

# STATE OF ALASKA

SARAH PALIN, GOVERNOR

## OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

P.O. BOX 110020  
JUNEAU, ALASKA 99811-0020  
TELEPHONE: (907) 465-4660  
FAX: (907) 465-3008

April 3, 2009

The Honorable Lyman Hoffman  
Co-Chair, Senate Finance Committee  
Alaska State Legislature  
State Capitol, Room 518  
Juneau, AK 99801-1182

The Honorable Bert Stedman  
Co-Chair, Senate Finance Committee  
Alaska State Legislature  
State Capitol, Room 516  
Juneau, AK 99801-1182

The Honorable Mike Hawker  
Co-Chair, House Finance Committee  
Alaska State Legislature  
State Capitol, Room 505  
Juneau, AK 99801-1182

The Honorable Bill Stoltze  
Co-Chair, House Finance Committee  
Alaska State Legislature  
State Capitol, Room 515  
Juneau, AK 99801-1182

Dear Finance Committee Co-Chairs:

I am submitting an FY2010 operating budget amendment to fund the new bargaining unit agreement with the Alaska Correctional Officers Association.

You will note that the accompanying spreadsheet also lists two debt-related amendments. As both versions of the operating budget bills have difference section numbers and amounts, the suggested language has been informally communicated.

Please contact me if you have additional questions.

Sincerely,



Karen J. Rehfeld  
Director

cc: David Teal, Legislative Finance Division

Attachments

Governor's FY2010 Operating Budget Amendments

A	B	C	D	E	F	G	H	I	J	K	L	M
Date	No.	Department	RDU/ Component	PFT	PPT	NP	Description	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
1												0.0
16-Mar-09	DOR a	Revenue	Shared Taxes Language				Technical correction to the Shared Taxes language as it pertains to the Commercial Passenger Vessel Excise Tax to reflect calendar year 2009 collections and that the appropriation is from the commercial vessel passenger tax account.					
182												
16-Mar-09	DOT d	Transportation	Marine Vessel Operations				FY10 Bargaining Unit Contract Terms: Marine Engineers Beneficial Association (MEBA) Costs associated with the bargaining unit contract terms applicable to this component: \$789.1 This includes both wage and health insurance increases. Wage increase: effective July 1, 2009 the hourly rates in effect on June 30, 2009 for all job classifications will increase by 5 percent. Health insurance: effective July 1, 2009, the State contribution will increase from \$867 to \$911 per eligible employee per month.  (In addition, a language amendment is submitted to add MEBA to the bargaining units listed in sec. 21.)	789.1				789.1
183												
184												
185				0	0	0	<b>Operating Budget Amendments Subtotal March 16, 2009</b>	<b>(460.9)</b>	<b>0.0</b>	<b>0.0</b>		<b>(460.9)</b>
25-Mar-09	Sal b	Statewide	Statewide				FY10 Bargaining Unit Contract Terms: Labor, Trades, and Crafts unit (UTC) Wages will increase 1.5% and the State contribution for health insurance for each employee will increase by \$43 from \$870 to \$913 per month.	1,395.2	85.3	1,233.2	Various	2,713.7
186												
187												
188												
189				9	0	0	<b>FY2010 Operating Budget Amendments Revised Total March 25, 2009</b>	<b>(326,153.1)</b>	<b>73,760.7</b>	<b>(11,220.1)</b>		<b>(263,612.5)</b>
3-Apr-09	DOC a	Corrections	Department-wide				FY10 Bargaining Unit Contract Terms: Alaska Correctional Officers Association (ACOA) Costs associated with the bargaining unit agreement. Wages increase by 3 percent and the per employee monthly employer health insurance premium contribution increases by \$43 from \$870 to \$913.	3,302.3	32.7			3,335.0
3-Apr-09	DEBT a	Debt Service	Debt Retirement Fund				The amount of General Fund required to capitalize the Debt Retirement Fund is reduced by \$10,275.0. The bond sale of the Series 2009A General Obligation Bonds was made at a better interest rate and premium than originally projected. The debt payment in FY2010 will be for interest only, so can be paid entirely from the premium received on the bond sale.	(10,275.0)				(10,275.0)
3-Apr-09	DEBT b	Debt Service	General Obligation Bonds				The FY2010 debt service on the Series 2009A CO Bonds can be reduced from \$10,275.0 to \$5,589.0, and the fund source is changed from the Debt Retirement Fund (fund source 1044) to bond premiums and interest earnings in the Debt Service Fund (fund source 1184). The date of the sale of the bonds and projected expenditure of the funds allows the State to make an interest-only payment in FY2010.			(4,686.0)		(4,686.0)
192												
193				0	0	0	<b>Operating Budget Amendments Subtotal April 3, 2009</b>	<b>(6,972.7)</b>	<b>32.7</b>	<b>(4,686.0)</b>		<b>(11,626.0)</b>
194												
195				9	0	0	<b>FY2010 Operating Budget Amendments Revised Total April 3, 2009</b>	<b>(333,125.8)</b>	<b>73,793.4</b>	<b>(15,906.1)</b>		<b>(275,238.5)</b>

## Operating Budget Amendment

Add a new section to read:

Sec. --. DEPARTMENT OF CORRECTIONS. (a) The sum of \$3,335,000 is appropriated to the Department of Corrections to implement the monetary terms of the bargaining unit agreement with the Alaska Correctional Officers Association, for the fiscal year ending June 30, 2010, to the following allocations in the amounts and from the sources indicated:

ALLOCATION	SOURCE	ALLOCATION BY SOURCE	TOTAL ALLOCATION
(1) Correctional Academy	General fund	\$9,000	\$9,000
(2) Inmate Transportation	General fund	23,800	23,800
(3) Anchorage Correctional Complex	General fund	436,900	469,600
	Federal receipts	32,700	
(4) Anvil Mountain Correctional Center	General fund	97,600	97,600
(5) Combined Hiland Mountain Correctional Center	General fund	205,600	205,600
(6) Fairbanks Correctional Center	General fund	277,000	277,000
(7) Ketchikan Correctional Center	General fund	175,700	175,700
(8) Lemon Creek Correctional Center	General fund	156,700	156,700
(9) Matanuska-Susitna Correctional Center	General fund	88,100	88,100
(10) Palmer Correctional Center	General fund	230,900	230,900
(11) Spring Creek Correctional Center	General fund	1,205,000	1,205,000
(12) Wildwood Correctional Center	General fund	235,700	235,700
(13) Yukon-Kuskokwim Correctional Center	General fund	103,800	103,800
(14) Pt. MacKenzie Correctional Farm	General fund	56,500	56,500

(b) The appropriation made in (a) of this section is contingent on ratification of the collective bargaining unit agreement by the membership of the Alaska Correctional Officers Association.

This section needs a July 1, 2009 effective date.

# STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SARAH PALIN, GOVERNOR

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

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

## Memorandum

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**To:** Karen Rehfeld, Director  
Office of Management and  
Budget

**Date:** March 29, 2009

OFFICE OF  
MANAGEMENT & BUDGET

**From:** Annette Kreitzer 

**Phone:** 907.465.5671

MAR 31 2009

**Subject:** Monetary terms of the July 1, 2009 to June 30, 2012, Collective Bargaining Agreement between the State and the Alaska Correctional Officers Association.

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Negotiations with the Alaska Correctional Officers Association (ACOA) resulted in an impasse which was submitted under authority of AS 23.40.200 to an arbitrator for resolution. Arbitrator William Greer has rendered his decision which was received by the Department of Administration on March 19, 2009. The Arbitrator's decision and those provisions agreed upon by the parties will, upon legislative approval, form a collective bargaining agreement in effect from July 1, 2009 through June 30, 2012. Pursuant to AS 23.40.215 the monetary terms of that agreement must be submitted to the Legislature for approval through appropriation or disapproval by resolution within 60 days of receipt of this report. The interest arbitration award is being reviewed for legal sufficiency.

### I. Terms Requiring Appropriation.

#### Current Legislative session

Effective July 1, 2009, the employer health premium contribution shall increase by the amount of money necessary to fund comparable coverage to maintain the Select Benefits Economy plan. This presents an increase of \$43.00 per month, per member for a total of \$913.00.

Effective July 1, 2009, the wage schedule in effect on June 30, 2008, shall increase by three (3%) percent.

Effective July 1, 2009 every two years after Step F, an employee will be eligible for a 3.75% step increase. Pay increments will only be awarded through a

performance evaluation in which the employee is considered to have "acceptable or better service."

Effective July 1, 2009, there will be a geographic differential of 10% in Seward as well as an increase in the geographic differential in Ketchikan from 8% to 13% and an increase in the geographic differential in Fairbanks from 4% to 6%.

Effective July 1, 2009, employees who possess or achieve a Bachelors degree from an accredited institution of higher education shall receive a one time only step increase with proof of degree.

### **Future Legislative sessions**

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

Effective to July 1, 2010, the wage schedule in effect on June 30, 2009, shall increase by three (3%) percent.

Effective July 1, 2011, the employer health premium contribution shall increase by the amount of money necessary to fund comparable coverage to maintain the Select Benefits Economy plan. The amount of increase is yet to be determined.

Effective July 1, 2011, the wage schedule in effect on June 30, 2010, shall increase by three percent (3%).

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

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

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

Effective July 1, 2009, Personal Leave accrual for bargaining unit members will increase as follows:

- 11.08 hours per pay period if the member has zero (0) to two (2) years of service. This is an increase of 3.7 hours.
- 12.47 hours per pay period if the member has more than two (2) but less than five (5) years of service. This is an increase of 4.16 hours.
- 13.85 hours per pay period if the member has more than five (5) but less than ten (10) years of service. This is an increase of 4.62 hours.
- 16.62 hours per pay period if the member has more than ten (10) years of service. This is an increase of 5.54 hours.

Effective July 1, 2009, a member who recruits a candidate who successfully completes the Academy will have 20 hours of leave credited to their leave account. If this same candidate then successfully completes their probationary period, the member will have an additional 20 hours credited to their leave account.

**IV. Terms addressing employee compensation, not requiring appropriation.**

Effective July 1, 2009, overtime will be calculated on a daily, rather than weekly basis for 42-hour employees.

Effective July 1, 2009, the State will pay expenses reasonably incurred by qualified members in obtaining and maintaining Field Training Officer (FTO) certification, Prisoner Transport Officer (PTO) certification and Commercial Driver's License (CDL).

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

Cc: Joseph Schmidt, Commissioner  
Department of Corrections

Leslie Houston, Director  
Division of Administrative Services

Kim Garner, Director  
Division of Finance

Nicki Neal, Director  
Division of Personnel and Labor Relations

STATE OF ALASKA  
DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SARAH PALIN, GOVERNOR

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

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

March 29, 2009

The Honorable Mike Chenault  
Speaker of the House  
Alaska State Legislature  
State Capital, Room 3  
Juneau, Alaska 99801-1182

Dear Speaker Chenault:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organization. By copy of my memorandum to Karen Rehfeld, Director of the Office of Management and Budget (enclosed), please accept my report of the monetary terms of the collective bargaining agreement reached, through interest arbitration, between the State and the Alaska Correctional Officers Association (ACOA). The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. Please note that the interest arbitration award is being reviewed for legal sufficiency.

If I can answer any questions or provide additional information, please call.

Sincerely,



Annette Kreitzer

Enclosure

cc: Karen Rehfeld, Director of the Office of Management and Budget



SARAH PALIN, GOVERNOR

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

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

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

March 29, 2009

The Honorable Gary Stevens  
President of the Senate  
Alaska State Legislature  
State Capital, Room 3  
Juneau, Alaska 99801-1182

Dear President Stevens:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organization. By copy of my memorandum to Karen Rehfeld, Director of the Office of Management and Budget (enclosed), please accept my report of the monetary terms of the collective bargaining agreement reached, through interest arbitration, between the State and the Alaska Correctional Officers Association (ACOA). The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. Please note that the interest arbitration award is being reviewed for legal sufficiency.

If I can answer any questions or provide additional information, please call.

Sincerely,

Annette Kreitzer

Enclosure

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