase upon completion of one consecutive year worked. There will be a two step increase upon the completion of two consecutive years worked.

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

Nicki Neal, Director
Division of Personnel and Labor Relations



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 19, 2008

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

From: Suzi Lowell *sl*
Chief Clerk

Subject: Monetary Terms of Agreement between the State and AVTECTA

The attached monetary terms of the collective bargaining agreement between the State and the Alaska Vocational Technical Center Teachers' Association was referred to the Finance Committee during floor session March 18.

Attachment:

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

PHONE: (907) 465-2200
FAX: (907) 465-2135

Fin

March 17, 2008

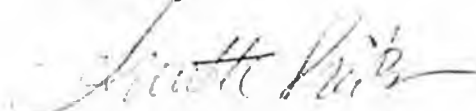
The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capital, Room 208
Juneau Alaska 99801-1182

Dear Mr. Speaker:

Please accept this as my report of monetary terms required by the Public Employees Relations Act (AS 23.40.070-260). By copy of my memorandum to Karen Rehfeld, Director of the Office of Management and Budget (enclosed), this is my report of the monetary terms of the collective bargaining agreement reached between the State and the Alaska Vocational Technical Center Teachers' Association. The monetary terms of this agreement are submitted to the Legislature for approval pursuant to AS 23.40.215. I respectfully request and encourage that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215(b).

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

Sincerely,



Annette Kreitzer

Enclosure

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

PHONE: (907) 465-2200
FAX: (907) 465-2135

Memorandum

To: Karen Rehfeld
Director
Office of Management and Budget
Office of the Governor

Date: March 17, 2008

From: Annette Kreitzer 

Phone: 907.465.5671

Subject: Monetary terms of the July 1, 2008 to June 30, 2011, Collective Bargaining Agreement between the State and the Alaska Vocational Technical Center Teachers' Association

The Administration has concluded negotiations with the Alaska Vocational Technical Center Teachers' Association (AVTECTA). If approved by the Legislature, the monetary terms of this agreement become effective July 1, 2008 and remain in effect through June 30, 2011.

I. Terms Requiring Appropriation.

Current Legislative session

Effective July 1, 2008, the employer health premium contribution shall increase by an amount of money for all employees that is necessary to fund coverage under the "Select Benefits Economy Medical/Audio/Rx/Dental Plan."

Effective July 1, 2008, the wage schedule in effect on June 30, 2008, shall increase by three percent (3%).

Future Legislative sessions

Effective July 1, 2009, the employer health premium contribution shall increase by an amount of money for all employees that is necessary to fund coverage under the "Select Benefits Economy Medical/Audio/Rx/Dental Plan."

Effective July 1, 2009, the wage schedule in effect on June 30, 2009, shall increase by two and one-half percent (2.5%).

Effective July 1, 2010, the employer health premium contribution shall increase by an amount of money for all employees that is necessary to fund coverage under the "Select Benefits Economy Medical/Audio/Rx/Dental Plan."

Effective July 1, 2010, the wage schedule in effect on June 30, 2010, shall increase by two and one-half percent (2.5%).

II. Change in State Revenues.

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

III. Change in Productive Work Hours.

Effective July 1, 2008 personal leave accrual for bargaining unit members will change. Currently, bargaining unit members accrue personal leave at a rate of 4.69 hours per semi monthly pay period. Effective July 1, 2008 personal leave accrual will accrue at the following rate:

- 0-2 years of service: 4.69 hours per semi monthly pay period
- 2-5 years of service: 5 hours per semi monthly pay period
- 5 years or more of service: 5.31 hours per semi monthly pay period

Effective July 1, 2008 personal leave accrued but not used shall accumulate to a maximum of seven-hundred twenty (720) hours.

IV. Terms addressing employee compensation, not requiring appropriation.

Effective July 1 2008, the wage schedule will be modified to remove Step 0; place two percent (2%) increments between Steps 6 through 13; and cap pay at Step 8 for Column 1, Step 12 for Column 2, and Step 15 for Column 3.

Effective July 1, 2009, the wage schedule will be modified to place two percent (2%) increments between Steps 14 through 16.

Effective July 1, 2010, the wage schedule will be modified to place two percent (2%) increments between Steps 17 and 18 and an additional Column 5 will be added.

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: Click Bishop, Commissioner, Department of Labor

Guy Bell, Director, Division of Administrative Services,
Department of Labor

Kim Garner, Director, Division of Finance

Nicki Neal, Director, Division of Personnel and Labor Relations



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
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MEMORANDUM

Date: April 6, 2008

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

From: Suzi Lowell 
Chief Clerk

Subject: Monetary Terms of Arbitration between the State and MMP

The attached monetary terms of the arbitration award resulting from a dispute between the State and the International Organization of Masters Mates and Pilots Association was referred to the Finance Committee during floor session April 5.

Attachment

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

Fin
SARAH PALIN, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

PHONE: (907) 465-2200
FAX: (907) 465-2135

April 3, 2008

The Honorable John Harris
Speaker of the House
Alaska State Capitol
Juneau, Alaska 99/01-1182

Dear Speaker Harris:

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 Karen Rehfeld, Director of the Office Management and Budget (enclosed), please accept my report of the monetary terms of the arbitration award as a result of a dispute between the State and the International Organization of Masters, Mates and Pilots Association. The monetary terms of this arbitration award must be submitted to the Legislature for approval pursuant to AS 23.40.215, inasmuch as it requires an appropriation for its implementation. 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,


Annette Kreitzer

Enclosure

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SARAH PALIN, GOVERNOR


P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

PHONE: (907) 465-2200
FAX: (907) 465-2135

Memorandum

To: Karen Rehfeld, Director
Office of Management and
Budget
Office of the Governor

Date: April 3, 2008

From: Annette Kreitzer 
Commissioner

Phone: 907.465.5671

Subject: Monetary Terms of Arbitration Award to the Master's Mates, and
Pilots (MM&P)

The Department of Administration received an arbitration award in the grievance of the State's use of replacement vessels to service the outports previously serviced by the M/V LeConte. In 2005 the Alaska Marine Highway System (AMHS) used the new language in the agreement between the State and the Masters, Mates and Pilots to contract out for service to the outports. The Union filed a grievance claiming that the language did not permit the AMHS to provide service to or from Juneau and Sitka and that the AMHS did not provide thirty day notice to the Union of the contracting out. The arbitrator ruled that the AMHS did not violate the "outport" language in the contract by transporting passengers/vehicles from Juneau or to Sitka. However, the arbitrator did find that the AMHS violated the notice requirements contained in the collective bargaining agreement and ordered the State to pay damages to the Union as a result. The arbitrator's decision was received by the parties in November of 2006. By this time the AMHS had used contract service again during the year and the parties once again proceeded to arbitration. The arbitrator ruled that the AMHS did not provide adequate notice and awarded damages payable to the Union. Pursuant to A.S. 23.40.215, the monetary terms of the award require legislative approval.

I. Terms Requiring Appropriation

Current Legislative Session

Monetary damages payable to the MM&P in the amount of \$ 426,375.47.

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: Leo Von Scheben, Commissioner, DOT&PF

Nancy Slagle, Administrative Services Director, DOT&PF

Nicki Neal, Director, Division of Personnel & Labor Relations



Official Business

Alaska State Legislature

House of Representatives


Office of the Chief Clerk

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

MEMORANDUM

Date: April 6, 2008

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 IBU

The attached monetary terms of the agreement between the State and the Inlandboatmen's Union of the Pacific was referred to the Finance Committee during floor session April 5.

Attachment

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

Fin
SARAH PALIN, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

PHONE: (907) 465-2200

FAX: (907) 465-2135

April 4, 2008

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

Dear Mr. Speaker:

Please accept this as my report of monetary terms required by the Public Employees Relations Act (AS 23.40.070-260). By copy of my memorandum to Karen Rehfeld, Director of the Office of Management and Budget (enclosed), this is my report of the monetary terms of the collective bargaining agreement reached between the State and the Inlandboatmen's Union of the Pacific. The monetary terms of this agreement are submitted to the Legislature for approval pursuant to AS 23.40.215. I respectfully request and encourage that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215(b).

Please do not hesitate to contact me or my staff with any questions or information requests.

Sincerely,



Annette Kreitzer

Enclosure

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

PHONE: (907) 465-2200
FAX: (907) 465-2135

Memorandum

To: Karen Rehfeld, Director
Office of Management and Budget
Office of the Governor

Date: April 4, 2008

From: Annette Kreitzer
Commissioner

Phone: 907.465.5671

Subject: Monetary terms of the July 1, 2008 - June 30, 2011 Collective Bargaining Agreement between the State and the Inlandboatmen's Union of the Pacific (IBU).

The Department of Administration has reached a tentative agreement with the 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, 2008 and remain in effect through June 30, 2011.

I. Terms Requiring Appropriation.

Current Legislative Session

- A. Wages (Rule 17). Effective July 1, 2008 the hourly rates in effect for all job classifications will increase by three percent (3%).
- B. Cash Allowance for Subsistence and Quarters (Rule 11). Effective July 1, 2008, the amount provided for quarters will increase from seventy dollars (\$70) to ninety-five dollars (\$95) per day between May 16 and September 15 and will increase from sixty dollars (\$60) to eighty-five dollars (\$85) per day between September 16 and May 15.
- C. Health Insurance (Rule 29). Effective July 1, 2008, the State contribution for health insurance will be increased by the amount

necessary to maintain the Select Benefits Economy Plan. This represents an increase of \$16.00 per member, per month.

- D. Working Conditions (Formal Training, Rule 15). IBU Training Committee: This Committee will have an annual budget of \$100,000 to provide training to Bargaining Unit Members.

Future Legislative Sessions

- A. Wages (Rule 17). Effective July 1, 2009 the hourly rates in effect on June 30, 2009 for all job classifications will increase by three percent (3%).

Effective July 1, 2010 the hourly rates in effect on June 30, 2010 for all job classifications will increase by three percent (3%).

- B. Health Insurance (Rule 29). Effective July 1 of 2009 and 2010, the Employer contribution shall be the amount necessary to maintain coverage under the Select Benefits Economy Plan.

- C. Working Conditions (Formal Training, Rule 15). IBU Training Committee: This Committee will have an annual budget of \$100,000 to provide training to Bargaining Unit Members.

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, 2008, newly hired employees will earn one week less of leave than provided to current employees.

IV. Other Terms of Interest.

During the winter of 2008-2009, service to Port Lions may be provided without regard to IBU jurisdiction.

Effective July 1, 2008, service to Chenega Bay and Tatitlek may be provided without IBU jurisdiction if a feasibility study shows that contracting out would cost the employer less than using its own vessels.

Employees will no longer accrue sick leave and will convert to a personal leave system. Forty percent of their sick leave will be converted to personal leave and the remaining sixty percent will be deposited into a medical leave bank.

Effective July 1, 2008, employees will no longer be entitled to split wages.

Effective July 1, 2008, employees will only receive unearned wages until returned to their change port or port of residence, whichever is sooner.

cc: Leo Von Scheben, Commissioner, DOT&PF

Nancy Slagle, Administrative Services Director, DOT&PF

Kim Garner, Director, Division of Finance

Nicki Neal, Director, Division of Personnel and Labor Relations



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: April 10, 2008

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 attached monetary terms of agreements to the Finance Committee:

State of Alaska and Public Employees Local 71 representing the Labor, Trades and Crafts Unit (LTC)
State of Alaska and the Public Safety Employees Association

Attachments:

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

Fin
SARAH PALIN, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

PHONE: (907) 465-2200
FAX: (907) 465-2135

April 9, 2008

The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capital, Room 308
Juneau Alaska 99801-1182


Dear Speaker Harris:

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 Karen Rehfeld, 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 Employees Local 71 representing the Labor, Trades and Crafts 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).

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

Sincerely,



Annette Kreitzer

Enclosure

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

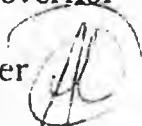
PHONE: (907) 465-2200
FAX: (907) 465-2135

Memorandum

To: Karen Rehfeld, Director
Office of Management and Budget
Office of the Governor

Date: April 9, 2008

From: Annette Kreitzer
Commissioner



Phone: 907.465.5671

Subject: Monetary terms for the period July 1, 2008 to June 30, 2009 for the Labor, Trades and Crafts Unit

In accordance with Article 13.02(B), the parties reopened negotiations for the sole purpose of reviewing wages for the period July 1, 2008 through June 30, 2009. The negotiations have concluded and if approved by the Legislature the monetary terms will become effective July 1, 2008 and remain in effect through June 30, 2009.

Terms Requiring Appropriation - Current Legislative session

Effective July 1, 2008, the wage schedule in effect on June 30, 2008 shall increase by an additional 1% for a total of 3%.

Upon legislative approval, the contract expiration date of December 31, 2008 will be extended to June 30, 2009.

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 Services Directors

Kim Garner, Director
Division of Finance

Nicki Neal, Director
Division of Personnel and Labor Relations

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

Fin
SARAH PALIN, GOVERNOR

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

April 9, 2008

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

Dear Speaker Harris:

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 Karen Rehfeld, 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.

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

Sincerely,



Annette Kreitzer

Enclosure

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

PHONE: (907) 465-2200
FAX: (907) 465-2135

Memorandum

To: Karen Rehfeld, Director
Office of Management and Budget
Office of the Governor

Date: April 9, 2008

From: Annette Kreitzer
Commissioner

Phone: 907.465.5671

Subject: Monetary terms of the July 1, 2008 to June 30, 2011, Collective Bargaining Agreement between the State and the Public Safety Employees Association (PSEA)

The Administration has concluded the negotiations process with the Public Safety Employees Association representing the Regularly Commissioned Public Safety Officers Unit. If approved by the Legislature the monetary terms of this agreement become effective July 1, 2008 and remain in effect through June 30, 2011.

I. Terms Requiring Appropriation.

Current Legislative session

Effective July 1, 2008, the employer health premium contribution shall increase by the amount of money necessary to fund comparable coverage to maintain the Select Benefits Economy plan. This presents an increase of \$16.00 per month, per member.

Effective July 1, 2008, the wage schedule in effect on June 30, 2008, shall increase by 5%.

Effective July 1, 2008 every two years after Step F, an employee will be eligible for a 3.75% step increase. Service steps will only be awarded through a performance evaluation in which the employee is considered to have "acceptable or better service."

Effective July 1, 2008, employees who possess or achieve a Bachelors degree from an accredited institution of higher education shall receive a one time only step increase with proof of degree.

Effective July 1, 2008, an employee assigned to Field Training Officer (FTO) duty shall receive a pay differential of 7.5% of the employee's regular hourly rate for each hour worked in that capacity. This is an increase from the 5% which is currently paid.

Effective July 1, 2008, an Officer in Charge (OIC) differential of 3.75% shall apply to State Troopers supervising Court Service Officers (CSO) or members when supervising nonmembers for a duration of thirty (30) days or more.

Effective July 1, 2008, a member assigned to a stand by roster shall receive two hours of pay at the regular straight time hourly rate; this is an increase of one hour from the current contract. When assigned to standby on their regular day off due to an emergency, the member shall receive an amount equal to three (3) hours pay at the regular straight time hourly rate; this is an increase of one hour from the current contract.

Effective July 1, 2008, all members who are designated as current authorized Special Emergency Response Team (SERT) members shall receive a pay differential of 5% percent of their regular hourly rate for all hours in work status rather than just those hours that they are engaged in SERT activities.

Effective July 1, 2008, all members who are designated as current authorized Department of Public Safety pilots shall receive a pay differential of 5% percent of their regular hourly rate for all hours in work status rather than just those hours spent preparing to fly, flying and concluding a flight.

Effective July 1, 2008, all members holding an Advanced Police Certificate issued by the Alaska Police Standards Council shall receive a 3.75% differential above the member's base rate of pay.

Effective July 1, 2008, all members holding an Intermediate Police Certificate issued by the Alaska Police Standards Council shall receive a 3% differential above the member's base rate of pay.

Effective July 1, 2008, members, excluding CSOs, electing to extend their rural duty beyond their transfer eligibility at locations with geographical differential steps of seven (7) through nine (9) shall be paid five thousand dollars (\$5,000) at the completion of each additional year that they elect to remain at that remote post.

Members, excluding CSOs, electing to extend their rural duty beyond their transfer eligibility at all other remote locations not on the road system shall be paid three thousand dollars (\$3,000) at the completion of each additional year that they elect to remain at that remote post.

Future Legislative sessions

Effective July 1, 2009, the employer health premium contribution shall increase by the amount of money necessary to fund comparable coverage to maintain the Select Benefits Economy plan. The amount of increase is yet to be determined.

Effective to July 1, 2009, the wage schedule in effect on June 30, 2009, shall increase by 3%.

Effective July 1, 2010, the employer health premium contribution shall increase by the amount of money necessary to fund comparable coverage to maintain the Select Benefits Economy plan. The amount of increase is yet to be determined.

Effective July 1, 2010, the wage schedule in effect on June 30, 2010, shall increase by 3%.

II. Change in State Revenues.

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

III. Change in Productive Work Hours.

Effective July 1, 2008, Personal Leave accrual for bargaining unit members will increase as follows:

- Two and one-half (2 ½) working days for each full monthly pay period if the member has more than two (2) but less than five (5) years of service. This is an increase of one-quarter (1/4) day.

- Three (3) working days for each full monthly pay period if the member has more than five (5) but less than ten (10) years of service. This is an increase of one-half (1/2) day.

- Three and one-half (3 1/2) working days for each full monthly pay period if the member has more than ten (10) years of service. This is an increase of one-half (1/2) day.

IV. Terms addressing employee compensation, not requiring appropriation.

No terms of this agreement address employee compensation not requiring appropriation.

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: Leo von Scheben, Commissioner
Department of Transportation and Public Facilities

Walter Monagan, Commissioner
Department of Public Safety

Nancy Slagle, Director
Department of Transportation and Public Facilities
Division of Administrative Services

Dan Spencer, Director
Department of Public Safety
Division of Administrative Services

Kim Garner, Director
Division of Finance

Nicki Neal, Director
Division of Personnel and Labor Relations

1/16/08

OVERVIEW:

OMB

HFIN

FILE

Governor's FY2009 Budget Proposal Overview & Policy Discussion



Presented to Joint Finance Committee
January 16, 2008
Karen J. Rehfeld, Director
Office of Management and Budget

Agenda

- Governor's Two-year Savings Plan
 - Components of the plan
- FY2009 Proposed Budget
 - Operating Budget Highlights
 - Capital Budget Highlights
- Outlook for Revenue and Expenditures through FY2011
- Questions

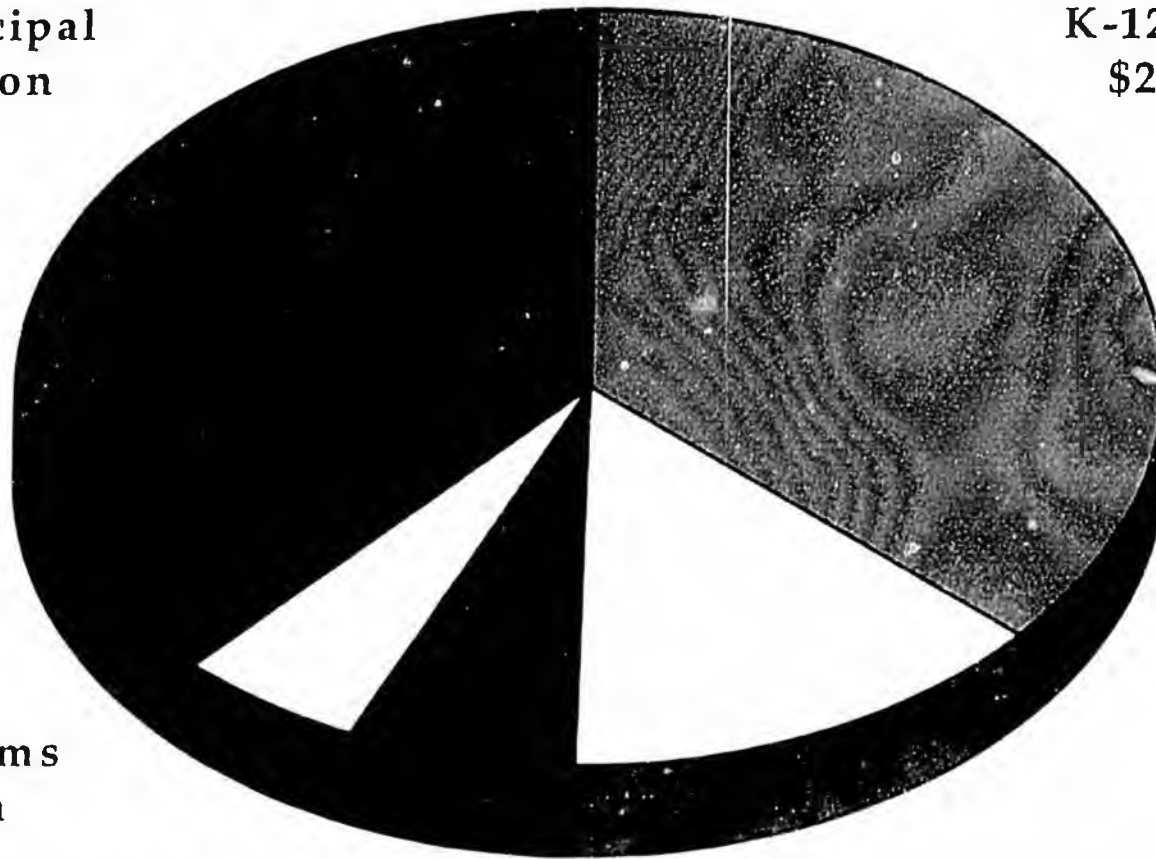


Governor Palin's Two-year Savings Proposal

Total Proposal: \$7.1 Billion

Deposit to Permanent
Fund Principal
\$2.4 Billion

K-12 Education
\$2.6 Billion



Energy Programs
\$250 Million

Replenish the CBR
\$379 Million

Reduce Retirement
System Liability \$450
Million

Transportation &
Infrastructure
\$1.0 Billion



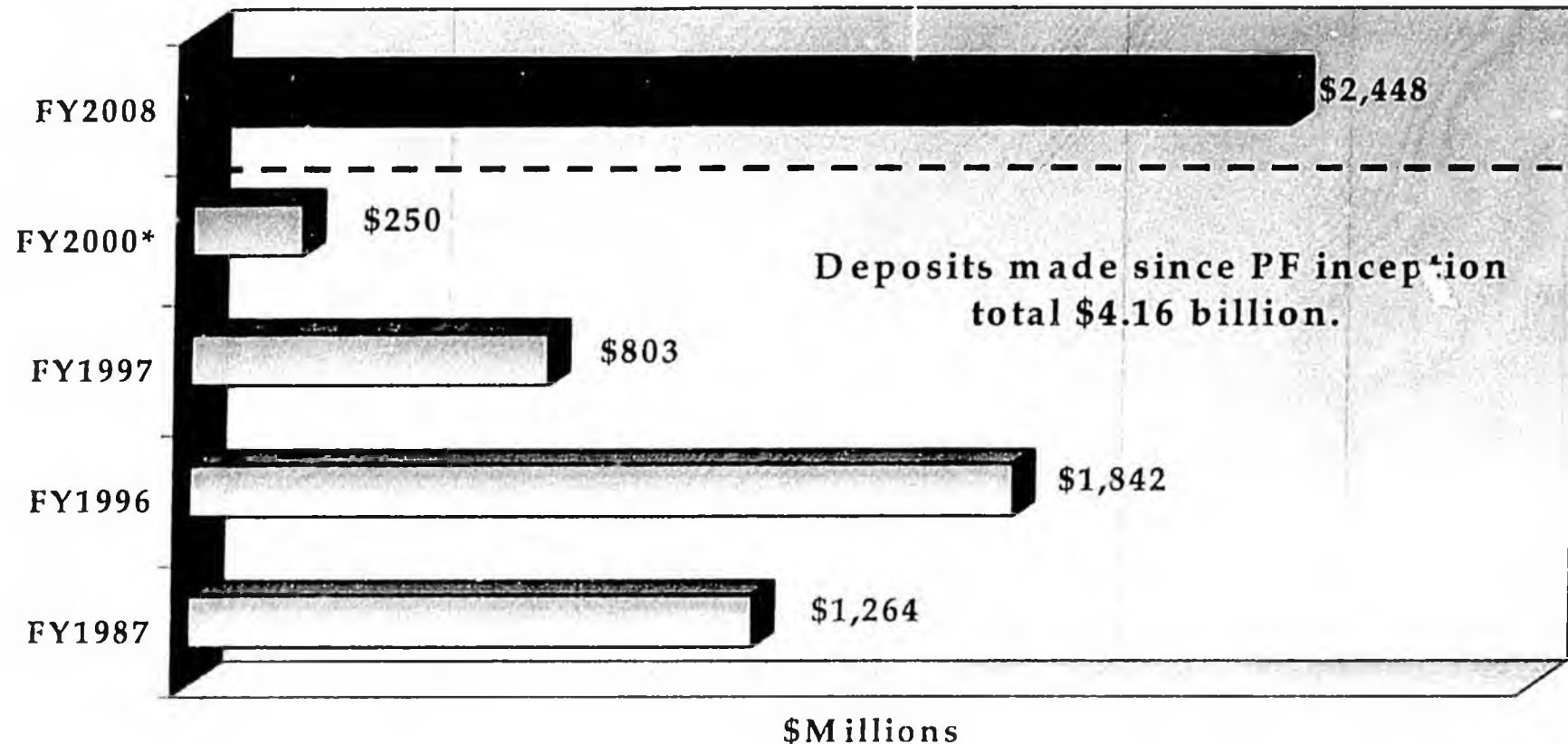
Office of Management and Budget

Source: Office of Management and Budget

Governor Palin's Two-year Savings Proposal

Save the Earnings

Deposit \$2.4 Billion from the Permanent Fund Earnings Reserve to the Permanent Fund



Amended HB99/SB54 proposal is to leave a balance of \$2.2 billion in the Permanent Fund Earnings Reserve after dividends, inflation proofing and Amerada Hess calculation.

FY2008 projections are from *Alaska Permanent Fund Financial History and Projections*.

* FY2000 deposit was \$276.4 million, figure shown excludes \$26.4 million in 8G Escrow Principal Earnings that was deposited to the Permanent Fund Principal as part of a lawsuit settlement.



Governor Palin's Two-year Savings Proposal

Sources by Fiscal Year

	Total FY08 Surplus Savings (\$millions)	Total FY09 Surplus Savings (\$millions)	Combined FY08 and FY09 Savings
Public Education Fund	\$1,575	\$1,000	\$2,575
Transportation & Infrastructure	\$500	\$500	\$1,000
Reduce TRS Unfunded Liability	\$450	\$0	\$450
Constitutional Budget Reserve	\$224	\$155	\$379
Energy Programs	\$250	\$0	\$250
Surplus Savings Total	\$2,981	\$1,673	\$4,654



Governor Palin's Two-year Savings Proposal

Forward Fund Education \$2.6 Billion

Goals:

- Provide a stable and predictable funding source for Alaska's K-12 education
- Shift focus to classroom results
- Build on the objectives and funding requirements set out in the Education Task Force report



Governor Palin's Two-year Savings Proposal

Alaska State Transportation Fund- \$1.0 Billion

Goals:

- Diversify the funding streams available to meet Alaska's transportation funding requirements
- Create a more flexible funding stream that can be directed at state and local priorities
- Avoid tripling the gas tax to fund a similar program



Governor Palin's Two-year Savings Proposal

Reduce the State's Retirement Liability- \$450 million

Goals:

- Reduce a long-term State liability by contributing \$450 million to the Teacher's Retirement System
- Immediate FY09 savings of \$46 million
- Total savings estimated over 25 years is more than \$600 million



Governor Palin's Two-year Savings Proposal

Deposits to the CBR- \$379 million

Goals:

- Replenish Alaska's main emergency reserve fund
- These amounts represent two of the largest deposits to the CBR in recent history
- This is in addition to the recent \$379 million oil tax settlement that will be deposited in the CBR



Governor Palin's Two-year Savings Proposal

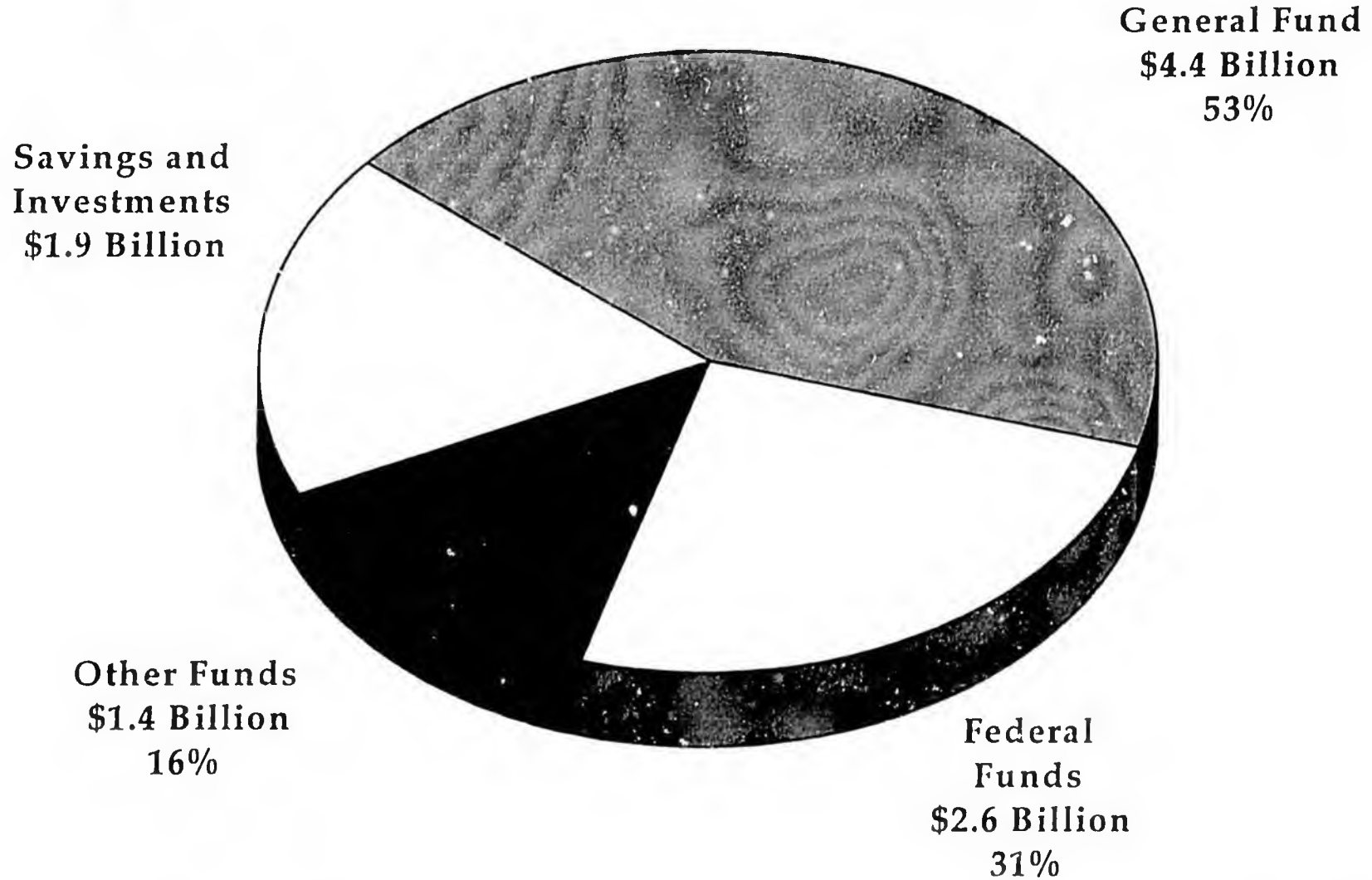
Energy Programs - \$250 million

Goals:

- Reduce the cost of power to Alaskan consumers
- Promote energy conservation
- Displace diesel generation
- Provide some impetus for development of alternative, particularly renewable energy sources (wind, hydro, etc.).

FY2009 Budget- \$8.3 Billion

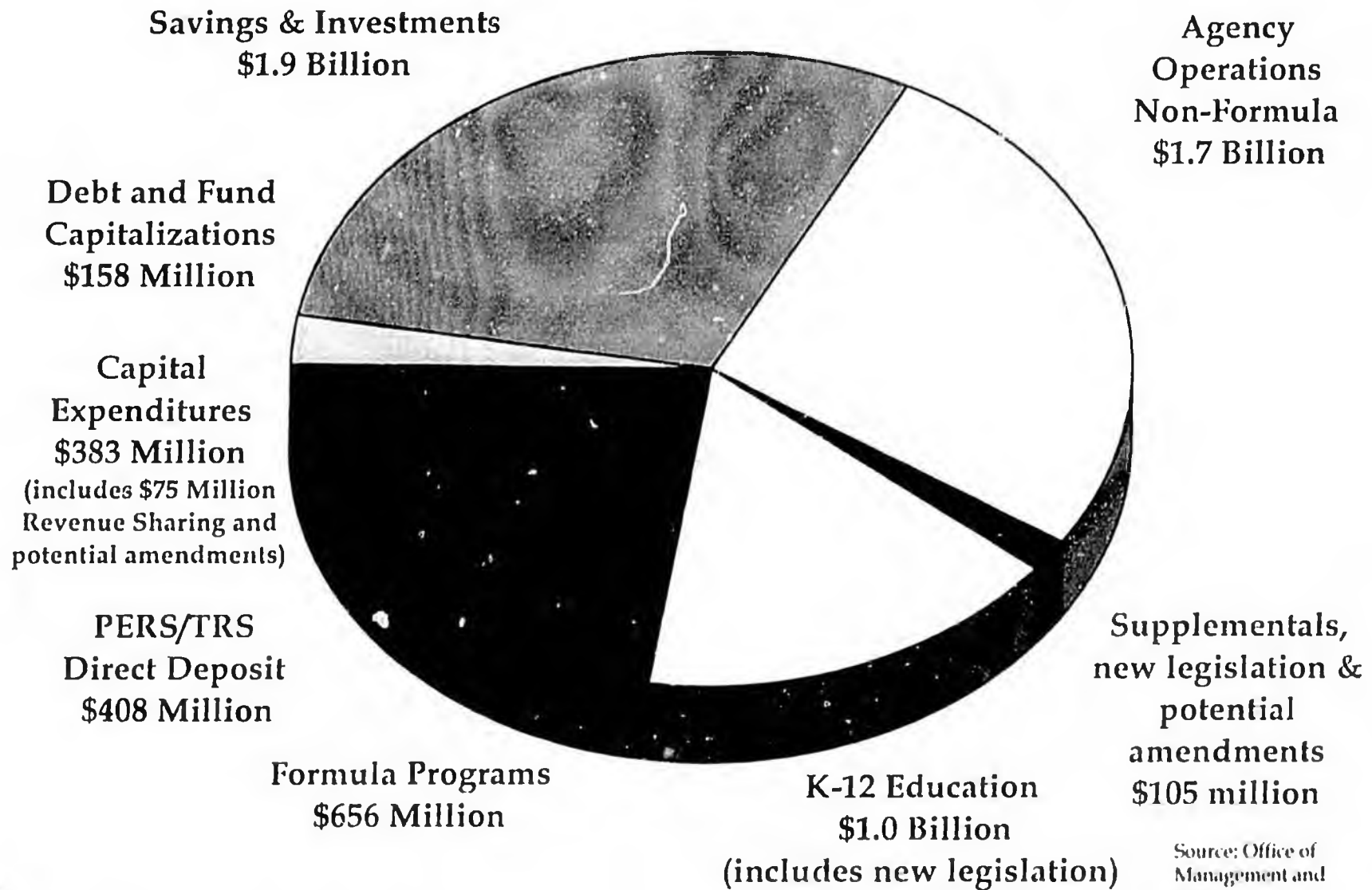
Plus \$1.9 Billion in Savings and Investments (excludes Perm Fund)



FY09 Budget-Highlights

	Total FY08	Total FY09	Change FY08 to FY09	Percent Change FY08 to FY09
General Fund	\$4,239.3	\$4,409.6	\$170.3	4.0%
Federal Funds	\$2,544.5	\$2,571.2	\$26.7	1.0%
Other Funds	\$1,202.1	\$1,364.9	\$162.8	13.5%
Authorization to Spend	\$7,985.9	\$8,345.7	\$359.8	4.5%

FY2009 General Fund Budget Total \$4.4 Billion Plus \$1.9 Billion in Savings and Investments



Source: Office of Management and Budget



FY09 General Fund Budget-Highlights

Agency Operations Non-formula: \$1.67 billion

- Up \$76.4 million over FY08
 - Agency Bargaining Unit increases- \$29.3 million
 - University Bargaining Increases \$9.0 million
 - Public Safety and Protection- \$11.6 million
 - Workforce Development- \$6.8 million
 - University, Labor, DOT/PF
 - Court System- \$6.7 million
 - Alaska Marine Highway- \$4.6 million
 - Elections- \$3.7 million
 - ACES Implementation- \$1.9 million
 - Resource Development & Protection \$1.8 million



FY09 General Fund Budget-Highlights

Supplemental- \$50 million

- Placeholder for FY09

Potential Operating Amendments- \$41 million

- Bargaining Unit increases
- Other agency needs

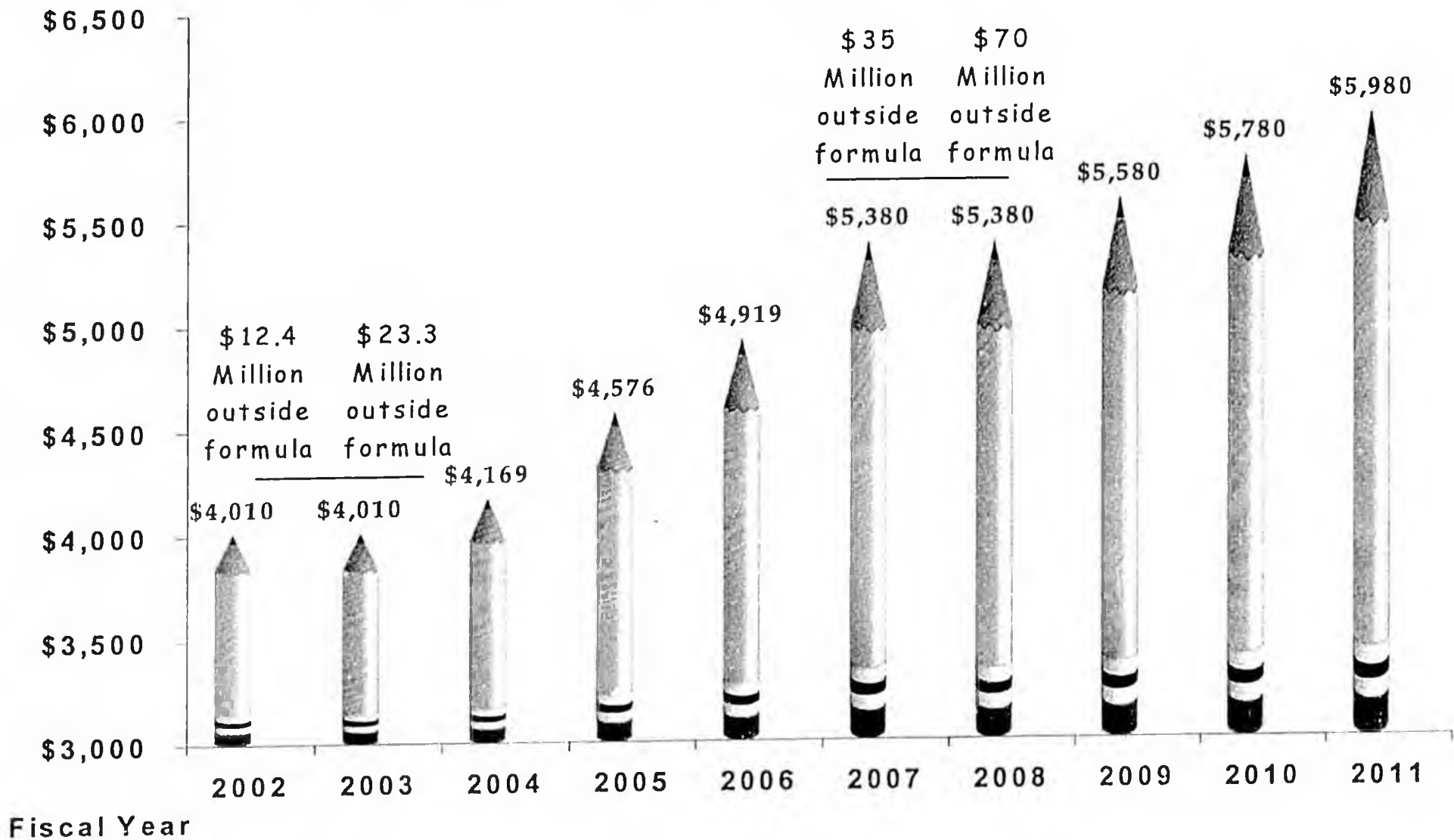
New Legislation- \$14 million

Public Education (new legislation)- \$141 million



K-12 Education Funding Plan

Base Student Allocation FY2002-FY2011



FY09 General Fund Budget- Highlights

Formula Programs: \$656 million

- Up \$96.7 million over FY08
 - Medicaid/Proshare FMAP- \$71.2 million
 - H&SS Rate Increases- \$24.4 million
 - National Guard benefits - \$0.7 million
 - Alaska Military Youth Academy- \$0.4 million



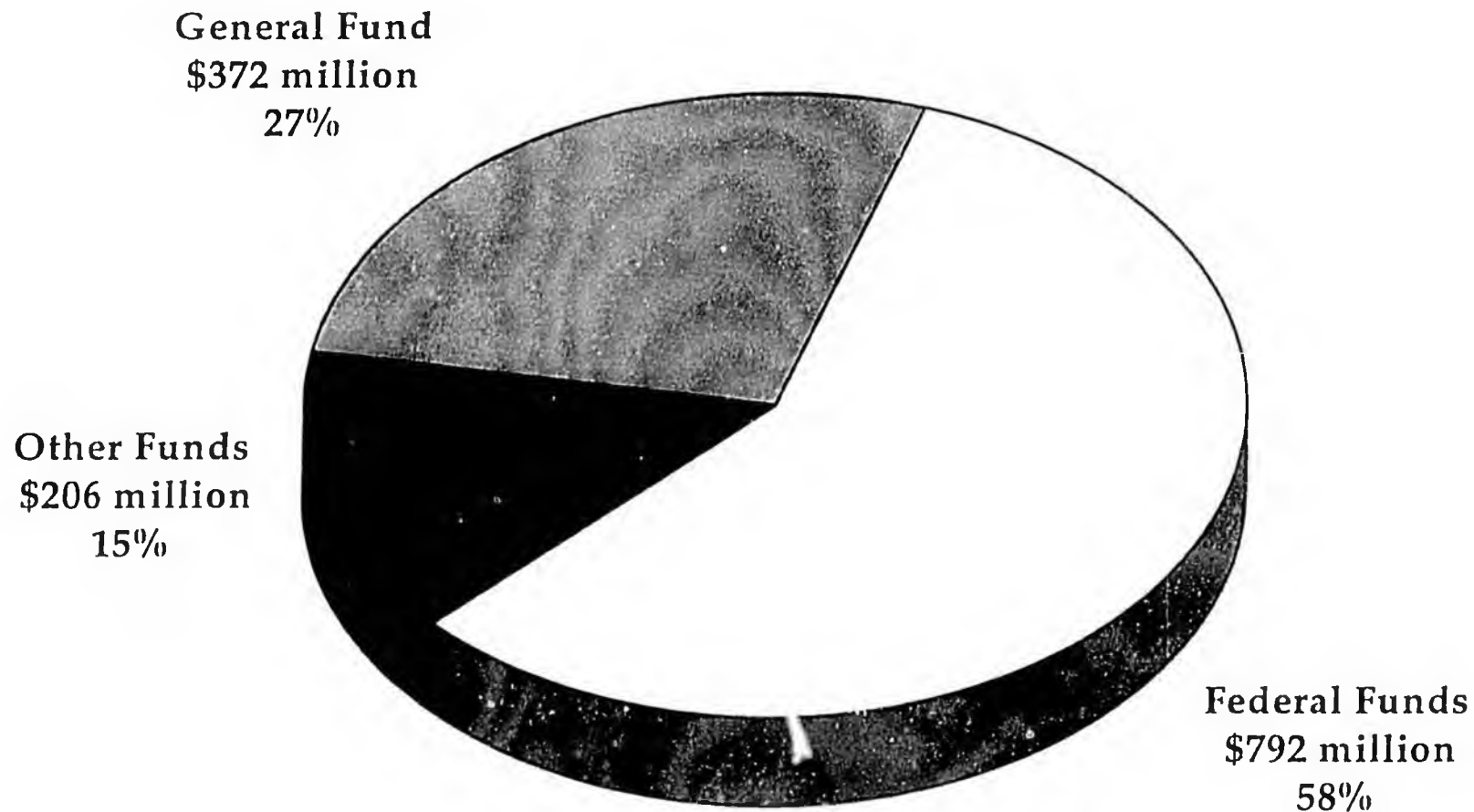
FY09 General Fund Budget- Highlights

Direct Deposit to PERS/TRS- \$408.4 million

- Down \$46.4 million from FY08
 - PERS \$246.0 million
 - retain employer rate at 22%
 - TRS \$162.4 million
 - retain employer rate at 12.56%



FY2009 Capital Budget- \$1.4 Billion



FY09 Capital Budget- Highlights

General Funds- \$372.3 million

- Revenue Sharing	\$75.0 million
- DOT/PF	\$151.3 million
• Federal Match	\$48.8 million
• Connect Anchorage	\$23.5 million
• Glenn Highway Repair	\$11.5 million
-- Water & Wastewater Program	\$41.9 million
- McLaughlin Youth Center	\$19.5 million
- Palmer Office Building	\$15.7 million



FY09 Capital Budget- Highlights

Other Funds- Alaska Student Loan Corp.

- Third and final return of capital from the original capitalization of the ASLC
- Expected to generate \$60 million in bond proceeds
- The Administration has identified agencies' high priority deferred maintenance projects and proposes funding them with the proceeds from the ASLC return of capital

FY09 Capital Budget- Highlights

Other Funds- Alaska Capital Income Fund

- Alaska Capital Income Fund is expected to have an available balance of \$277 million
 - \$249 million additional deposit from the FY07 surplus
 - \$28 million in expected FY09 Amerada Hess earnings

- The Administration has identified K-12, University, energy and other projects and proposes using a portion the available balance in the Alaska Capital Income Fund to fund these projects.



FY09 Capital Budget- Highlights

Alaska Capital Income Fund Projects

- School construction/major maintenance \$99.8 mil.
- University deferred maintenance \$40.0 mil.
- DOT/PF maintenance stations \$10.2 mil.
- AEA energy projects \$10.0 mil.
- DNR energy related projects \$6.4 mil.
- AOGCC reservoir depletion studies \$1.5 mil.

FY09 Capital Budget- Highlights

Federal Funds- \$791.6 million

- DOT/PF	\$515.6 million
• Roads	\$237.1 million
• Airports	\$223.5 million
• Safety Emergency Repairs	\$55.0 million
- DEC (Water and Wastewater)	\$78.7 million
- Commerce	\$56.4 million
• AEA Energy Projects	\$30 million
• Kodiak Launch Complex	\$14 million
- University Research Vessel	\$45.0 million



G.O. Bond Proposal

The Administration is proposing two General Obligation (G.O.) Bond packages go before the voters in the 2008 election cycle.

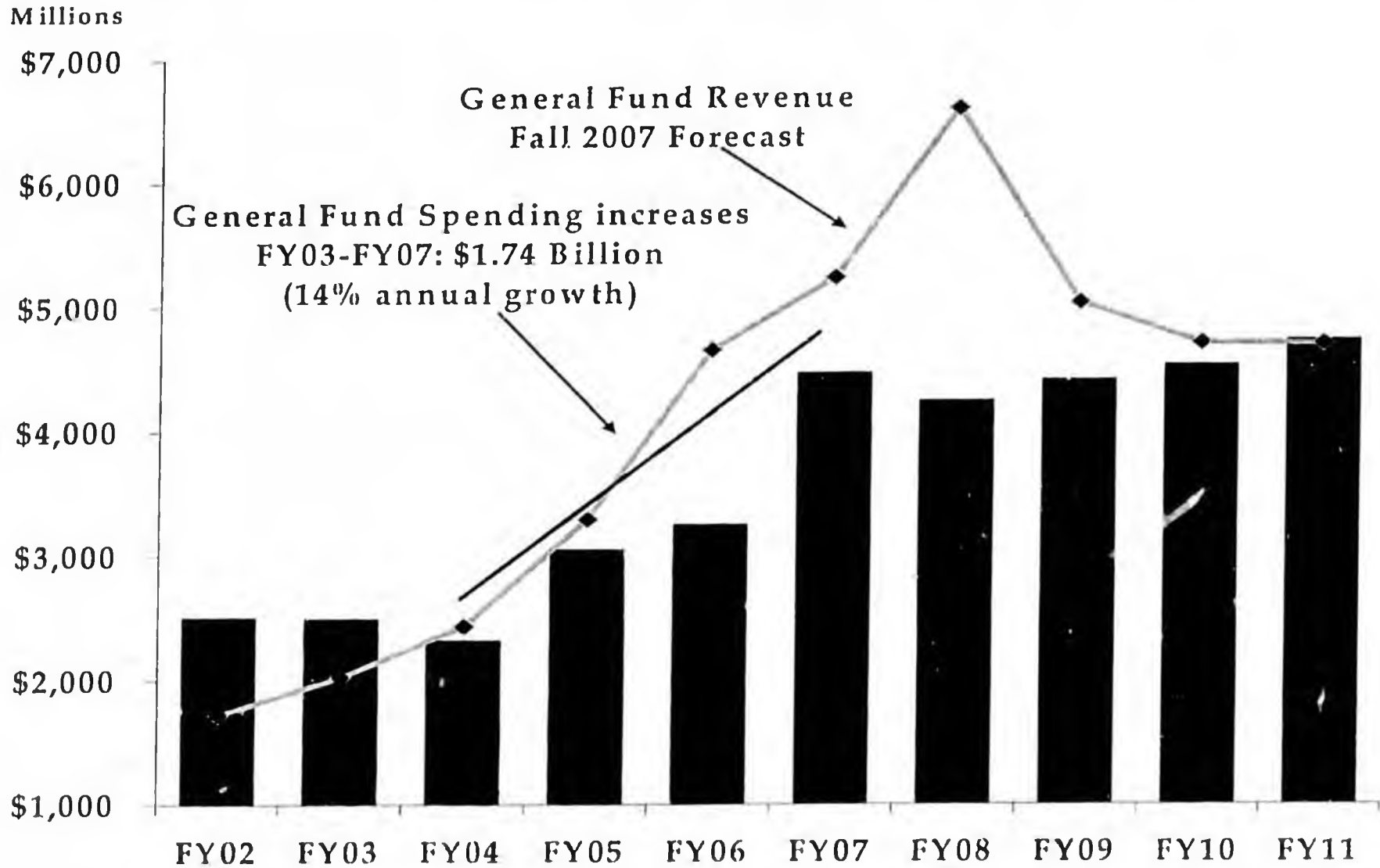
Transportation G.O. Bonds - \$140 million

State Crime Lab G.O. Bonds - \$100 million



Changing the Course to Slow Government Growth

General Fund Revenues versus Appropriations FY02 to FY11 (3.5% average growth rate projected for FY10 & FY11)



Annual appropriations exclude deposits to Public Education Fund, ACES tax credits and other special purpose appropriations.

More Budget Details: Sources

Office of Management and Budget Website

www.gov.state.ak.us/omb/

Karen J. Rehfeld, Director

Office of Management and Budget

Karen.Rehfeld@alaska.gov

907-465-4660



1/17/08

PRESENT.:

LEGIS.

FINANCE

BUDGET

(W/SFC)

HFIN

FILE

Alaska State Legislature
SENATE/HOUSE JOINT
FINANCE COMMITTEE

Agenda

January 17, 2008

1:00 PM

Overview of Governor's Proposed FY 2009 Budget
Director David Teal-Legislative Finance Division

also present:

Rep. Paul Koch

Rep. Hallenberg

Sen Gary Stevens

absent:

~~Rep. [unclear]~~

Sen Steve [unclear]

~~[unclear]~~

David Seal 1-17-08

State of Alaska Fiscal Summary

(\$ millions)

	FY08 Management Plan with Adjustments				FY09 Governor's Request				GF Change	
	GF	Federal	Other	Total	GF	Federal	Other	Total	\$	%
REVENUE (Excludes Permanent Fund Earnings)										
1 Unrestricted General Fund Revenue (1)	3,572.0			3,572.0	5,222.8			5,222.8	1,550.2	146%
2 Carryforward (2)	18.0	6.2	2.0	26.8						
3 Public Education Fund Balance (3)	614.7			614.7						
4 Bond Proceeds and Other Borrowing (4)				0.0			50.0	60.0		
5 Net Corporate Dividends (5)			86.5	86.5			87.6	87.6		
6 Federal and Other Funds		2,538.9	1,114.4	3,653.3		2,571.2	1,217.3	3,788.5		
7 Total Revenue	4,205.9	2,545.1	1,202.9	7,953.9	5,222.8	2,571.2	1,364.9	9,158.9		
APPROPRIATIONS										
9 Operating	3,763.0	1,761.8	1,024.2	6,539.0	4,241.7	1,779.5	1,131.4	7,152.7	478.7	13%
10 Agency Operations (Non-Formula)	1,573.0	851.1	1,412.5	3,836.6	1,697.8	890.9	1,586.8	4,175.5	124.8	
11 Formula Programs	1,508.1	855.9	92.5	2,456.5	1,516.6	843.1	98.3	2,458.0	8.5	
12 Debt Service	124.8	11.8	217.0	353.6	115.2	13.1	245.9	374.1	(9.6)	
13 Fund Capitalization	28.4	21.0	23.0	72.4	32.4	27.5	28.0	87.9	4.0	
14 Direct Appropriations to Retirement	455.0	0.0	0.0	455.0	408.4	0.0	0.0	408.4	(46.6)	
15 New Legislation (6)					155.3	0.0	0.4	155.7	155.3	
16 RPLs	0.0	0.0	1.5	1.5	0.0	0.0	0.0	0.0	0.0	
17 Revenue Sharing	48.7	0.0	0.0	48.7	75.0	0.0	0.0	75.0	26.3	
18 Oil & Gas Tax Refunds	25.0	0.0	0.0	25.0	200.0	0.0	0.0	200.0	175.0	
19 Governor's Unspecified Amendments					41.0	5.0	16.0	62.0	41.0	
20 Duplicated Authorization (7)	0.0	0.0	(80.2)	(80.2)	0.0	0.0	(843.9)	(843.9)		
21 Capital	358.8	700.1	176.6	1,235.5	317.8	791.7	233.5	1,343.0	(41.0)	-11%
22 Project Appropriations & RPLs (Revised Programs)	245.1	550.0	210.8	1,005.9	292.8	791.6	322.6	1,407.0	124.8	
23 Mental Health Projects	10.0	0.0	5.5	15.5	4.6	0.0	13.0	17.6	2.1	
24 Projects Funded with Debt Proceeds (4)	0.0	0.0	54.2	54.2	0.0	0.0	326.6	326.6		
25 Fund Capitalization	25.0	21.0	71.1	117.1	10.0	0.1	127.8	137.9	20.8	
26 Governor's Unspecified Amendments					10.5	0.0	0.0	10.5		
27 Duplicated Authorization (7)	0.0	0.0	(31.5)	(31.5)	0.0	0.0	(568.5)	(568.5)		
28 Total Authorization (unduplicated)	4,121.8	2,541.9	1,202.8	7,866.5	4,559.6	2,571.2	1,364.9	8,495.7	437.8	11%
29 Unadjusted Surplus (Draw From CBRF)	84.1				663.2					
ADJUSTMENTS TO REVENUE										
31 Fall 2007 Revenue Adjustment (1)	2,567.2			2,567.2		0.0	0.0	0.0		
32 Total Adjusted Revenue	6,773.1	2,545.1	1,202.9	10,521.1	5,222.8	2,571.2	1,364.9	9,158.9	(1,550.3)	-23%
33 Adjusted Surplus (Draw From CBRF)	2,651.3				663.2					
ADJUSTMENTS TO AUTHORIZATION										
35 K-12 GF Obligations paid by the PEF (3)	(614.7)	0.0	0.0	(614.7)	(1,026.5)	0.0	0.0	(1,026.5)		
36 Public Education Fund for Future Fiscal Years (3)	0.0	0.0	0.0	0.0	1,000.0	0.0	0.0	1,000.0		
37 Governor's Proposed Supplemental Authorization										
38 Operating Placeholder	108.3	0.0	(0.0)	108.3	50.0	0.0	0.0	50.0		
39 Capital Projects (net of Duplication)	34.0	2.7	0.1	36.8	0.0	0.0	0.0	0.0		
40 Deposits to Retirement Accounts (8)	450.0	0.0	0.0	450.0	0.0	0.0	0.0	0.0		
41 Energy Fund	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0		
42 Oil & Gas Tax Refunds	125.0	0.0	0.0	125.0	0.0	0.0	0.0	0.0		
43 Pro-Savings Authorization (unduplicated)	4,474.4	2,544.5	1,202.9	8,836.5	4,583.1	2,571.2	1,364.9	8,545.7	108.6	2%
44 Pre-Savings Surplus (Draw From CBRF)	2,298.7				639.7					
45 Governor's Proposed Savings	2,298.7	0.0	0.0	2,298.7	655.3	0.0	0.0	655.3		
46 Public Education Fund for Future Fiscal Years (3)	1,575.0	0.0	0.0	1,575.0	0.0	0.0	0.0	0.0		
47 Transportation Fund	500.0	0.0	0.0	500.0	500.0	0.0	0.0	500.0		
48 Deposit to Constitutional Budget Reserve Fund (9)	223.7	0.0	0.0	223.7	155.3	0.0	0.0	155.3		
49 Other Savings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
50 Final Anticipated Authorization (unduplicated)	6,773.1	2,544.5	1,202.9	11,135.2	5,238.4	2,571.2	1,364.9	9,201.0		
51 Final Anticipated Surplus (Draw From CBRF)	0.0				(15.6)					
52 Permanent Fund Dividends	0.0	0.0	1,251.0	1,251.0	0.0	0.0	1,357.0	1,357.0		
53 Permanent Fund Inflation Proofing & Other Deposits (10)	0.0	0.0	3,217.0	3,217.0	0.0	0.0	803.0	803.0		
54 TOTAL BUDGET WITH PERMANENT FUND	6,773.1	2,545.1	5,670.9	15,603.7	5,238.4	2,571.2	3,524.9	11,361.0	(1,534.8)	-23%

Notes:

- The FY08 revenue forecast published in the Spring 2007 Sources Book (line 1) is revised upward by \$3.2 billion on line 31. The \$614.7 million balance of the Public Education Fund is removed from revenue on line 31. The Fall 2007 revenue forecast for FY08 is 0.731 million barrels per day at \$72.64 per barrel, the FY09 forecast is 0.701 mbd at \$66.32/bbl.
- Carryforward is money that was appropriated in a prior year (but posted to FY08 authorization after June 30, 2006) that is made available for spending in FY08 via multiyear appropriations or reappropriations.
- In recent years, the amount of the Public Education Fund (PEF) used for current year K-12 costs was shown as revenue in order to display how much K-12 funding came from prior fiscal years versus the current year. That presentation obscured the comparison of current-year revenue versus spending by over-stating current-year revenue. The FY09 presentation improves clarity with the same net effect, instead of increasing revenue (line 3). FY09 general fund authorization is reduced by the amount of K-12 costs that are included as general funds on lines 11 and 15, but that will actually be paid from the PEF (\$885 million under current law plus \$141.5 million for K-12 increases associated with new legislation = \$1,026.5 million, line 35). The FY08 reduction in authorization for PEF payments is \$614.7 million (line 35). FY09 deposits to the PEF are shown on line 36.
- The FY09 budget includes \$60 million in projects funded with proceeds of bonds to be sold by the Alaska Student Loan Corporation. This amount appears as revenue because the state is not responsible for debt service on these bonds. The Governor proposed \$240 million in projects financed with general obligation bonds. GO bonds proceeds do not appear as revenue because the state is responsible for future debt service payments. The GO bond proceeds are included on line 24 and are deducted on line 27.
- Corporate dividends include funds made available to the State by the boards of AHFC, AIDEA, and ASLC. Dividends retained by AHFC for debt service on state capital project bonds are excluded from the stated amount. Net dividends for FY08 and FY09, respectively, are AHFC-\$73.5 million and \$59.7, AIDEA-\$10 million and \$23.8 million, and ASLC-\$1.2 million, and \$4.1 million.
- The amount for new legislation includes \$141.5 million to implement proposed changes to the K-12 formula and pupil transportation. An additional \$13.9 million is associated with unspecified legislation.
- Duplicated authorizations are in the budget twice, such as when funds flow in and out of a holding account or one agency pays another for services provided. Duplicated authorization also includes the expenditure of bond proceeds when debt service on bonds (which includes repayment of principal) will be reflected in future operating budgets.
- The Governor proposes to deposit \$450 million to the Teachers Retirement System (TRS) account to pay a portion of the systemwide unfunded liability.
- The Governor proposes to deposit specified amounts to the Constitutional Budget Reserve Fund (CBRF) in FY08 and FY09, in addition to available general funds that might be swept to the CBRF at year end.
- Anticipated FY08 Deposits to the Permanent Fund include \$769 million for inflation proofing plus the Governor's proposed \$2.448 billion transfer from the Earnings Reserve Account.

Public Education Fund--Cash Flow Mechanics				Governor's Budget Proposal														
Line		FY06		FY07		FY08		FY09		FY10		FY11		FY12		FY13		FY09-FY13 Cost Increase
		Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	
1	Beginning Balance			7.9		538.8		922.9		2,612.9		1,604.3		311.2		(895.5)		
	Supplemental Appropriation	400.0	Sec. 4(i), Ch. 6, SLA 2005-FY05 \$ for FY05	300.0	Sec. 16(a) Ch. 13, SLA 2006-FY06 \$	1,000.0	Sec. 1, Ch. 10, SLA 2007-FY07 \$	1,575.0	Gov. \$900 for FY10, plus \$975 for cost increases for 3 years									
2	Supplement: Appropriation	16.8	Sec. 4(e) Ch. 6, SLA 2005-FY05 Lapse \$ for FY06	565.0	Sec. 20(a) Ch. 82, SLA 2006-FY06 \$													
3	Supplemental Appropriation			209.1	Sec. 16(b) Ch. 13, SLA 2006-FY06 Gf Sweep													
4	Available Balance	416.8		1,082.0		1,538.8		2,497.9		2,612.9		1,504.3		311.2		(895.5)		
5	Expenditures																	
7	Foundation Base	827.8		897.5		853.8		832.1		967.0		1,047.1		1,081.6		1,094.2		235.0
8	BSA Increase							44.8	+\$200 to \$5.5-10	46.0	+\$200 to \$5.780	47.2	48.0	48.0	49.0	49.0	49.0	100.4
9	Distinct Cost Factors							48.3	Year 1 of 5 remains at 50% of ISER	12.7	Year 2 of 5 +12.5 to 62.5% of ISER	13.1	13.6	13.6	12.7	12.7	12.7	
10	Intensive Needs							41.3	Year 1 of 3 +4 to 9+AADM	21.4	Year 2 of 3 +2 to 11+AADM	22.2	22.2	22.2	22.2	22.2	22.2	84.9
11	Hold Harmless							0.5										0.5
12	Subtotal Foundation	827.8		897.5		853.8		967.0		1,047.1		1,129.6		1,143.2		1,155.9		420.8
14	Pupil Trans Base	54.3		54.7		53.6		53.0		59.5		61.5		63.5		63.5		
15	Pupil Trans Proposed Increase							6.5		2.0		2.0						
16	Subtotal Pupil Trans	54.3		54.7		53.6		59.5		61.5		63.5		63.5		63.5		
17	Total K-12 Expenditures	882.2		952.2		907.4		1,026.5		1,108.6		1,193.1		1,206.7		1,219.4		
18	Surplus/(Deficit)	(465.3)		129.8		631.5		1,471.4		1,504.3		311.2		(895.5)		(2,114.9)		
19	Current Year Appropriations																	
20	Appropriation	473.2	Sec. 4(i), Ch. 6, SLA 2005	278.0	Sec. 25(m), Ch. 33, SLA 2006	291.4	Sec. 14(a), Ch. 29, SLA 2007	1,000.0		unspecified		unspecified		unspecified		unspecified		
21	Fiscal Note			131.0	Fiscal Note to Hb 13-BSA 5429 and DCI			141.5	Fiscal note for Education Tax Slice Implementation									
22	Subtotal Current Year Approps	473.2		409.1		291.4		1,141.5		1,504.3		311.2		(895.5)		(2,114.9)		
23	Year-End Balance	7.9		538.8		922.9		2,612.9		1,504.3		311.2		(895.5)		(2,114.9)		
24	Anticipated Expenditures in Next Year	952.2		907.4		939.9		1,108.6		1,103.1		1,200.7		1,219.4		1,219.4		
25	Early Funding Level (Target 10%)	1%		59%		98%		236%		126%		26%		73%		173%		
26	Short/(over) Target Balance	953.9		377.6		26.4		(1,493.2)		(299.2)		807.6		2,127.1		3,340.5		

2007

Public Education Fund--Cash Flow Mechanics

Legislative Intent

Line	FY06		FY07		FY08		FY09		FY10		FY11		FY12		FY13		FY09-FY13
	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cash Flow	Notes	Cost Increase
1	Beginning Balance		7.9		638.8		922.9		1,146.5		1,231.0		1,244.6		1,257.3		
2	Supplemental Appropriation	400.0	373.0	1,000.0													
3	Supplemental Appropriation	16.8	565.0														
4	Supplemental Appropriation		209.1														
5	Available Balance	416.8	1,082.0	1,538.8	922.9	1,146.5	1,231.0	1,244.6	1,257.3								
7	Expenditures																
8	Foundation Base	827.8	897.5	853.8	832.1	967.0	1,047.1	1,081.6	1,047.1	1,081.6	1,047.1	1,081.6	1,047.1	1,081.6	1,047.1	1,081.6	
9	BSA Increase				44.8	40.0	47.2	49.0	47.2	49.0	47.2	49.0	47.2	49.0	47.2	49.0	235.0
10	Distinct Cost Factors				40.3	12.7	13.1	12.7	13.1	12.7	13.1	12.7	13.1	12.7	13.1	12.7	100.4
11	Intensive Needs				41.3	21.4	22.2	21.4	22.2	21.4	22.2	21.4	22.2	21.4	22.2	21.4	84.0
12	Hold Harmless				0.5			0.5									0.5
13	Subtotal Foundation	827.8	897.5	853.8	967.0	1,047.1	1,129.6	1,143.2	1,129.6	1,143.2	1,129.6	1,143.2	1,129.6	1,143.2	1,129.6	1,143.2	
14	Pupil Trans Base	54.3	54.7	53.6	53.0	59.5	61.5	63.5	59.5	61.5	63.5	63.5	63.5	63.5	63.5	63.5	
15	BSA Increase				6.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
16	Distinct Cost Factors				59.5	51.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5	
17	Subtotal Pupil Trans	54.3	54.7	53.6	59.5	61.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5	
18	Total K-12 Expenditures	882.2	952.2	907.4	1,026.5	1,108.6	1,193.1	1,206.7	1,193.1	1,206.7	1,193.1	1,206.7	1,206.7	1,193.1	1,206.7	1,193.1	
19	Surplus/(Deficit)	(465.3)	129.8	631.5	(103.6)	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	
23	Current Year Appropriations	473.2	278.0	291.4	1,108.6	1,103.1	1,206.7	1,219.4	1,103.1	1,206.7	1,219.4	1,219.4	1,219.4	1,219.4	1,219.4	1,219.4	
24	Fiscal Note		131.0		141.5												
25	Subtotal Current Year Approps	473.2	409.1	291.4	1,250.1	1,193.1	1,206.7	1,219.4	1,193.1	1,206.7	1,219.4	1,219.4	1,219.4	1,219.4	1,219.4	1,219.4	
26	Year-End Balance	7.9	538.8	922.9	1,146.5	1,231.0	1,244.6	1,257.3	1,231.0	1,244.6	1,257.3	1,257.3	1,257.3	1,257.3	1,257.3	1,257.3	
29	Anticipated Expenditures in Next Year	952.2	907.4	1,026.5	1,108.6	1,193.1	1,206.7	1,219.4	1,193.1	1,206.7	1,219.4	1,219.4	1,219.4	1,219.4	1,219.4	1,219.4	
30	Early Funding Level (Target 101%)	59%	59%	90%	103%	103%	103%	103%	103%	103%	103%	103%	103%	103%	103%	103%	
31	Short/(over) Target Balance	953.9	377.6	113.9	(20.8)	(25.0)	(25.8)	(25.7)	(25.0)	(25.8)	(25.7)	(25.7)	(25.7)	(25.7)	(25.7)	(25.7)	

Conclusions

The Governor's proposed \$1.575 billion FY08 supplemental appropriation is not required to meet the target of one year early funding.
 The Governor's proposed \$1 billion FY09 appropriation is insufficient (by \$108.6 million) to meet the target of appropriating FY09 money for FY10 K-12 needs.
 The target balance can be met with approximately \$20 million less than is expected to accompany a bill implementing the Education Task Force recommendations.

Millions

\$7,000

\$6,000

\$5,000

\$4,000

\$3,000

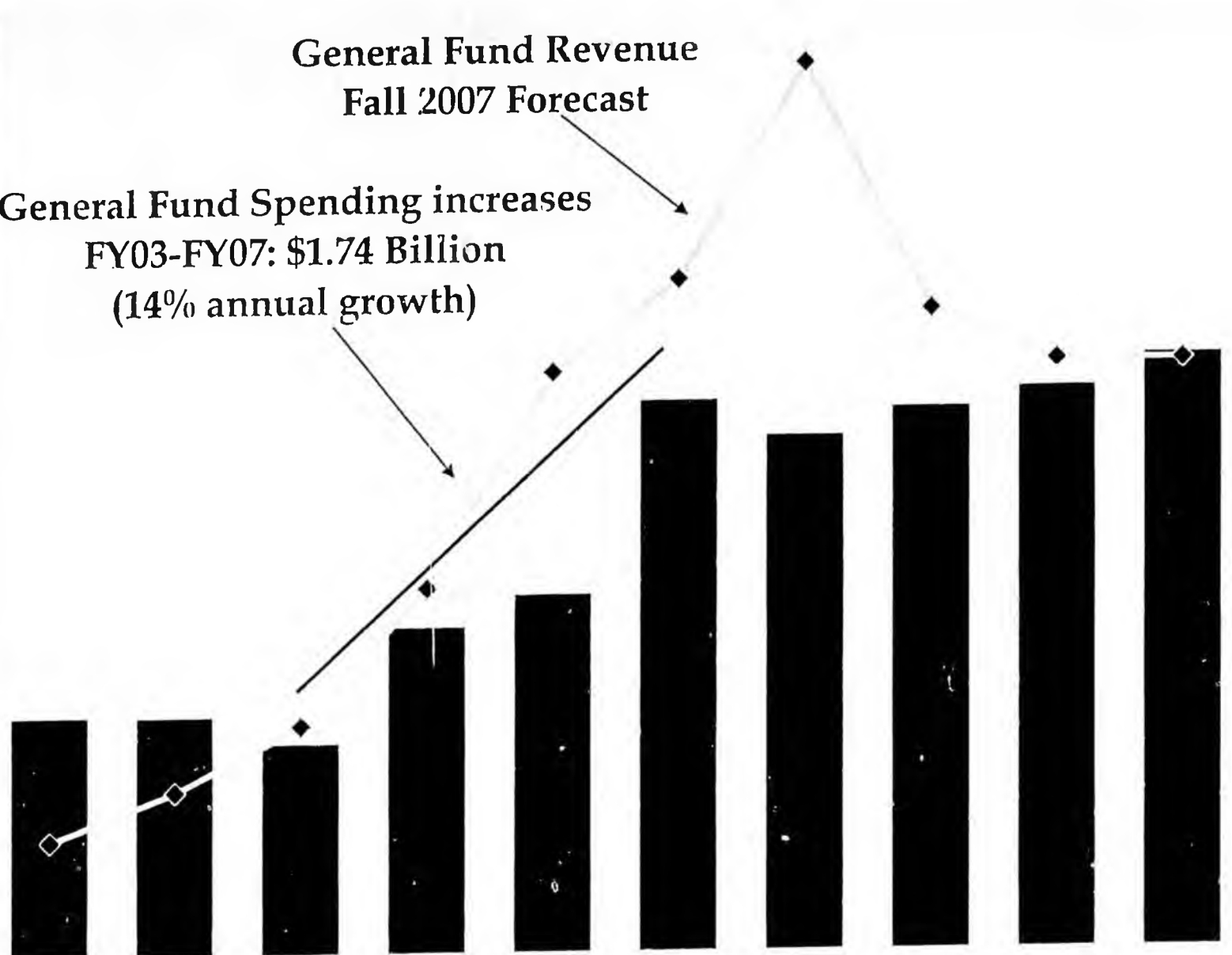
\$2,000

\$1,000

General Fund Revenue Fall 2007 Forecast

General Fund Spending increases
FY03-FY07: \$1.74 Billion
(14% annual growth)

FY02 FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11



State of Alaska

Fiscal 2009 Governor's Budget Fiscal Summary (dollars shown in millions)

	FY2008 Authorized				FY2009 Governor				FY2009 to FY2008	
	General Fund	Federal Funds	Other Funds	Total Funds	General Fund	Federal Funds	Other Funds	Total Funds	General Fund	%
1 Revenues										
2 Unrestricted General Fund Revenues (Fall 2007 Forecast) (A)	6,604.5			6,604.5	5,038.4			5,038.4		
3 Department of Revenue O&G Tax Credits (expensed below)	150.0			150.0	200.0			200.0		
4 Reappropriations and Carry Forward (B)	633.5	6.2	1.5	641.1	1,026.5			1,026.5		
5 Corporate Dividends and Bonds(C)			86.5	86.5			147.6	147.6		
6 Federal and Other State Funds		2,538.4	1,114.1	3,652.5		2,571.2	1,217.3	3,788.5		
7 Total Revenues	7,388.0	2,544.5	1,202.1	11,134.6	6,264.9	2,571.2	1,354.9	10,201.0	(1,123.1)	-15.2%
8 Authorization to Spend										
9 Operating, Debt and Fund Capitalization	3,741.0	1,751.9	1,100.8	6,593.7	3,780.4	1,774.6	1,143.0	6,698.1	39.4	1.1%
10 Agency Operations (Non-formula)	1,596.9	861.2	1,499.2	3,957.3	1,673.4	865.4	1,584.3	4,123.1		
11 Formula Programs and Potential Rate Adjustments	559.2	855.8	92.5	1,507.5	655.9	868.5	98.3	1,622.8		
12 Public Education Fund and K-12 School Grants (D)	973.9			973.9	885.1			885.1		
13 Direct Deposit to PERS and TRS	455.0			455.0	408.4			408.4		
14 Debt Service (H)	22.5	0.0	210.9	233.4	-43.8	0.0	209.6	253.4		
15 Debt Retirement Fund Capitalization (H)	102.3	11.8	7.0	121.1	71.4	13.1	36.2	120.7		
16 Other Fund Capitalization (I)	31.3	23.1	23.0	77.4	42.4	27.6	130.3	200.3		
17 AK Capital Income Fund Capitalization (Am Hess) (J)			78.4	78.4			28.0	28.0		
18 Duplicated Authorizations (E)			(810.2)	(810.2)			(943.7)	(943.7)		
19 Supplementals	142.3	2.7	0.8	145.8	50.0	0.0	0.0	50.0	(92.3)	-64.9%
20 Capital Projects Funded from FY2008 Surplus	34.0	2.7	6.0	42.7				0.0		
21 Statewide Supplementals (placeholder)	108.3		(41.0)	67.3	50.0			50.0		
22 Duplicated Authorizations (F)			35.8	35.8				0.0		
23 Capital	355.9	790.0	100.5	1,246.4	372.3	791.6	205.5	1,369.4	16.4	4.6%
24 Project Appropriations and Revised Programs	266.2	790.0	310.5	1,366.7	297.3	791.6	322.4	1,411.3		
25 Revenue Sharing				0.0	75.0			75.0		
26 DEED Major Maintenance Grants Fund Capital Projects (F)				0.0			80.7	80.7		
27 DEED School Construction Grant Fund (G)	89.7			89.7			19.1	19.1		
28 Duplicated Authorizations (E)			(210.0)	(210.0)			(216.7)	(216.7)		
29 New Legislation				0.0	155.3	0.0	0.4	155.7		
30 Public Education Fund				0.0	141.4			141.4		
31 Other New Legislation Items				0.0	13.9		0.4	14.3		
32 FY2009 Potential Amendments				0.0	51.5	5.0	16.0	72.5		
33 Operating				0.0	41.0	5.0	16.0	62.0		
34 Capital				0.0	10.5			10.5		
35 Total Authorization to Spend	4,239.3	2,544.5	1,202.1	7,985.9	4,409.6	2,571.2	1,364.9	8,345.7	170.3	4.0%
36 PF Dividends / PFD Division Operations (K)			1,251.0	1,251.0			1,357.0	1,357.0		
37 PF Inflation Proofing		0.6	769.0	769.6			803.0	803.0		
38 Total AK Permanent Fund		0.6	2,020.0	2,020.6			2,160.0	2,160.0		
39 Totals with Permanent Fund	4,239.3	2,545.1	3,222.1	10,006.5	4,409.6	2,571.2	3,524.9	10,505.7		
40 Additional Legislation	750.0				500.0					
41 Transportation Endowment	500.0				500.0					
42 Energy Fund	250.0									
43 Additional Savings / Investments	2,175.0				1,200.0					
44 Oil and Gas Tax Credits (appropriated)	25.0				200.0					
45 Oil and Gas Tax Credits (Supplemental placeholder)	125.0									
46 Teachers Retirement System - reduce unfunded liability	-450.0									
47 Public Education Fund	1,575.0				1,000.0					
48 Balance to Constitutional Budget Reserve	223.7				155.3					

11-08
Lamb Seal

The Fiscal Year 2009 Budget: Legislative Fiscal Analyst's Overview of the Governor's Request



Legislative Finance Division

<http://www.legfin.state.ak.us/>

The Legislative Fiscal Analyst Office has a professional, non-partisan staff that provides general budget analysis for members of the legislature and specifically supports the Legislative Budget and Audit Committee and the House and Senate standing finance committees. Each fiscal analyst is assigned agency areas of responsibility. Duties of the office are to:

- (1) *analyze the budget and appropriation requests of each department, institution, bureau, board, commission or other agency of state government;*
- (2) *analyze the revenue requirements of the state;*
- (3) *provide the finance committees of the legislature with comprehensive budget review and fiscal analysis services;*
- (4) *cooperate with the Office of Management and Budget in establishing a comprehensive system for state budgeting and financial management as set out in the Executive Budget Act (AS 37.07);*
- (5) *complete studies and prepare reports, memoranda or other materials as directed by the Legislative Budget and Audit Committee;*
- (6) *with the Governor's permission, designate the legislative fiscal analyst to serve ex officio on the Governor's budget review committee. [AS 24.20.231]*

Legislative Finance Budget System. The system tracks budget transactions and provides comparative reports for committees and subcommittees. In addition, the system is used to produce the Governor's budget request books, the general appropriations bills, Conference Committee reports and a breakdown of the capital budget by House district.

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Legislative Fiscal Analyst's Overview of the Governor's FY09 Request

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