

**ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672**  
**8420 SENATE LABOR & COMMERCE**

1 Individual service offerings with privacy implications will be  
2 evaluated by the Commission through the tariff review process.

3  
4 ORDER

5 THE COMMISSION FURTHER ORDERS:

6 1. Comments in response to the notice of inquiry issued  
7 by Order R-93-1(1) must be filed with the Commission by no later  
8 than 4 p.m., April 16, 1993.

9 2. The public hearing<sup>1</sup> in this proceeding is resched-  
10 uled to convene at 8:30 a.m., April 27, 1993, in the Commission's  
11 hearing room, 1016 West Sixth Avenue, Suite 305, Anchorage,  
12 Alaska, for the purpose of receiving oral comment on the proposed  
13 Statement of Principles on Privacy in Telecommunications Services  
14 issued by Order R-93-1(1).

15 3. Those individuals wishing to present oral testimony  
16 at the hearing scheduled herein should notify the Commission of  
17 that intent by 4 p.m., April 16, 1993.

18 DATED AND EFFECTIVE at Anchorage, Alaska, this 8th day of March,  
19 1993.

20 

21 \_\_\_\_\_  
22 Mark A. Foster  
23 Commissioner

24 <sup>1</sup>If you are a person with a disability who may need a special  
25 accommodation, auxiliary aid, or service or alternative communica-  
26 tion format in order to participate in this hearing or the  
workshop scheduled in Ordering Paragraph No. 2 of this Order,  
please contact Suzan Armstrong at 907-276-6222 at least two weeks  
before the hearing date to make the necessary arrangements.

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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Don Schröer, Chairman  
Susan M. Knowles  
Daniel Patrick O'Tierney  
Mark A. Foster  
James E. Carter, Sr.

In the Matter of the Consideration of Principles on Privacy in Telecommunications Services )  
 )  
 )  
 )

R-93-1

CERTIFICATION OF MAILING

I, TAMARA M. ALEXANDER, certify as follows:

I am a Documents Processor IV in the offices of the Alaska Public Utilities Commission, 1016 West Sixth Avenue, Suite 400, Anchorage, Alaska 99501.

On March 8, 1993, I mailed copies of

ORDER NO. 2, entitled:

ORDER MODIFYING FILING AND HEARING SCHEDULES

(Issued March 8, 1993)

in the proceeding identified above to the persons indicated on the attached service list.

DATED at Anchorage, Alaska, this 8th day of March, 1993.

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TAMARA M. ALEXANDER

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FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. HB 113

Revision Date: February 12, 1993  
Title: "...regulating the solicitation of charitable contributions...solicitation of sales by telephonic means..."  
Sponsor: Representative Larson  
Requestor: Representative Larson

Department Affected: Law  
BRU: Legal Services  
Component: Fair Business Practices  
COMPONENT SERIAL NO. 1823

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING:

1002 Federal						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

Please see attached analysis.

Prepared by: Richard I. Peques, Director  
Division: Administrative Services Division  
Approved by Commissioner: Richard I. Peques / FBR  
Agency: Department of Law

Phone: 465-3672  
Date: February 12, 1993  
Date: February 12, 1993

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FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. HB 113

ANALYSIS: (continued)

This bill would amend Title 45 by adding regulatory provisions to address abuses in charitable fundraising and telemarketing solicitations.

Under this bill, non-exempt charities would be required to:

1. File registration papers with the attorney general identifying the party making the charitable solicitation, and describing the charitable purpose to be served with the proceeds;
2. Execute written contracts with any paid fundraisers establishing the method of payment for the paid fundraiser, including the amount of any contingent fee; and
3. Provide certain information to donors.

Non-exempt telemarketers would be required to:

1. Register with the attorney general; and
2. Execute written contracts with customers as a condition of closing any sales. This provision creates an enforceable "cooling off period" that is currently lacking in these high pressure sales situations.

The bill provides criminal penalties for charitable solicitors who refuse to honor the consumer's right to revoke a deal, or who take the consumer's money without observing the cooling off period under the written contract provision.

This bill is an attempt to solve the related problems presented by high pressure charity fundraisers who make misrepresentations regarding their fundraising purposes; and telephone sales artists who use high pressure tactics to sell merchandise at greatly inflated prices with false promises of extravagant prizes, and other illusory inducements.

Because there is no regulatory scheme now in effect, the Department of Law cannot say with certainty how much additional staff time will be required to meet the paper work generated by this bill. But we estimate that the initial year's filings will not greatly exceed 250 charities, and 100 telemarketers.

The staff time needed to file the registration documents will be partially offset by a time savings in the investigation sphere, because the files will contain data that significantly reduces investigative effort in cases involving charitable fundraisers and telemarketers. Both types of cases currently involve significant investigative time spent identifying the people and organizations involved. Of course, to the extent that the bill deters illegal conduct, it will result in additional reductions of investigative time, due to the reduction in law violations requiring investigation. Investigators will be free to devote resources to those other pressing matters needing their attention which currently go unaddressed because of reduced funding.

In the event that the time estimates are inaccurate, the Department of Law may need to return with a request for additional funding in the future. Until such time, however, this bill does not require an increased appropriation.

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 113 (FIN)

Revision Date: April 20, 1993  
Title: \*...regulating the solicitation of charitable contributions...solicitation of sales by telephonic means...\*  
Sponsor: Representative Larson  
Requestor: Representative Larson

Department Affected: Department of Law  
BRU: Legal Services  
Component: Fair Business Practices  
COMPONENT SERIAL NO. 1823

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

Please see attached analysis.

Prepared by: Richard I. Pegues, Director  
Division: Administrative Services Division

Phone: 465-3672  
Date: April 20, 1993

Approved by Commissioner: Charles E. Cole, Attorney General  
Agency: Department of Law

Date: April 20, 1993

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FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 113 (FIN)

ANALYSIS (Continued):

The House Finance Committee CS for HB 113 does not significantly alter the provisions of the bill. Consequently, the Department of Law's original fiscal note is repeated below.

This bill would amend Title 45 by adding regulatory provisions to address abuses in charitable fundraising and telemarketing solicitations.

Under this bill, non-exempt charities would be required to:

1. File registration papers with the attorney general identifying the party making the charitable solicitation, and describing the charitable purpose to be served with the proceeds;
2. Execute written contracts with any paid fundraisers establishing the method of payment for the paid fundraiser, including the amount of any contingent fee; and
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Because there is no regulatory scheme now in effect, the Department of Law cannot say with certainty how much additional staff time will be required to meet the paperwork generated by this bill. But we estimate that the initial year's filings will not greatly exceed 250 charities, and 100 telemarketers.

The staff time needed to file the registration documents will be

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSHB 113 (FIN)

ANALYSIS (Continued):

partially offset by a time savings in the investigation sphere, because the files will contain data that significantly reduces investigative effort in cases involving charitable fundraisers and telemarketers. Both types of cases currently involve significant investigative time spent identifying the people and organizations involved. Of course, to the extent that the bill deters illegal conduct, it will result in additional reductions of investigative time, due to the reduction in law violations requiring investigation. Investigators will be free to devote resources to those other pressing matters needing their attention which currently go unaddressed because of reduced funding.

In the event that the time estimates are inaccurate, the Department of Law may need to return with a request for additional funding in the future. Until such time, however, this bill does not require an increased appropriation.

Current Status: (S) L&amp;C

Jrn-Date	Jrn-Page	Action
1 02/01/93	199	(H) READ THE FIRST TIME - REFERRAL(S)
2 02/01/93	199	(H) LABOR & COMMERCE, FINANCE
3 02/10/93	290	(H) JUD REFERRAL ADDED, FOLLOWING L&C
4 03/05/93	542	(H) L&C RPT 5DP
5 03/05/93	542	(H) DP: PORTER,SITTON,MULDER,GREEN,HUDSON
6 03/05/93	542	(H) -ZERO FISCAL NOTE (LAW) 3/5/93
7 03/22/93	728	(H) JUD RPT CS(JUD) 5DP 1NR
8 03/22/93	728	(H) DP: PORTER, PHILLIPS, JAMES, KOTT, GREEN
9 03/22/93	728	(H) NR: NORDLUND
10 03/22/93	728	(H) -PREVIOUS ZERO FN (LAW) 3/5/93
11 04/02/93	927	(H) FIN RPT CS(FIN) 5DP 4NR 1AM
12 04/02/93	928	(H) DP: LARSON, PARNELL, GRUSSENDORF, FOSTER
13 04/02/93	928	(H) DP: NAVARRE
14 04/02/93	928	(H) NR: HANLEY, MARTIN, HOFFMAN, THERRIAULT
15 04/02/93	928	(H) AM: MACLEAN
16 04/02/93	928	(H) -PREVIOUS ZERO FN (LAW) 3/5/93
17 04/08/93	1112	(H) RULES TO CALENDAR 4/8/93
18 04/08/93	1112	(H) READ THE SECOND TIME
1 04/08/93	1113	(H) FIN CS ADOPTED UNAN CONSENT
2 04/08/93	1113	(H) ADVANCED TO THIRD READING UNAN CONSENT
3 04/08/93	1113	(H) READ THE THIRD TIME CSHB 113(FIN)
4 04/08/93	1113	(H) PASSED Y29 N- E10 A1
5 04/08/93	1114	(H) COURT RULE CHANGE VOTE SAME AS PASSAGE
6 04/08/93	1137	(H) TRANSMITTED TO (S)
7 04/12/93	1300	(S) READ THE FIRST TIME - REFERRAL(S)
8 04/12/93	1300	(S) LABOR & COMMERCE, JUDICIARY, FINANCE

**Yeas:** Barnes, Bunde, Carney, B.Davis, G.Davis, Finkelstein, Foster, Green, Hanley, Hudson, James, Kott, Larson, Mackie, MacLean, Martin, Menard, Moses, Mulder, Nicholia, Nordlund, Parnell, Phillips, Porter, Sanders, Therriault, Toohey, Vezey, Willis

# Alaska State Legislature



Session Address:  
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(907) 378-8828 - Wasilla

Representative Ronald L. Larson  
District 27

## POSITION PAPER HB 113

I have introduced HB113 in an effort to regulate telemarketers and Charitable Organizations who solicit donations by telephone. There has been a dramatic increase in fraudulent activity in this area. It has been brought to my attention that these scam artists have caused the loss of millions of dollars each year in Alaska -- money that would otherwise circulate among legitimate businesses in the local economy. Many of these victims are elderly or reside in native villages and once a solicitor has been successful in ripping these people off, their name is often sold to other solicitors, in order to continue the practice.

I would hope with regulations in place, the public, would have a renewed trust, again, in giving to legitimate charitable organizations, and that the immediate distrust when that telephone rings would be replaced with a confidence that a person is giving to a regulated charity, and indeed that their hard earned money is going to that organization and its charitable needs.

A mandated "cooling off period" prohibits the telemarketer from taking the customer's money until the agreement is reduced to a written contract. This will avoid hasty credit card transactions over the phone, without the consumer having the time to consider the donation.

These types of regulations are already in place in other states, it is time for Alaska to take the steps needed in regulating this type of activity.



# Bill targets phone scams

## Law requires written contracts, cooling-off period

By IAN MADER

The Associated Press

Telephone scam artists would face prison terms under a House bill aimed at combatting what officials say is rampant telephone fraud in Alaska.

There are no statistics available on how much money Alaskans lose to telephone fraud, but Assistant Attorney General Jim Forbes said it may be costing millions of dollars a year.

Typically, scam victims are told they have won a prize that they can claim after making an expensive credit-card purchase, Forbes said. Either the prize never shows up or

it is worth much less than expected. No Alaska criminal laws deal with such activity, and civil lawsuits are difficult to pursue because the companies usually operate from the Lower 48 states. Scam outfits periodically change their names and move their operations to avoid lawsuits and prosecution, Forbes said.

House Bill 113, introduced by Rep. Ron Larson, D-Palmer, would require companies that solicit by mail and telephone in Alaska to file with the attorney general detailed information on their location and history.

Please see Page D-6, PHONE

Anchorage Daily News Thursday, February 17, 1993

NEWSPAPER ARTICLES

# PHONE SCAMS: State says it's multimillion-dollar problem

Continued from Page D-1

The bill would prohibit companies from taking any customer's money without a written contract. That would give customers a "cooling off" period after the high-pressure telephone pitches, Forbes said.

Criminal charges are needed because scam artists consider defending against civil lawsuits a routine part of their expenses, Forbes

said. The bill would allow suspects to be extradited from other states.

Forbes said tougher laws in other states are forcing more scam artists to focus on Alaska. One 89-year-old woman in the Matanuska-Susitna area gave more than \$35,000 in recent months to various fraudulent outfits from the West Coast, Forbes said.

Rick Gilmore of the Better Business Bureau of Alas-

ka said his office gets about 1,200 calls a month from residents complaining about such scams.

This is the biggest problem we have in the state of Alaska, because of our geographic location, Gilmore said. "So many people order things through catalogs and telephones, that we're very susceptible to telephone and mail solicitations."

The bill also requires com-

panies that collect money for charities to file information with the state and prohibits them from misrepresenting their cause.

"It should cut down an awful lot of the unscrupulous actions that people have complained about," Rep. Bill Hudson, R-Juneau, said Tuesday.

Anti-crime bills are expected to receive favorable consideration this year by the Republican-led majorities in the Legislature.

THE  
FOLLOWING  
DOCUMENTS  
ARE  
POOR  
ORIGINAL  
COPIES

2/24/93

# They're at it again: Telemarketers target Alaska

By ANNABEL LUND

THE JUNEAU EMPIRE

The attorney general's consumer protection office and Alaska Better Business Bureau are warning residents - particularly the elderly - to listen carefully to sales pitches from telemarketing companies canvassing the state for business.

Two elderly Juneau residents were contacted recently by out-of-state firms and both later called the Juneau police for help. There is little that can be done.

Ingrid Dull, 80, sent International Marketing of Las Vegas \$398 to

win what they said would be a cash prize. But instead she received a small box of pens and Frisbees with an anti-drug message written on them, according to Juneau Police Lt. Steve Kalwara.

Barry Walden, a customer services representative with International Marketing, told the Empire his company never guaranteed which award Dull would receive.

"It was her choice to do it, to help her community fight drugs. If that's what she wanted to do, what can we say?" Walden said.

He said International Marketing of Las Vegas was not connect-

ed in any way to International Marketing of Phoenix, Ariz., which also sells items with anti-drug messages.

That company was recently shut down by the Arizona attorney general's office after the company allegedly took \$525 from an 80-

year-old Soldotna woman and promised to send her an anti-drug kit for her community, according to Jerry Williams, an attorney general's office investigator. The kit turned out to be a handful of bumper stickers, he said.

The woman sent a check for \$3,000 more at the company's re-

quest, but authorities managed to put a stop on it and Soldotna police are assisting Arizona authorities with their case against the firm, Williams said.

Dull was also contacted by Worldwide Marketing of San Die-

go, which said she would be eligible for several prizes, including \$25,000 in cash and vacation trips to Hawaii or Mexico. If she would send them \$399, she did, and received a small box of cosmetics, Kalwara said.

Nicole Miles of Worldwide Marketing in San Diego told the Em-

Dull's money but that the shampoo, conditioner and lotion was worth \$400.

Miles said Dull must have misunderstood if she thought she was going to get a \$25,000 prize. "We said she was eligible. Eligible: That's the key word."

Miles said her company, and other telemarketing firms like hers, make their phone calls from lists of people who respond to other promotions and contests.

Art Krows, president of Main Line America, a telemarketing firm from Las Vegas, said his

Please see Scams, back page

# Scams...

Continued from Page 1

company is legitimate and the complaint filed against him Tuesday by 83-year-old Jan Woodring of the Juneau Pioneers' Home was "because she obviously didn't listen to what we said. She only heard what she wanted to hear." Woodring told police she was called Monday evening by a company "identifying" itself as Main Line America. She said company spokesman Robert Chesmore told her she had won \$20,000 worth of prizes that she could collect as soon as she sent them \$2,100, Federal Express.

"They said the \$2,100 was supposed to take care of costs associated with the award. I turned it down and they called me again. They really have pressure tactics. They make you feel guilty," Woodring told the Empire.

Krows said Woodring was guaranteed one of several awards: a 1993 Saturn, a Chevy S-10 pickup, a certified lithograph by Adolph Shering valued at \$2,500, or a 41-inch TV. Krows said Woodring's \$2,100 would have purchased either cleaning supplies or a security system that Main Line America markets.

Woodring laughed when told what Krows had said. "That's not what they said. I live in the pioneers' home, why would I want \$2,100 worth of cleaning supplies? That doesn't make sense."

Krows said his industry provides a service. "There are some people who sit by their phone all night and dial all these 800 numbers because these people are so lonely. It's a true but pathetic fact. We brighten their day.

"Why does telemarketing work? Telemarketing is based on greed, the greed of the American people. People want to get something for nothing but there is no free lunch. We're not con men, we're just plain human beings selling to people who buy because of greed," Krows said.

Woodring disagreed. "I'm not greedy. I'm not lonely. It's not just a matter of being elderly. But I have had a series of mini-strokes. I don't need this harassment, this stress."

Dora Conway of the Las Vegas Better Business Bureau said Main Line America had been in business since March 1992 and had recently signed a voluntary compliance agreement with the state of Oregon, agreeing not to engage directly or indirectly in solicitation there and to pay restitution to any Oregonian requesting it.

"Did I go to Alaska and put a gun to (Woodring's) head and tell her to send a check? No. She does it of her own free will," Krows said.

Another Las Vegas telemarketing company apparently targeting Alaska's elderly calls itself Corporate Bank Services. Last week, a 73-year-old Anchorage woman sent \$1,225 to the company by Federal Express, according to Williams. The telemarketer said the money would be used to pay taxes she owed for a \$50,000 prize the company claimed she would receive the next day. She hasn't heard from them since.

"This company has a long history of scams. They move into a motel one day and they're gone the next. It appears to be a straight criminal operation," Williams said.

Conway said Corporate Bank Services had gone out of business months ago but some unscrupulous people may be using its name when they call out-of-state residents.

Rick Gilmore, president of the Anchorage-based Alaska Better Business Bureau, said, "Ripping off the elderly seems to be the fashionable thing to do. People should know that when they are called by any of these companies, they should first invest a couple of dollars in a long-distance phone call to the Better Business Bureau because we can't tell consumers whether companies are legitimate or not."

Assistant Attorney General Jim Forbes, who works on consumer protection issues for the state, said telemarketing is almost completely unregulated in Alaska and fraudulent schemes cost Alaskans millions of dollars each year. Many of the victims are elderly or live in Native villages, he said.

Meanwhile, Rep. Ron Larson, D-Palmer, is sponsoring legislation this session that would regulate telemarketers, mandate a cooling-off period by requiring a written contract, and make it a felony to violate the law. The bill, which would also govern solicitations by charitable groups, is patterned after laws in Oregon and Florida.

Forbes said one reason Alaskans are targeted by so many out-of-state telemarketers is because "of the successful implementation of regulations in other states. Telemarketers who find inhospitable conditions in other states ... are turning their attention to states like Alaska which do not have similar legislation."

**HB**

**126**



## **G & S CONSTRUCTION**

P.O. Box 1493 • Soldotna, Alaska 99669 • (907) 262-6223

January 15, 1993

House of Representative's  
Representative Davis  
Room 15  
Juneau, Ak. 99811-1182

Dear Gary:

I'd like to express my concern over how the Davis Bacon wage increases are affecting contractors involved in State and City construction projects.

-As you are probably aware there are many different pay scales that apply to various trades and each of these trade unions negotiate pay increases for there members. These new pay rates are than adopted by the state labor board and the published Davis Bacon wage scales will change accordingly.

All of this is fine until a contractor either has just bid, or is in the middle of a project that these increased wages will affect. Normally wage rates are part of the bid documents and a contractor will use those rates to bid his job accordingly. When ever these increases become affective any contractor that has bid projects with a lesser scale is than forced to pay a higher wage. Let me give you an example.

A contractor bids a 5 million dollar court house using a carpentry rate of \$29.60 per hour. Before he actually starts construction a rate increase occurs raising the carpenter rate to \$32.10 per hour. If his original carpentry labor figure was \$350,000, the rate increase will cost this contractor almost \$30,000 in added carpentry labor costs. Remember that these rates are set by the state and must be paid on any state or city project.

*Pos. Paper*  
**G & S Construction**

R. Daniel Green

# CITY OF CORDOVA



MAR 04 1993

March 1, 1993

Representative Gary Davis  
Room 15, Capital  
Juneau, Alaska 99801-1182

Dear Representative Davis:

Please consider this a "Letter of Support" for SS HB No. 126. The world of contracting is complicated enough for "small town" Alaskans to cope with. Any move to streamline or simplify reporting/monitoring requirements gets my full support.

D.O.L. sends out revisions of the minimum rates of pay at a pretty frequent rate. Not having to worry about a "rate change" for up to twenty four months (under one contract) would be a welcome step and one in the right direction.

I only hope I'm around on the day that the paltry \$2000 reporting requirement for contracts involving "public money" is raised to a more reasonable \$50,000 to \$75,000.

It is clear to me through discussions I have had with folks at D.O.L., that they are not crazy about the \$2000 contract limit either. Each time the magic \$2000 limit is reached, they have another contract to monitor with the same general requirements as a \$20,000,000.00 contract. This practice seems to cause an inordinate amount of paper work for D.O.L. too!

Enough of my "soap-boxing". Thanks again for your efforts!

Sincerely,

Jeff Currier  
Director of Public Works

cc: Rep. Bill Hudson, Chair, L&C  
Rep. Ron Larson, Co-Chair, Finance



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A contractor bids a 5 million dollar court house using a carpentry rate of \$29.60 per hour. Before he actually starts construction a rate increase occurs raising the carpenter rate to \$32.10 per hour. If his orginal carpentry labor figure was \$350,000, the rate increase will cost this contractor almost \$30,000 in added carpentry labor costs. Remember that these rates are set by the state and must be paid on any state or city project.

*Pos. Paper*  
**G & S Construction**

R. Daniel Green

I find it interesting when the state sets a wage rate, that we must pay, then without warning raises it, the contractor must absorb these added costs. Currently there is no mechanism available for the contractor to recoup this added labor expense.

In my opinion there are two options to correct this problem one of which the Federal government already has in place.

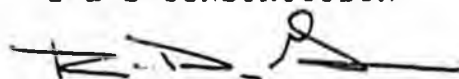
1. When an increase in wages occurs the contractor is allowed to recoup these added costs through the change order process. This already applies at the Federal level.
2. All projects that have either just bid or are in progress will be allowed to continue using the published bid date rate. This option would probably be the least desirable.

This problem of wage rate increases need's to be addressed and it is my hope you can either start or become part of a movement to rectify it. I would be glad to provide you with any other information that you might require.

I would appreciate being kept informed regarding this issue.


Sincerely,

G & S CONSTRUCTION



R. Daniel Green  
owner

*Yes Dan,  
I've heard them elsewhere, probably  
from you after a council meeting. Good  
points - let's ck mail & get the Labor  
Committee people to pursue it.*



# CITY OF CORDOVA



MAR 04 1993

March 1, 1993

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Room 15, Capital  
Juneau, Alaska 99801-1182

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Enough of my "soap-boxing". Thanks again for your efforts!

Sincerely,

Jeff Currier  
Director of Public Works

cc: Rep. Bill Hudson, Chair, L&C  
Rep. Ron Larson, Co-Chair, Finance

# Alaska State Legislature

## House of Representatives

Official Business



State Capitol  
Juneau, Alaska 99801-1182  
(907) 463-3718

House Majority Leader

### SPONSOR'S STATEMENT FOR SPONSOR SUBSTITUTE FOR HOUSE BILL 126

### PREVAILING WAGE RATES

Presented to Senate Labor and Commerce  
Committee on April 8, 1993

Current law provides that a construction contractor or subcontractor who performs work on public construction in the state shall pay not less than the current prevailing wage for work of a similar nature. However, an increase in the prevailing wage in the middle of a contract creates a financial hardship on the contractor; and anticipation of interim increases may also serve to inflate the cost of construction projects, because the contractor or subcontractor must absorb the costs of any wage rate change.

The prevailing rate of wages is determined by the Department of Labor based on a periodic survey of public and private commercial heavy and highway construction projects in the state. If the union rate is prevailed from the survey results, interim wage and benefit increases are currently prevailed.

The bill before you proposes to address these concerns.

Sponsor Substitute for House Bill 126 was introduced to amend AS 36.05.010 so that the prevailing wage as determined by the Department of Labor will no longer apply immediately to contracts in progress. The wage in effect at least 10 days before final bid submission will remain in effect for 24 months from the date the contract is awarded. Wages will remain the same for the life of most construction projects. In the case of contracts that are longer than 24 months, the bill provides for stable wages for a subsequent 24 month period, and so forth for the life of the contract.

Representatives from Unions, Alaska General Contractors and the Department of Labor worked together to find appropriate language to be introduced, and it is my understanding that the bill meets with the approval of each.

Zero Fiscal Notes from both the Department of Labor and the Department of Transportation accompany this Sponsor Substitute, and the Department of Labor has introduced a position paper in support of it. The Department of Transportation feels that, while there will be some impact, it is very difficult to accurately estimate cost savings for this fiscal note. They expressed the opinion that "contractors (would be able to) more accurately predict their project costs; and therefore the department should receive more favorable bids, thus lowering the cost of construction."

*Sponsor's Statement*

Various unions have recognized the financial burden of prevailing wage rate changes in the middle of a contract.

Agreement between AGC and CARPENTERS UNIONS SOUTH OF 63 North  
July 1, 1991 - June 30, 1994  
Article 24. Wages (E)

Agreement between AGC and Central and Southeastern District  
Council of Carpenters  
July 1, 1991 - June 30, 1994  
Article 24. Wages (E)

"...in the event an individual Employer bids on a public project being awarded...which is to be performed at a predetermined and/or prevailing wage rate...established pursuant to the provisions of Title 36...the published hourly wage and fringe rate (if any) set forth in said public award or the construction contract rate in effect at the time of bid shall apply for the duration of the project."

#### Master Agreement

International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America Local 959 and Alaska Technical Engineers Local 959 State of Alaska  
July 1, 1991 - June 30, 1994  
Article XVI Wages  
Section 1. Public Works Projects - Davis Bacon Act and Related Statutes

#### Alaska Agreement

International Union of Operating Engineers  
July 1, 1991 - June 30, 1994  
Article XVI Wages  
Section 1. Public Works Projects - Davis Bacon Act and Related Statutes

"...the published hourly wage and fringe rate set forth in said public award of the construction contract rate in effect at the time of bid shall apply for the duration of the project or the term of this Agreement, even though such prevailing wage is less than the wage set forth in this Agreement."

Examples of  
Union Agreements

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO : SS HB 126

Revision Date: \_\_\_\_\_

Department Affected: Labor

Title: Public Construction Prevailing

BRU: Labor Standards & Safety

Wage Rates

Component: Wage & Hour

Sponsor: Representatives Phillips, G. Davis

Requestor: House Labor & Commerce

COMPONENT SERIAL NO. 345

**EXPENDITURES/REVENUES:**

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE FUND SOURCE:</b>						
-----------------------------	--	--	--	--	--	--

**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

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

Prepared by: Donald G. Study, CSP, Director

Phone: 465-6003

Division: Labor Standards & Safety

Date: 2/24/93

Approved by Commissioner: Charles W. Mahlen

Agency: Department of Labor

Date: 2/24/93

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**BILL NO:** Sponsor Substitute for House Bill No. 126

**DATE:** February 25, 1993

**TITLE:** Public Construction Prevailing Wage Rates

**CONTACT:** Arbe Williams  
465-2700

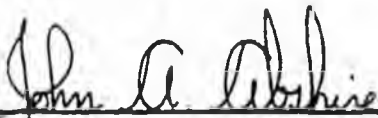
Sponsor Substitute for House Bill No. 126 amends AS 36.05.010 so that the prevailing wage as determined by the Department of Labor will no longer apply immediately to contracts in progress. The wage in effect at least 10 days before final bid submission will remain in effect for 24 months from the date the contract is awarded. Wages will remain the same for the life of most construction projects. In the case of contracts that are longer than 24 months, the bill provides for stable wages for a subsequent 24 month period, and so forth for the life of the contract.

AS 36.05.010 provides that a contractor or subcontractor who performs work on public construction in the state shall pay not less than the current prevailing rate of wages for work of a similar nature. The prevailing rate of wages is determined by the Department of Labor based on a periodic survey of public and private commercial, heavy and highway construction projects in the state. If the union rate is prevailed from the survey results, interim wage and benefit increases are prevailed.

However, an increase in the prevailing wages in the middle of a contract creates a financial hardship on the contractor; anticipation of interim increases may also serve to inflate the cost of construction projects. Sponsor Substitute for House Bill No. 126 proposes to address these concerns.

The Department of Labor supports this legislation.

APPROVED:



John A. Mahlen  
John A. Mahlen, Commissioner

Date: 2/25/93

**POSITION PAPER/Department of Labor**

FISCAL NOTE

Revision Date: 03/04/93 Department Affected: DOT&PF  
 Title: Public Construction Prevailing Wage Rates BRU: E&OS  
 projects  
 Sponsor: Phillips Component: D&C  
 Requestor: Phillips Component Serial Number: 547

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
---------------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY93) impact: \$ \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary)

It is very difficult to accurately estimate cost savings for a fiscal note; there will be some impact. Contractors can more accurately predict their projects costs; therefore the department should receive more favorable bids, thus lowering the cost of construction.

Prepared by: Loren Rasmussen

Phone: 465-2960

Division: Engineering & Operations Standards

Date: March 4, 1993

Approved by Commissioner:   
Frank G. Zurbrugg

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: March 4, 1993

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*Department of Transportation  
and Public Facilities*

# POSITION PAPER

BILL NO: SS HB 126

APPROVED:

A handwritten signature in black ink, appearing to read "J. J. [unclear]".

TITLE: Public Construction  
Prevailing Wage Rates

DATE: March 4, 1993

Section 1 of the bill deletes from AS 36.05.010 the phrase (FOR EACH PAY PERIOD) and adds at least 10 days before the final date for submission of bids for the contract. The rate shall remain in effect for the life of the contract or for 24 calendar months, whichever is shorter. At the end of the initial 24-month period, if new wage determinations have been issued by the department, the latest wage determination shall become effective for the next 24-month period or until the contract is completed, whichever, occurs first. This process shall be repeated until the contract is completed (END OF THE PAY PERIOD).

Section 2 only makes a grammatical changes.

Presently contractors are required to pay any increases in prevailing wage rate immediately after they are issued. This bill provides that the prevailing wage rates which are in effect at the time of advertising will remain in effect for two years. With stable wage rates contractors should be able to more accurately estimate the cost of a construction project. There will be less risk of increased labor costs to the contractors therefore the department should see more favorable bids and overall lower costs of the construction projects.

*For Further Information contact Katy McHugh at 465-3900.*

LEGISLATIVE COMMITTEE REPORT

DATE: 4/1/93

FURTHER:

DATE TURNED INTO OFFICE: 4/8/93

L&C Committee considered SS HOUSE BILL NO. 126

"An Act establishing the current prevailing rate of wages issued at least 10 days before the final submission of bids as the prevailing wage rate for public construction projects and requiring periodic adjustment of the wage rate."

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ ( )
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( )
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

- adopts \_\_\_\_\_ Letter of Intent
- further referral to the \_\_\_\_\_

- do pass
- do not pass
- no recommendation
- individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
DOL	2/24	✓	
DOTPF	3/4	✓	

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS: Tina Kelly  
Bob Mays  
Steve Thier

OTHER RECOMMENDATIONS:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**HB**

**158**

# MEMORANDUM

STATE OF ALASKA  
Department of Administration  
Office of the Commissioner

RECEIVED  
FEB 5 1993  
BUDGET REVIEW

To: Shelby Stastny  
Director  
Office of Management and Budget  
Office of the Governor

Date: February 1, 1993

From: Nancy Bear Usery  
Commissioner  
Department of Administration

Re: Monetary Terms of Labor,  
Trades and Crafts Contract

The State of Alaska has concluded negotiations with Public Employees Local 71 representing the Labor, Trades and Crafts Unit (LTC) and the union membership has ratified the agreement. The following monetary terms are provided so that supplemental and budget amendment requests may be made to the legislature. I am also providing the legislature with the monetary terms as required by AS 23.40.215(b).

## Monetary Terms

Monetary terms of an agreement are defined in AS 23.40.250(4) as changes that will require an appropriation for their implementation, changes that will result in a change in state revenues, or changes that will result in a change in productive work hours for state employees.

### I. Require Appropriation.

- A. Each employee in pay status on the date of signing (February 1, 1993), will receive a signing bonus of \$50. The appropriation should include any additional benefits costs.
- B. Effective July 1, 1992, the wage rates for all employees are increased by 3.6%. This increase equals the percentage increase granted most other state employees last year. However, most other employees received the increase effective January 1, 1992. There will be no further increases in the wage schedule for the life of this agreement which expires on December 31, 1994.
- C. Effective February 1, 1993, the monthly contribution to health insurance for members of the LTC unit will be \$423.50. On July 1, 1993, the contribution on behalf of each eligible member of the bargaining unit will increase to \$500. If there is an increase in the premium in 1994, the state and the employees will equally share the additional cost up to a maximum of \$25. each. Any further increase shall be paid entirely by the employees or the level of benefits shall be adjusted to conform to the premium. The benefits costs associated with LTC positions should be modified to reflect this change.

- LTC CONTRACT  
ANALYSIS -

D. Certain employees were required to obtain a Commercial Driver's License as a condition of continued employment pursuant to AS 28.33.100. The new contract requires the State to reimburse employee's who obtained the license prior to April 1, 1992. Future renewals will be at the expense of the employee. The fee was \$100 per employee. The departments are determining the number of employees affected by this provision. That number will be reported as soon as it is available.

## II. State Revenue.

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

## III. Productive Work Hours

In 1994, the floating holiday known as Lincoln's Birthday will be eliminated. At present, employees receive an additional day of annual leave on February 12. This change will reduce the amount of leave accrual and time taken away from work.

## Other Terms

There are other terms of the collective bargaining agreement which will not require an appropriation but may have a budgetary impact .

- Managers will now have the choice between the two most senior, qualified and competent employees when filling a LTC position through promotion.
- Travel provisions of the agreement have been modified to more closely match the requirements of the Fair Labor Standards Act. This change is expected to result in an overall savings.
- Family leave provisions have been added to conform with the Alaska Family Leave Act (AS 23.10.500 - 23.10.550).
- Designated foremen will receive an additional 75 cents per hour when supervising eight or more employees. This change will reduce the need to reclassify positions when employees perform higher level duties.
- When overtime is scheduled in advance, the State is required to pay only for actual hours of work. A guaranteed minimum of four hours pay at the overtime rate was eliminated.
- Part-time employees will be eligible for overtime on the same basis as other employees. A provision which required overtime for all hours in excess of the regular part-time schedule was eliminated.

## Conclusion

Funding for certain monetary terms will be required. Please prepare and forward to the legislature the necessary documents. Please feel free to call on the staff of the Labor Relations Section for any assistance desired.



**UNIVERSITY OF ALASKA**

*Office of the General Counsel*  
203 Butrovich Building  
Fairbanks, Alaska 99775-5320  
Office: (907) 474-7259

**Fairbanks**  
William R. Kauffman  
Vice President and General Counsel  
J. Mark Neumayr  
Associate General Counsel

**Anchorage**  
Jean S. Sagan  
Associate General Counsel

15 March 1993

The Honorable Tim Kelly  
Alaska State Legislature  
State Capitol Building  
Juneau, AK 99801-1182

FAX: 465-3756

RE: SB117. Your Inquiry Concerning the Appropriation for Salary Increases Under the University of Alaska/Alaska Community Colleges' Federation of Teachers, Local 2404 Collective Bargaining Agreement, 5/8/92

Dear Senator Kelly:

I am writing in response to your request through University of Alaska Budget Director Marsha Hubbard for information concerning the terms of the May 8, 1992, Collective Bargaining Agreement between the University of Alaska and the Alaska Community Colleges' Federation of Teachers, Local 2404. Although Ms. Hubbard's communication asked for a section-by-section analysis of the entire agreement, a member of my staff spoke with Mr. Max Gifford of your office who advised that you require only information dealing with the salary provisions and the need for a legislative appropriation.

In an attempt to effectively accommodate your needs, I am enclosing as Attachment A the provisions of Articles 7.1 and 12.5 of the Collective Bargaining Agreement and a synopsis of each provision. Additionally, I am enclosing a copy of the referenced Board of Regents Policies and University Regulations 04.05.01-03 as well as the referenced statute, A.S. 23.40.215, as Attachments B and C, respectively.

Senator Tim Kelly  
15 March 1993  
Page 2

I trust that this reply is responsive; however, should you have additional questions concerning the basis for the University's supplemental unit, please contact me. While I am out of state until Wednesday, March 17, 1993, I may be contacted through my Fairbanks office, (907) 474-7259.

Very truly yours,

*William R. Kauffman*

William R. Kauffman  
Vice President and General Counsel

*by Amanda Andrade*

cc: President Jerome Komisar  
Vice President for University Relations Wendy Redman  
Director Marsha Hubbard  
Special Assistant to the President for Labor Relations Stevan DeSoer

Enclosures a/s

**ARTICLE 7**  
**University of Alaska/Alaska Community Colleges' Federation**  
**of Teachers, Local 2404 Collective Bargaining Agreement**  
**May 8, 1992**

**Salaries and Benefits**

**7.1 Salaries**

- A. Faculty Members shall be compensated in a manner consistent with the provisions of Regents Policy and University Regulation 04.05.01 - 03 in effect as of the date of this Agreement, except that any compensation increases shall be subject to legislative appropriation in accordance with the provisions of AS 23.40.215 and shall be requested separately from compensation increases requested for other employees of the University.
- B. The University agrees to request the same level of salary increase for Faculty Members as is requested of the Legislature for other University employees. If the University grants other University employees salary increases but does not receive an appropriation to fund salary increases for Faculty Members at the same level, the University agrees to submit to the Legislature at the beginning of the next regular session following the increase for University employees an amount necessary to permit Faculty Members to receive a salary increase of the same level received by University employees.

**SYNOPSIS**

**7.1 Salaries**

- A. Salaries for "Faculty Members," a term meaning bargaining unit members, is set by Regents Policies and University Regulations 04.05.01-03 as in effect May 8, 1992. This means a minimum three percent annual salary increase; however, application of this provision is subject to receipt of an appropriation to fund the increase.
- B. The University agrees to seek the same level of salary increase for bargaining unit members as for other University employees. If no appropriation is made to fund the bargaining unit increase, and the University grants an increase to other employees, the University agrees to make a request to the next regular legislative session for a supplemental appropriation to fund a bargaining unit salary increase.

**ARTICLE 12**

**University of Alaska/Alaska Community Colleges' Federation  
of Teachers, Local 2404 Collective Bargaining Agreement**

**May 8, 1992**

**Scope and Interpretation**

**12.5 Legislative Appropriation**

- A. No legislative appropriation requested by the University, with regard to funding this Agreement, shall be made without prior discussion with the Union pursuant to Article 11. The University shall give adequate notice to the Union of such requests as to provide reasonable response time from the Union. The University shall request and actively support full funding of this Agreement.
- B. It is agreed by and between the parties that any provision of this Agreement requiring legislative action to permit its implementation, by amendment of law or by providing additional funds therefore, shall not become effective until the appropriate legislative body has given approval.

**SYNOPSIS**

**12.5 Legislative Appropriation**

- A. The University agrees to discuss with the union its budget request to fund the Agreement prior to the submission of the request to the Legislature.
- B. Provisions of the Collective Bargaining Agreement which require legislative action for implementation become effective only after approval by the appropriate legislative body.

PART IV

PERSONNEL

CHAPTER V

Compensation and Benefits

A. Compensation Responsibilities: Statement of Intent 04.05.01

The University of Alaska recognizes its responsibility to students and to the citizens of Alaska to develop a compensation program which will enable the institution to attract and retain highly qualified employees.

The University also recognizes its responsibility to continue to work cooperatively with its employees through the University governance structures to ensure that the University's compensation program treats all employees fairly, assures annual salary progression and protection of real income, rewards exceptional performance, provides for external competitiveness, and recognizes continuing satisfactory service. Annual in-range salary increases shall be provided by the University.

The University shall have a compensation program providing for the adjustment of income based on the following non-prioritized goals:

- **Competitiveness:** assuring that the university can successfully compete for and retain qualified faculty and staff.
- **Equity:** assuring that the relationship between compensation and job classification is fair and just.
- **Protection of Real Income:** assuring that compensation structures will be adjusted for inflation.
- **Satisfactory Performance:** assuring that employees' compensation will be annually adjusted within the salary structure for continued satisfactory performance.

B. Compensation Structures

Individual compensation structures for the following employee categories shall be established in consultation with appropriate

REGENTS' POLICY

04.05.01

governance groups at each university and within statewide administration. These salary structures shall be reviewed regularly and adjusted to reflect changes in market conditions and cost of living fluctuations.

1. Executive Positions

The salary structure for executive positions shall be established by the Board of Regents.

The chancellor of each university and the president shall designate those positions to be placed in the executive category.

2. Faculty Positions

The salary structure for faculty positions shall be a set of ranges corresponding to faculty ranks organized in a matrix for purposes of placement and movement. Ranges will be constructed to include a compensation increase of up to 10 percent to provide incentives for promotion.

In order to address competitiveness issues and other conditions which may from time to time prevail in the recruitment, selection and retention of faculty, placement on the salary scale shall be based on each university's market conditions and the applicable experience of the individual selected. Movement within each range will be accompanied by a minimum 3 percent annual salary increase. All recipients of annual in-range salary increments shall have at least a satisfactory performance evaluation.

There will be a regular market compensation analysis for all disciplines at each university and periodic adjustment of compensation for those disciplines found to be under market.

3. Part-time Faculty

The salary structure for part-time faculty shall be a set of ranges organized in a matrix for purposes of placement and movement. Movement within each range will be accompanied by a minimum 3 percent salary increase. Placement shall be reflective of the market condition for part-time faculty at each university.

4. Administrative Professional and Technical Positions

The salary structure for administrative/professional/technical positions shall be a set of ranges organized in a matrix for purposes of placement and movement. Movement within each range will be accompanied by a minimum 3 percent annual salary increase. All recipients of annual in-range salary increments shall have at least a satisfactory performance evaluation.

5. Classified Positions

The salary structure for classified positions shall be a set of ranges organized in a matrix for purposes of placement and movement. Movement within each range will be accompanied by a minimum 3 percent annual salary increase. All recipients of annual in-range salary increments shall have at least a satisfactory performance evaluation.

6. Student Employees

The salary structure for student positions shall be a set of ranges organized in a matrix for purposes of placement and movement.

C. Exceptional Performance

A bonus award program for recognition of exceptional performance may be established at each university and within the statewide administration in consultation with cognizant local governance groups. Such bonus awards will be available to faculty, administrative/professional/technical and classified employees. Exceptional performance bonuses shall not be applied to the salary base of the employee and shall not affect placement on the salary scale.

D. Special Adjustments

Subject to available funds, the chancellor of each university shall have the authority to make special adjustments up to 6 percent for specific employees to recognize internal equity, merit, and special market and hazardous working conditions. Adjustments exceeding 6 percent will require approval of the President.

REGENTS' POLICY

04.05.01

E. Shift Differentials

Differentials shall be established for classified employees for shift work in 24-hour continuous operations.

F. Geographic Differential

Where appropriate, geographic location differentials may be established for APT, classified, and faculty positions to address significantly variable intrastate cost of living conditions.

G. Bargaining Unit Members

Provisions of this policy shall not be applicable to bargaining unit members.

Employment Definitions

04.05.02

A. An individual's employment with the University of Alaska shall be designated by status and pay type. Status and pay type shall be established in University Regulations.

B. Classification for the purpose of pay type and pay range shall be established by job evaluation, as appropriate to the type of position.

C. Compensation shall be determined based upon established classification for the position, and pay type. (See Regulation 04.05.02)

Salary Structure and Schedules

04.05.03

The university salary structure shall recognize marketplace and job content differences and shall provide for annual increments based on continued satisfactory performance, cost of living adjustments, marketplace fluctuations and exceptional performance.

Salary schedules are established for all positions within the University. Each schedule is guided by placement and movement regulations. (See Regulation 04.05.03)

A. Executive Positions

The salary structure for executive positions shall be based on appropriate market referents established by the University President, and reviewed periodically by the Board of Regents.

07-01-89

07-01-90 (revised)

04.05.03

REGENTS' POLICY

04.05.03

B. Bargaining unit members

Salaries for members of collective bargaining units shall be determined through negotiation.

C. Exempt and Nonexempt Staff and Permanent (nonbargaining unit) Faculty

Criteria for placement and movement of exempt and non-exempt staff and permanent (nonbargaining unit) faculty shall be contained in regulation. (See Regulation 04.05.03)

D. Part-time Faculty

Criteria for placement and movement of part-time labor pool faculty shall be contained in regulation. (See regulation 04.05.03)

E. Student Employees

Criteria for placement and movement of student employees shall be contained in regulation. (See regulation 09.05.01)

Geographic Salary Differentials

04.05.04

Geographic salary differentials are intended to compensate employees for differences within Alaska for cost-of-living, relative isolation, lack of amenities, etc. The following table contains the new geographic differentials based on the 1986 State study. Compensation offers to employees made after June 6, 1987, will be paid at these rates. The new rates are to be paid to non-bargaining unit employees as follows:

	NEW RATES
Aleutian Islands/Adak/Sand Point	27
Anchorage/Girdwood/Chugiak/Eagle River	-
Aniak/McGrath/Galena	30
Barrow/Kotzebue	42
Bethel	38
Bristol Bay/Dillingham	27
Cordova/Glenallen/Copper Center	11
Delta Junction/Tok	16
Fairbanks	4
Ft. Yukon	42
Juneau	-
Kenai/Soldotna/Homer	-

UNIVERSITY REGULATION

04.05.00

PART IV  
PERSONNEL  
CHAPTER V

Compensation and Benefits

Compensation Responsibilities

04.05.01

- A. It is the responsibility of the Statewide Administration to propose compensation policy and to develop compensation regulations. Further, the Administration is responsible for analyzing the effectiveness of compensation programs and implementing changes as necessary. Prior to implementing new programs or modifying existing programs the Administration will seek the advice and counsel of the General Assembly.
- B. It is the responsibility of the major administrative units to implement such procedures as are necessary to administer compensation programs in accordance with university policy and regulations. (See Policy 04.05.01)

Employment Definitions

04.05.02

A. Pay Status

Employment status shall be designated according to the following definitions:

1. Active employee: Status in which a person is actively employed by the university, either on a permanent or temporary basis. Employees who are between the end of one contract period and the beginning of the next contract period (e.g., nine month employees) shall be considered active for the purposes of employee benefit eligibility.
2. Leave Without Pay: Status in which an employee is on approved leave for a specified purpose and period of time, during which he/she receives no compensation, and accrues and receives no university paid benefits.
3. Sabbatical, Special Sabbatical or Professional Development/Improvement Leave: Status in which an employee is on an approved leave for a specified period of time for professional development during which the employee receives compensation in part or in total from the university.

UNIVERSITY REGULATION

04.05.02

4. Retirement: A status of no active employment in a permanent position for persons who have formally retired from university service.
5. Termination: A status of no employment in which a prior employee has severed his or her relationship with the university without the expectation or probability of continued or future re-employment.

B. Employee Classifications

1. Collective Bargaining Unit members shall have pay type and pay range as established by the collective bargaining agreement.
2. Academic personnel shall have pay type and pay range established by operative placement and promotion criteria (See Policy 04.03.09).
3. Student employees shall have pay type and pay range established by special conditions for student employment (Cross-reference Policy and Regulation 09.05.01).
4. Agricultural Workers shall have pay type and pay range established by job evaluation, with special conditions as prescribed by the Fair Labor Standards Act and the Alaska Wage and Hour Laws covering agricultural employees.
5. Executive personnel shall have pay type and pay range established by the president of the university (See Policy 01.01.03).
6. Administrative/Professional/Technical (exempt) personnel shall have pay type and pay range established by the president of the university.
7. Classified (nonexempt) personnel shall have pay type and pay range established by the president of the university.

C. Employment Categories

1. Permanent Employee: In order to be considered a permanent employee, individuals must be in active, sabbatical or leave without pay status, and have a continuing appointment which meets the following criteria:
  - a. For all categories of employment: must work 50 percent or more of full time in a budgeted position.

contract, grant or general fund, which is expected to be continued from year to year.

b. Academic employees (nonbargaining unit): must work 50 percent of full-time or more in a budgeted teaching, librarian, counselor, research, museum, etc., position.

2. Temporary Employee: Employees who do not work in budgeted positions, and who do not meet the criteria for permanent employment as outlined above, shall be considered temporary employees.

For exempt and nonexempt employees (nonacademic), work in a temporary position less than 1,040 hours in any one twelve month period in any one position.

3. Full-time Employee: Full-time employment may be of either a permanent or temporary nature (as described above) and must meet the following criteria:

a. Exempt (nonacademic) or nonexempt employees must have an appointment stipulating an anticipated work week of 40 or more hours on a continuing basis for the entire contract period.

b. Exempt employees (academic, nonbargaining unit), must work in a teaching, research, service, librarian, museum, etc. position delivering a combination of public service, research and/or instructional activity equivalent to 15 credit hours per week on a semester-to-semester basis. Research, librarian, counselor, museum, etc., employees must meet the criteria in 3.a. above, or a combination of assigned and public service duties equivalent to that amount.

4. Part-time Employee: Employees who do not meet the criteria for full-time as described above in 3.a. or b. shall be considered part-time employees. Part-time employment may be either of a permanent or temporary nature (as described above) expressed as a percentage of full-time.

a. To be permanent part-time employees, exempt (nonacademic) and nonexempt persons must work 20 or more hours per week on a regular basis during the employment contract period and work in budgeted positions.

UNIVERSITY REGULATION

04.05.02

- b. To be permanent part-time employees, exempt employees (academic, nonbargaining unit) must be delivering no less than 7.5 credit hours per week in a combination of research, public service and/or instructional activity. (Research, service, librarian, museum, etc., employees must meet the criteria in 4.a. above to be considered permanent part-time employees.)
- c. All other part-time employment not covered by 4.a. or 4.b. shall be considered temporary employment.

D. Overtime Payment Criteria

- 1. Exempt Employment Eligibility: Criteria for exempt employment are defined in the Fair Labor Standards Act, and in the Alaska Wage and Hour Laws.
  - a. Eligibility for exempt staff classification is described in Regulation 04.02.05.
  - b. Persons who belong to exempt categories shall be compensated by salary, rather than hourly rates of pay, and shall not be eligible for overtime pay.
  - c. Exempt employees are not required by federal or state law to submit time sheets for pay purposes; however, they may specifically be required to do so for funding or program requirements and must also always submit timesheets when using leave hours during the pay period in question.
  - d. Typical employees in the exempt group include: administrators, faculty members, academic administrators, librarians, researchers, executives and other professionals, certain technical tradespersons and certain students.
- 2. Nonexempt Employment: Criteria for nonexempt employment are defined in the Fair Labor Standards Act and the Alaska Wage and Hour Laws. Those definitions are incorporated, by reference, into this regulation.
  - a. Persons who belong to nonexempt categories shall be compensated on an hourly basis, rather than salary, and shall be eligible for overtime pay for hours worked in excess of forty (40) per work week, as approved by the employee's immediate supervisor in advance, unless otherwise excepted by the Fair Labor

UNIVERSITY REGULATION

04.05.02

Standards Act and/or the Alaska Wage and Hour Laws.

- b. Nonexempt employees shall not be eligible for compensatory time-off in lieu of overtime pay. This regulation does not prohibit the arrangement of flexible working schedules for employees which do not exceed forty (40) hours in any work week, pursuant to the Alaska Wage and Hour Laws.
- c. Nonexempt employees are required to submit timesheets for all hours worked, without exception.
- d. Examples of nonexempt employees are as follows:
  - (1) Classified Employees: Certain skilled and unskilled craft and clerical support positions which do not meet the requirements for faculty, academic administrative, APT (Administrative, Professional, Technical) classifications, which may be either full-time or part-time, temporary, or permanent.
  - (2) Agricultural Workers: Workers whose primary occupation is agricultural, as defined by the Fair Labor Standards Act and the Alaska Wage and Hour Laws. Agricultural workers are exempted from overtime pay, as described in the Act.
  - (3) Students (general): Student employees who meet the criteria for eligibility for student employment and who fill student-designated positions.

Salary Structure and Schedules

04.05.03

Salary schedules are established for all positions within the university. Each schedule is guided by placement and movement regulations.

A. Executive Positions

Placement and movement for Executive Positions are governed by Regents' Policy 04.05.03.

B. Bargaining Unit Members.

Placement and movement for bargaining unit members shall be determined through negotiation.

UNIVERSITY REGULATION

04.05.03

C. Exempt and Nonexempt Staff and Permanent (nonbargaining unit) Faculty.

1. Placement

The rationale for placement of a new employee above the minimum of a salary range must be based upon market factors and/or those exceptional qualifications or experience of the employee which are clearly relevant to the position and advantageous to the university.

- a. Responsibility for placement of a new employee within the first quarter of the range rests with the hiring authority .
- b. Placement above the first quarter of the range must be approved by the appropriate chancellor, or in statewide administration, by the president.
- c. Responsibility for the placement of student employees anywhere in the range rests with the hiring authority.

2. Movement

a. Salary Adjustments

Subject to available funds, the chancellor of a university may authorize special salary adjustments up to 6 percent of the current salary for specific employees to recognize internal pay equity, merit, special market considerations, and hazardous working conditions. Salary adjustments greater than 6 percent may be granted only with the prior approval of the president of the university. (07-01-90)

Each university shall develop procedures to assure that such special adjustments are appropriate and shall provide a report to the president of the university on July 1 of each year detailing the special adjustments for the preceding fiscal year.

b. Transfer (noncompetitive reassignment)

- (1) A transfer is defined as a noncompetitive reassignment of an employee from one position to another within the same salary range with no break in service.

- (2) An employee who transfers from one position to another in the same range will retain the same salary exclusive of the effect of any change in geographic differential.

c. Appointment to an Acting Position

In the event an employee serves in a higher position than currently assigned as a result of a temporary appointment to an acting position, the following pay practice shall be followed:

- (1) For a position that has a specified range established, the incumbent will be advanced to the permanent minimum for the position, or 10 percent, whichever is greater.
- (2) The pay increase becomes effective on the thirty-first calendar day following the change in duties and remains in effect until the end of the acting assignment.

The term "temporary" in this instance is defined as any period longer than thirty calendar days.

d. Promotion

- (1) A promotion for exempt nonfaculty and nonexempt staff is defined as the movement from a position in one range to a position in a higher range, or movement from a nonexempt to an exempt position with no break in service.
- (2) A promotion for exempt nonfaculty and nonexempt staff may result in a salary increase up to 10 percent of the current salary, or, if greater, that amount necessary to place the employee at the minimum of the new range.
- (3) A promotion for faculty is defined as movement from one faculty rank to the next higher rank.
- (4) A promotion for a member of the faculty may result in a salary increase up to 10 percent of the current salary, or, if greater, that amount necessary to place the employee at the minimum of the new range.

§ 23.40.205 LABOR AND WORKERS' COMPENSATION § 23.40.215

wise. State v. Public Safety Employees Ass'n, 798 P.2d 1281 (Alaska 1990).

Standard of review. — Appellate courts should apply the arbitrary and capricious standard when reviewing awards

in compulsory interest arbitrations; in voluntary interest arbitrations, the standard of review is gross error. State v. Public Safety Employees Ass'n, 798 P.2d 1281 (Alaska 1990).

**Sec. 23.40.205. Family leave.** Notwithstanding any provision of AS 23.40.070 — 23.40.260 to the contrary, an agreement between the employer subject to AS 23.10.500 — 23.10.550 and an employee bargaining organization that does not contain benefit provisions at least as beneficial to the employee as those provided by AS 23.10.500 — 23.10.550 shall be considered to contain the benefit provisions of those statutes. (§ 7 ch 96 SLA 1992)

Revisor's notes. — Enacted as AS 23.40.200(g). Renumbered in 1992:

Cross references. — For transitional provisions related to the effect of this section on bargaining agreements in effect on

September 16, 1992, see § 11, ch. 96, SLA 1992 in the Temporary and Special Acts.

Effective dates. — Section 7, ch. 96, SLA 1992, which enacted this section, took effect on September 16, 1992.

**Sec. 23.40.210. Agreement.**

NOTES TO DECISIONS

Agency assumption of jurisdiction over pending grievance procedures. — The agency may exercise jurisdiction over unfair labor practice claims which are the subject of pending grievance procedures not yet exhausted where it appears that pursuing the grievance procedures would

be futile. Public Safety Employees Ass'n v. State, 799 P.2d 318 (Alaska 1990).

Availability of statutory remedies. — The availability of arbitration does not preclude statutory remedies. Public Safety Employees Ass'n v. State, 799 P.2d 318 (Alaska 1990).

**Sec. 23.40.215. Funding and legislative approval.** (a) The monetary terms of any agreement entered into under AS 23.40.070 — 23.40.260 are subject to funding through legislative appropriation.

(b) The Department of Administration shall submit the monetary terms of an agreement to the legislature within 10 legislative days after the agreement of the parties, if the legislature is in session, or within 10 legislative days after the convening of the next regular session. The legislature shall advise the parties by concurrent resolution if it approves or disapproves of the monetary terms within 60 legislative days after the agreement is submitted to the legislature. The approval of the monetary terms of an agreement under this subsection is a nonbinding, advisory expression of legislative intent. If within 60 legislative days after the agreement is submitted the legislature advises the parties by concurrent resolution that it disapproves the monetary terms of the agreement, the parties may resume negotiations.

(c) Notwithstanding (b) of this section, the monetary terms of an agreement entered into between a school district or regional educa-

tional attendance area and its employees are not subject to approval by the legislature. (§ 2 ch 113 SLA 1972; am § 1 ch 10 SLA 1984; am § 5 ch 1 SLA 1992)

**Effect of amendments.** — The 1992 amendment, effective March 26, 1992, added subsection (c).

**Sec. 23.40.250. Definitions.** In AS 23.40.070 — 23.40.260, unless the context otherwise requires,

(1) "collective bargaining" means the performance of the mutual obligation of the public employer or the employer's designated representatives and the representative of the employees to meet at reasonable times, including meetings in advance of the budget making process, and negotiate in good faith with respect to wages, hours, and other terms and conditions of employment, or the negotiation of an agreement, or negotiation of a question arising under an agreement and the execution of a written contract incorporating an agreement reached if requested by either party, but these obligations do not compel either party to agree to a proposal or require the making of a concession;

(2) "election" means a proceeding conducted by the labor relations agency in which the employees in a collective bargaining unit cast a secret ballot for collective bargaining representatives, or for any other purpose specified in AS 23.40.070 — 23.40.260;

(3) "labor relations agency" means the Alaska labor relations agency established in AS 23.05.360;

(4) "monetary terms of an agreement" means the changes in the terms and conditions of employment resulting from an agreement that will require an appropriation for their implementation or will result in a change in state revenues or productive work hours for state employees;

(5) "organization" means a labor or employee organization of any kind in which employees participate and which exists for the primary purpose of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, and conditions of employment;

(6) "public employee" means any employee of a public employer, whether or not in the classified service of the public employer, except elected or appointed officials or superintendents of schools;

(7) "public employer" means the state or a political subdivision of the state, including without limitation, a municipality, district, school district, regional educational attendance area, board of regents, public and quasi-public corporation, housing authority, or other authority established by law, and a person designated by the public employer to act in its interest in dealing with public employees;

WALTER J. HICKEL, GOVERNOR

**OFFICE OF THE GOVERNOR**

**OFFICE OF MANAGEMENT AND BUDGET**  
**DIVISION OF BUDGET REVIEW**

P.O. BOX 110020  
JUNEAU, ALASKA 99811-0020  
PHONE: (907) 465-3568

April 21, 1993

The Honorable Tim Kelly  
Chair  
Senate Labor and Commerce Committee  
State Capitol  
Juneau, AK 99801-1182

Dear Senator Kelly:

The State of Alaska has concluded its negotiations with the Centralized Correspondence Study Education Association and the agreement has been ratified by the membership. This letter requests the Legislature's approval of the contract's monetary terms.

The appropriations necessary to meet these terms are:

Sec. . The sum of \$6,042 is appropriated from the general fund to the Department of Education to satisfy the monetary terms of the collective bargaining agreement with the Centralized Correspondence Study Education Association for the fiscal year ending June 30, 1993.

Sec. . The sum of \$36,250 is appropriated from the general fund to the Department of Education to satisfy the monetary terms of the collective bargaining agreement with the Centralized Correspondence Study Education Association for the fiscal year ending June 30, 1994.

For the committee's reference, attached is additional information concerning the terms of the contract. As required by statute, the presiding officers of the

**LETTER RE: CENTRALIZED CORRESPONDENCE  
STUDY EDUCATION ASSOCIATION**

**MEMORANDUM**

**STATE OF ALASKA**

Department of Administration  
Office of the Commissioner

To: Shelby Stastny  
Director  
Office of Management and Budget  
Office of the Governor

From: Nancy Bear Usera  
Commissioner  
Department of Administration

Re: Monetary Terms of  
Centralized Correspondence  
Study Education Association  
Contract

The State of Alaska has concluded negotiations with Centralized Correspondence Study Education Association (CCSEA) and the union membership has ratified the agreement. The following monetary terms are provided so that a budget amendment request may be made by the legislature. I am also providing the legislature with the monetary terms as required by AS 23.40.215(b).

**Monetary Terms**

Monetary terms of an agreement are defined in AS 23.40.250(4) as changes that will require an appropriation for their implementation, changes that will result in a change in revenues, or changes that will result in a change in productive work hours for state employees.

**1. Require Appropriation:**

A. Effective May 1, 1993, the salary schedule is revised which results in the rearrangement of step placements for teachers. This results in lateral movement for some teachers. The Department of Education calculates this cost to be \$25.0 for FY 94, \$25.0 for FY 95. A COLA of up to 5%, prescribed for FY96. There will be no further increases in the wage schedule for the life of this agreement, which expires June 30, 1996.

B. Effective May 1, 1993, the monthly contribution to health insurance for members of the CCSEA unit will be \$423.50, an increase of \$4.70 per month. If the premium increases on February 1, 1994,

the contribution rate will be increased up to 8% (\$457.39). Similarly, if the premium increases February 1, 1995, the contribution rate will increase up to 8% (\$493.38).

## 2. Productive Work Hours

A. For the life of the agreement, the teachers' leave accrual is reduced by 1/8th day per pay period. Additionally, the rate of accrual is capped at 5 years with no further increases in the amount of accrual once an employee has been employed for five years. This change will reduce the amount of annual leave accrued and available to use, resulting in less time away from work.

B. In 1996, the floating holiday known as Lincoln's Birthday will be eliminated. At present, employees receive an additional day of annual leave on February 12. This change will reduce the amount of leave accrual and time taken away from work.

## Other Terms

There are other terms of the collective bargaining agreement which will not require an appropriation but may have a budgetary impact.

- Family leave provisions have been added to conform with Alaska Family Leave Act (AS 23.10.500-AS 23.10.550).
- Teacher sabbatical provisions have been added to the contract allowing a sabbatical absence for a CCS teacher with at least seven years continuous service to gain additional education in their specialty area. Sabbaticals will be granted at the Employers sole discretion.
- Substitute teachers may now be employed at a lower rate of pay than under the prior agreement.

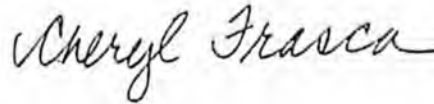
## Conclusion

Funding for certain monetary terms will be required. Please prepare and forward to the legislature the necessary documents. Please feel free to call on the staff of the Labor Relations Section for any assistance desired.

House and Senate have also been officially notified.

Should you have questions or need additional information, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Cheryl Frasca".

Cheryl Frasca  
Director

Attachment

cc: Commissioner Nancy Usera  
Department of Administration

*University of Alaska  
Statewide System*

**Summary of Collective Bargaining Agreement  
between  
the University of Alaska and  
the Alaska Community Colleges' Federation of Teachers Local 2404, AFT**

**Effective dates:** May 8, 1992 to June 30, 1994

**Employees covered:** Faculty who teach exclusively lower division courses  
and have no research assignment  
Vocational-technical faculty  
All Faculty, librarians and counselors at extended campuses

**Key provisions of transition agreement:**

Union members have same appointment, review, promotion, tenure and sabbatical leave policy as other university employees.

Union members have same benefits as other university employees; benefits program can be changed by the university as long as the benefits are offered on the same basis for both bargaining unit members and uncovered employees.

If the University gives non-covered employees salary increases, the university will request the legislature to appropriate an amount necessary to give Union faculty members a salary increase of the same level received by University employees.

Prince William Sound Community College faculty will receive retroactive salary adjustments in the same percentage as other University employees received for fiscal years 1990, 1991 and 1992.

All outstanding disputes concerning the representational status of the Union were resolved by the agreement. The Union agreed to withdraw all lawsuits, unfair labor practice charges, and grievances related to the Union's representational status.

The University paid union dues, agency fees, costs and penalties to the Union from a 1992 legislative appropriation.

The supplemental appropriation contained in this legislation provides fairness and equity to the University faculty who are members of a collective bargaining unit. These employees are the teaching faculty of the University who deliver the community college mission to Alaskans, including lower division and vocational education courses.

**SUMMARY OF AK COMMUNITY COLLEGES'  
FEDERATION OF TEACHERS LOCAL 2404 CONTRACT**

## 1992/94 LTC Contract

Negotiations began in December 1991, and were limited to six contract articles selected by the parties. With the assistance of a federal mediator, an agreement was reached on a three year agreement.

Issue	Change
Contracting Out	The rules which limit the State's ability to contract out work performed by union members have been clarified.
Licenses	When a new license requirement is imposed on current employees, the State will reimburse the employee for the license fee when the license is obtained prior to the deadline established by law or regulation. Future renewals are the responsibility of the employee.
Wages	A 3.6% increase effective July 1, 1992. This is the same increase received by other unions effective January 1, 1992. The contract provides no further wage increases in 1993 or 1994.
Classification	The new agreement excludes classification disputes from the grievance procedure. Under the prior agreement, an arbitrator had the right to determine the pay rate for disputed classifications.
Call Back	The minimum pay guarantees were eliminated when overtime is scheduled in advance.
Travel	Travel pay entitlements were changed to comply with the Fair Labor Standards Act. These changes should result in reduced expenses for travel pay.
Holidays	The Lincoln's Birthday holiday will be eliminated in 1994.
Family Leave	The provisions of the Alaska Family Leave Act were incorporated into the contract.
Promotion	The strict seniority preference was eliminated. Supervisors will now have a greater choice when making a promotion.
Health Insurance	In consideration of the deferral of the pay increase for six months and elimination of a holiday, the monthly contribution to health insurance will be increased to \$500. effective July 1, 1993. Any future increases will be equally shared between the employer and the State up to a maximum of \$25 each. Further increases are the responsibility of the employee.
Signing Bonus	Each employee in pay status on February 1, 1993, will receive a signing bonus of \$50.

LTC CONTRACT SUMMARY

SCS CSHB-158 (L&C)

<u>FUNDING SOURCE</u>	<u>FY93</u>	<u>FY94</u>
Federal Receipts	94,705	162,871
GF Match	24,491	43,489
* GF	1,697,509	2,817,864 *
GF/Program Receipts	37,648	69,627
GF/Mental Health Trust	94,813	160,289
Fish & Game Fund	446	4,044
Hwy Wrking Cap. Fund	297,992	486,932
Int. Airpt Revolving Fund	371,122	643,634
Surplus Property Revolving Fund	1,448	3,008
CIP Receipts	276,664	506,406
AK. Marine Highway Fund	<u>12,532</u>	<u>23,107</u>
	\$2,909,370	\$4,921,271
* LTC/Contract Signing Bonus (GF)	105,641	
* LTC/ Required Commercial Drivers License Costs (GF)	67,500	
* UA / ACCFT 3% Salary Adjustment (GF)	507,012	522,222
* Centralized Correspondence Terms (GF)	<u>6,042</u>	<u>36,250</u>
<b>TOTAL APPROPRIATIONS</b>	<b>\$3,595,565</b>	<b>\$5,479,793</b>
* Total General Fund Appropriations	\$2,383,704	\$3,376,336

- FUNDING BREAKDOWN  
FOR SCS CSHB 158 (L&C)

**BILL: HB 158**

**SHORT TITLE: APPROP: CONTRACT SETTLEMENT COSTS**

**BILL VERSION: CSHB 158(L&C)**

**SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR**

HB 158

Bill/Resolution Floor Action

Page 2 of 3

Current Status: (S) L&C

Jrn-Date	Jrn-Page	Action
1 02/15/93	348	(H) READ THE FIRST TIME - REFERRAL(S)
2 02/15/93	348	(H) LABOR & COMMERCE, FINANCE
3 02/15/93	348	(H) GOVERNOR'S TRANSMITTAL LETTER
4 03/05/93	544	(H) L&C RPT CS(L&C) 4DP 1NR
5 03/05/93	544	(H) DP: PORTER, SITTON, HUDSON, MULDER
6 03/05/93	544	(H) NR: GREEN
7 03/29/93	822	(H) FIN RPT 8DP 2NR
8 03/29/93	822	(H) DP: MACLEAN, LARSON, HANLEY, PARNELL
9 03/29/93	822	(H) DP: GRUSSENDORF, BROWN, THERRIAULT, FOSTER
10 03/29/93	822	(H) NR: MARTIN, HOFFMAN
11 04/02/93	940	(H) RULES TO CALENDAR 4/2/93
12 04/02/93	940	(H) READ THE SECOND TIME
13 04/02/93	940	(H) L&C CS ADOPTED UNAN CONSENT
14 04/02/93	941	(H) - ADVANCED TO THIRD READING UNAN CONSENT
15 04/02/93	941	(H) READ THE THIRD TIME CSHB 158(L&C)
16 04/02/93	941	(H) PASSED Y37 N1 E1 A1
17 04/02/93	941	(H) EFFECTIVE DATE VOTE SAME AS PASSAGE
18 04/02/93	953	(H) TRANSMITTED TO (S)

Yeas: Barnes, Brown, Bunde, Carney, Davidson, Davies, B.Davis, G.Davis, Finkelstein, Foster, Green, Grussendorf, Hanley, Hudson, James, Kott, Larson, Mackie, MacLean, Martin, Menard, Moses, Mulder, Navarro, Nicholia, Nordlund, Parnell, Phillips, Porter, Sanders, Sitton, Therriault, Toohey, Ulmer, Vezey, Williams, Willis

Nays: Olberg

Excused: Brice

Absent: Hoffman

And so, CSHB 158(L&C) passed the House.

## Letter of Intent

SCS CSHB-158(L&C)

It is the intent of the Legislature that future contract negotiations between the State of Alaska and various public employee bargaining units recognize that state oil revenues are in decline and that annual state operating expenditures now exceed general fund income.

It is further the intent of the Legislature that negotiators be aware that revenue and expenditures for FY94 will produce a serious shortfall that will be offset this year by reserves and windfalls available on a one-time-only basis.

The Legislature also notes that the financial cost to the state to maintain health care benefits for state employees is growing dramatically.

The Legislature finds that state employee salaries and benefits generally exceed those of Alaskans with similar jobs in the private sector. The Legislature will not look favorably upon future contract settlements that appear to ignore declining state revenues, that produce greater demand on the general fund yet offer no cost-containment provisions, and that fail to recognize the disparity between public and private sector pay and benefit scales.

HB-158 / LTC

<u>FUNDING SOURCE</u>	<u>FY93</u>	<u>FY94</u>
Federal Receipts	94,705	162,871
GF Match	24,491	43,489
GF	1,697,509	2,817,864
GF/Program Receipts	37,648	69,627
GF/Mental Health Trust	94,813	160,289
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CIP Receipts	276,664	506,406
AK. Marine Highway Fund	<u>12,532</u>	<u>23,107</u>
	<b>\$2,909,370</b>	<b>\$4,921,271</b>
LTC/Contract Signing Bonus (GF)	105,641	
LTC/ Required Commercial Drivers License Costs (GF)	67,500	
UA / ACCFT 3% Salary Adjustment (GF)	507,012	
UA / ACCFT 3% Salary Adjustment (GF)		522,222
<b>TOTAL APPROPRIATIONS</b>	<b>\$3,589,523</b>	<b>\$5,443,493</b>

CS FOR HOUSE BILL NO. 158(L&C)  
 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 3/5/93

Referred: Finance

Funding Information:    General Fund   \$6,148,205  
                                   Other Funds        2,884,911  
   \$9,033,116

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations for contract settlement costs and cost-of-living  
 2 adjustments for public employees who are members of certain collective bargaining  
 3 units; and providing for an effective date."

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

5 ~~Section 1. The sum of \$2,909,370 is~~ appropriated to the Office of the Governor, office  
 6 of management and budget, to pay the 3.6 percent cost-of-living adjustment required under  
 7 the terms of the contract settlement with the Labor, Trades, and Crafts bargaining unit for the  
 8 period from July 1, 1992, through June 30, 1993, from the following sources:

9	Federal Receipts	\$	94,705
10	General Fund Match		24,491
11	General Fund		1,697,509
12	General Fund/Program Receipts		37,648
13	General Fund/Mental Health Trust		94,813
14	Fish and Game Fund		446

1	Highway Working Capital Fund	297,992
2	International Airports Revenue Fund	371,122
3	Surplus Property Revolving Fund	1,448
4	Capital Improvement Project Receipts	276,664
5	Alaska Marine Highway Fund	12,532

6 \* Sec. 2. The sum of \$4,921,271 is appropriated to the Office of the Governor, office of  
7 management and budget, to pay the 3.6 percent cost-of-living adjustment and the increased  
8 costs of health insurance benefits required under the terms of the contract settlement with the  
9 Labor, Trades, and Crafts bargaining unit for the period from July 1, 1993, through June 30,  
10 1994, from the following sources:

11	Federal Receipts	\$ 162,871
12	General Fund Match	43,489
13	General Fund	2,817,864
14	General Fund/Program Receipts	69,627
15	General Fund/Mental Health Trust	160,289
16	Fish and Game Fund	4,044
17	Highway Working Capital Fund	486,932
18	International Airports Revenue Fund	643,634
19	Surplus Property Revolving Fund	3,008
20	Capital Improvement Project Receipts	506,406
21	Alaska Marine Highway Fund	23,107

22 ~~Sec. 3. The sum of \$105,641 is appropriated from the general fund to the Office of the~~  
23 Governor, office of management and budget, to pay the contract signing bonus to eligible  
24 employees required under the terms of the contract settlement with the Labor, Trades, and  
25 Crafts bargaining unit for the fiscal year ending June 30, 1993.

26 ~~Sec. 4. The sum of \$62,600 is appropriated from the general fund to the Office of the~~  
27 Governor, office of management and budget, to reimburse employees for the cost of obtaining  
28 a commercial driver's license as a condition of continued employment required under the  
29 terms of the contract settlement with the Labor, Trades, and Crafts bargaining unit for the  
30 fiscal year ending June 30, 1993.

31 ~~Sec. 5. The sum of \$507,012 is appropriated from the general fund to the University of~~

1 Alaska to pay the three percent salary adjustment required under the terms of the contract  
2 agreement entered into with the Alaska Community College Federation of Teachers bargaining  
3 unit for the period from July 1, 1992, through June 30, 1993.

4 \* Sec. 6. The sum of \$522,222 is appropriated from the general fund to the University of  
5 Alaska to pay the three percent salary adjustment required under the terms of the contract  
6 agreement entered into with the Alaska Community College Federation of Teachers bargaining  
7 unit for the period from July 1, 1993, through June 30, 1994.

8 ~~\* Sec. 7.~~ The unexpended and unobligated balances of the appropriations made by secs.  
9 1, 3, 4, and 5 of this Act lapse into the funds from which they were appropriated, June 30,  
10 1993.

11 \* Sec. 8. The unexpended and unobligated balances of the appropriations made by secs. 2  
12 and 6 of this Act lapse into the funds from which they were appropriated, June 30, 1994.

13 \* Sec. 9. This Act takes effect immediately under AS 01.10.070(c).

SENATE COMMITTEE REPORT

DATE: 4/5/93

FURTHER: FINANCE

DATE TURNED INTO OFFICE: 4/27/93

L&C Committee considered HOUSE BILL NO. 158

"An Act making appropriations for contract settlement costs and cost-of-living adjustments for public employæes who are members of certain collective bargaining units; and providing for an effective date."

and recommends:

- replace with SENATE CS CS HB 158 (L&C)
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

- do pass
- do not pass
- no recommendation
- individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

Bob Murphy

Joe E. Salo

OTHER RECOMMENDATIONS:

Shue Rie

Georgiana Linder NR

Tim Kelly - Do Pass  
Chair: Signature and Recommendation

8-GH1065K  
Cramer  
4/21/93

SENATE CS FOR CS FOR HOUSE BILL NO. 158(L&C)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$6,190,497
	Other Funds	<u>2,884,911</u>
		\$9,075,408

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations for contract settlement costs and cost-of-living  
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13	General Fund/Mental Health Trust	94,813
14	Fish and Game Fund	446

1	Highway Working Capital Fund	297,992
2	International Airports Revenue Fund	371,122
3	Surplus Property Revolving Fund	1,448
4	Capital Improvement Project Receipts	276,664
5	Alaska Marine Highway Fund	12,532

6 \* Sec. 2. The sum of \$4,921,271 is appropriated to the Office of the Governor, office of  
7 management and budget, to pay the 3.6 percent cost-of-living adjustment and the increased  
8 costs of health insurance benefits required under the terms of the contract settlement with the  
9 Labor, Trades, and Crafts bargaining unit for the period from July 1, 1993, through June 30,  
10 1994, from the following sources:

11	Federal Receipts	\$ 162,871
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13	General Fund	2,817,864
14	General Fund/Program Receipts	69,627
15	General Fund/Mental Health Trust	160,289
16	Fish and Game Fund	4,044
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18	International Airports Revenue Fund	643,634
19	Surplus Property Revolving Fund	3,008
20	Capital Improvement Project Receipts	506,406
21	Alaska Marine Highway Fund	23,107

22 \* Sec. 3. The sum of \$105,641 is appropriated from the general fund to the Office of the  
23 Governor, office of management and budget, to pay the contract signing bonus to eligible  
24 employees required under the terms of the contract settlement with the Labor, Trades, and  
25 Crafts bargaining unit for the fiscal year ending June 30, 1993.

26 \* Sec. 4. The sum of \$67,600 is appropriated from the general fund to the Office of the  
27 Governor, office of management and budget, to reimburse employees for the cost of obtaining  
28 a commercial driver's license as a condition of continued employment required under the  
29 terms of the contract settlement with the Labor, Trades, and Crafts bargaining unit for the  
30 fiscal year ending June 30, 1993.

31 \* Sec. 5. The sum of \$507,012 is appropriated from the general fund to the University of

1 Alaska to pay the three percent salary adjustment required under the terms of the contract  
2 agreement entered into with the Alaska Community College Federation of Teachers bargaining  
3 unit for the period from July 1, 1992, through June 30, 1993.

4 \* Sec. 6. The sum of \$522,222 is appropriated from the general fund to the University of  
5 Alaska to pay the three percent salary adjustment required under the terms of the contract  
6 agreement entered into with the Alaska Community College Federation of Teachers bargaining  
7 unit for the period from July 1, 1993, through June 30, 1994.

8 \* Sec. 7. The sum of \$6,042 is appropriated from the general fund to the Department of  
9 Education to satisfy the monetary terms of the collective bargaining agreement with the  
10 Centralized Correspondence Study Education Association for the fiscal year ending June 30,  
11 1993.

12 \* Sec. 8. The sum of \$36,250 is appropriated from the general fund to the Department of  
13 Education to satisfy the monetary terms of the collective bargaining agreement with the  
14 Centralized Correspondence Study Education Association for the fiscal year ending June 30,  
15 1994.

16 \* Sec. 9. The unexpended and unobligated balances of the appropriations made by secs.  
17 1, 3 - 5, and 7 of this Act lapse into the funds from which they were appropriated, June 30,  
18 1993.

19 \* Sec. 10. The unexpended and unobligated balances of the appropriations made by secs. 2,  
20 6, and 8 of this Act lapse into the funds from which they were appropriated, June 30, 1994.

21 \* Sec. 11. This Act takes effect immediately under AS 01.10.070(c).