

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

SEAN PARNELL, GOVERNOR

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
TELEPHONE: (907) 465-4660
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March 23, 2011

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 Bill Thomas
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 505
Juneau, AK 99801-1182

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

Re: FY 2012 Operating Amendments HB 108/SB 47

Dear Finance Committee Co-Chairs:

The purpose of this amendment package is to formally transmit FY2012 operating budget amendments relating to the following bargaining unit agreements:

1. The Alaska Vocational Technical Center Teachers' Association. If approved by the Legislature, the monetary terms of this agreement become effective July 1, 2011, and remain in effect through June 30, 2014.
2. The Alaska Higher Education Crafts and Trades Employees for FY2012 and FY2013.

Thank you for your consideration of this budget amendment.

Sincerely,



Karen J. Rehfeld
Director

Enclosures

cc: David Teal, Director, Legislative Finance Division

FY 2012 OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCSHB 108(FIN)/SCSHB 109(FIN)

OFFERED BY:

ADD:

Amend the SALARY AND BENEFITS ADJUSTMENTS section as follows:

* **Sec. 24. SALARY AND BENEFIT ADJUSTMENTS.** (a) The operating budget appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2012, of the following ongoing collective bargaining agreements:

- (1) Alaska Public Employees Association, for the confidential unit;
- (2) Alaska State Employees Association, for the general government unit;
- (3) Alaska Public Employees Association, for the supervisory unit;
- (4) Alaska Vocational Technical Center Teachers' Association –

National Education Association, representing the employees of the Alaska Vocational Technical Center,

(5) [(4)] Public Employees Local 71, for the labor, trades and crafts unit;

(6) [(5)] Alaska Correctional Officers Association, representing correctional officers;

(7) [(6)] Teachers' Education Association of Mt. Edgecumbe.

(b) The operating budget appropriations made to the University of Alaska in sec. 1 of this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2012, for university employees who are not members of a collective bargaining unit and for the terms of the current agreements for the fiscal year ending June 30, 2012 providing for the staff benefits for university employees represented by the following entities:

- (1) Alaska Higher Education Crafts and Trades Employees;
- (2) University of Alaska Federation of Teachers;
- (3) United Academics;
- (4) United Academics-Adjuncts.

EXPLANATION:

The State of Alaska has reached agreement on bargaining unit terms with the Alaska Vocational Technical Center Teachers' Association – National Education Association, representing the employees of the Alaska Vocational Technical Center

FY 2012 OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: CSHB 108(FIN)/CSHB 109(FIN)

OFFERED BY:

DEPARTMENT: Labor and Workforce Development
APPROPRIATION: Alaska Vocational Technical Center
ALLOCATION: Alaska Vocational Technical Center
ADD: \$163,800 General Funds (1004)

EXPLANATION:

The State of Alaska's Department of Administration has reached an agreement on a three-year successor contract with the Alaska Vocational Technical Center Teachers' Association (AVTECTA) covering the period of July 1, 2011 through June 30, 2014.

The agreement contains the following FY 2012 provisions:

- 2% salary increase beginning July 1, 2011.
- Beginning July 1, 2011, employer health insurance premium contribution increases by \$162.00 per member, per month

This request includes a fund source change from the original calculation due to unrealizable fund sources. The original calculation was"

| | |
|-----------|--------------------------------------|
| \$143,900 | General Funds (1004) |
| 1,700 | General Fund Program Receipts (1005) |
| 18,200 | Interagency Receipts (1007) |

This fund source change is needed to replace the unrealizable General Fund Program Receipts (GF/PR) and Inter-Agency Receipts that were built into the AVTECTA salary increases. Increases to AVTEC's GF/PR revenue is based on tuition and fees charged to students, and tuition rates have not increased. Inter-Agency receipts are negotiated with other agencies and are not a guaranteed basis for funding AVTEC personal services cost increases. In fact, the federal funding behind many of the reimbursable services agreements is actually declining.

Change Record Ignoring Included Scenarios (RTF)
 Department of Labor and Workforce Development

Scenario: FY2012 PS AVTECTA Year 1 Sal & HI (8973)
 Component: Alaska Vocational Technical Center (2686)
 RDU: Alaska Vocational Technical Center (578)

| Change Record Title | Trans Type | Totals | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants, Benefits | Miscellaneous | PFT | Positions PPT | NP |
|---|------------|--------------|-------------------|------------|------------|-------------|----------------|------------------|---------------|----------|---------------|----------|
| FY2012 AVTECTA Year 1 Salary and Health Insurance Increase | | | | | | | | | | | | |
| | SalAdj | 163.8 | 163.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund | | 143.9 | | | | | | | | | | |
| 1005 GF/Prgm | | 1.7 | | | | | | | | | | |
| 1007 I/A Rcpts | | 18.2 | | | | | | | | | | |
| AVTECTA Year 1 Increase Total: \$163.8 | | | | | | | | | | | | |
| AVTECTA Year 1 Salary Increase: \$79.4 | | | | | | | | | | | | |
| AVTECTA Year 1 Health Insurance Increase: \$84.4 | | | | | | | | | | | | |
| Correct Unrealizable Fund Sources for Personal Services Increases | | | | | | | | | | | | |
| | FndChg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund | | 19.9 | | | | | | | | | | |
| 1005 GF/Prgm | | -1.7 | | | | | | | | | | |
| 1007 I/A Rcpts | | -18.2 | | | | | | | | | | |
| This fund source change is needed to replace the unrealizable General Fund Program Receipts (GF/PR) and Inter-Agency Receipts that were built into the AVTECTA salary increases. Increases to AVTEC's GF/PR revenue is based on tuition and fees charged to students, and tuition rates have not increased. Inter-Agency receipts are negotiated with other agencies and are not a guaranteed basis for funding AVTEC personal services cost increases. In fact, the federal funding behind many of the reimbursable services agreements is actually declining. | | | | | | | | | | | | |
| Totals | | 163.8 | 163.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |

MEMORANDUM
Department of Administration
Office of the Commissioner

State of Alaska

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

Date: March 18, 2011

From: Becky Hultberg 
Commissioner

Phone: 465-2200

Subject: Monetary terms of the July 1, 2011 to June 30, 2014,
Collective Bargaining Agreement between the State and the Alaska
Vocational Technical Center Teachers' Association

The Administration has concluded negotiations with the Alaska Vocational Technical Center Teachers' Association (AVTECTA). If approved by the Legislature the monetary terms of this agreement become effective July 1, 2011 and remain in effect through June 30, 2014.

I. Terms Requiring Appropriation.

Current Legislative session

Effective July 1, 2011, the employer health premium contribution shall increase by an amount not exceeding that necessary to fund coverage under the "Select Benefits Economy Medical/Audio/Rx/Dental Plan." This amounts to an increase of \$162.00 per member, per month.

Effective July 1, 2011, the wage schedule in effect on July 1, 2010, shall increase by two percent (2%).

Future Legislative sessions

Effective July 1, 2012, the employer health premium contribution shall increase by an amount not exceeding that necessary to fund coverage under the "Select Benefits Economy Medical/Audio/Rx/Dental Plan."

Effective July 1, 2012, the wage schedule in effect on July 1, 2011, shall increase by two percent (2%).

Effective July 1, 2013, the employer health premium contribution shall increase by an amount not exceeding that necessary to fund coverage under the "Select Benefits Economy Medical/Audio/Rx/Dental Plan."

Effective July 1, 2013, the wage schedule in effect on July 1, 2012, shall increase by one percent (1%).

II. Change in State Revenues.

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

III. Change in Productive Work Hours.

There is no change in productive work hours.

IV. Terms addressing employee compensation, not requiring appropriation.

There are no new terms addressing compensation and not requiring appropriation.

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

Cc: Click Bishop, Commissioner,
Department of Labor

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

Kim Garner, Director
Division of Finance

Nicki Neal, Director
Division of Personnel and Labor Relations

FY 2012 OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: CSHB 108(FIN)/CSHB 109(FIN)

OFFERED BY:

DEPARTMENT: University
APPROPRIATION: Budget Reductions/Additions

ALLOCATION: Budget Reductions/Additions - Systemwide
ADD: \$465,900 General Funds (1004)
\$ 55,700 University Receipts (1048)

EXPLANATION:

The University of Alaska has reached an agreement on a two-year successor contract with the Alaska Higher Education Crafts and Trades Employees (AHECTE) covering the period of July 1, 2011 through June 30, 2013.

The agreement contains the following FY 2012 provisions:

- 1% grid adjustment, with a step for eligible employees in December 2011;

Change Record Detail With Description

University of Alaska

Scenario: FY2012 PS University BU agreements (8978)
Component: Budget Reductions/Additions - Systemwide (1296)
RDU: Budget Reductions/Additions (233)

| Scenario/Change Record Title | Trans Type | Totals | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants, Benefits | Miscellaneous | PFT | Positions PPT | NP |
|--|------------|--------------|-------------------|------------|------------|-------------|----------------|------------------|---------------|----------|---------------|----------|
| FY2012 PS University BU agreements | | | | | | | | | | | | |
| FY2012 AHECTE Year 1 | | | | | | | | | | | | |
| 1004 Gen Fund | Inc | 521.6 | 521.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1048 Univ Rcpt | | 465.9 | | | | | | | | | | |
| | | 55.7 | | | | | | | | | | |
| The University of Alaska (UA) is requesting an amendment of \$521.6 thousand (\$465.9 thousand general funds, \$55.7 thousand university receipts) to cover the FY12 compensation increases necessary under the tentative agreement with the Alaska Higher Education Crafts & Trades Employees (AHECTE) represented members. | | | | | | | | | | | | |
| The tentative agreement between the UA and the AHECTE includes: FY12, a 1% grid adjustment, with a step for eligible employees in December 2011; FY13, a 1.65% grid adjustment, with a step for eligible employees in December 2012. The union is in the ratification process. | | | | | | | | | | | | |
| Component Totals | | 521.6 | 521.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |

Michelle Rizk, Associate Vice President
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michelle.rizk@alaska.edu



UNIVERSITY
of ALASKA
Many Traditions One Alaska

Statewide Planning & Budget
PO BOX 755260
910 Yukon Drive Ste. 108
Fairbanks, AK 99775-5260

March 22, 2011

Karen Rehfeld, Director
Office of Management and Budget
P.O. Box 110020
Juneau, AK 99811

Dear Ms. Rehfeld:

The University of Alaska (UA) is requesting an amendment of \$521.6 thousand (\$465.9 thousand general funds, \$55.7 thousand university receipts) to cover the FY12 compensation increases necessary under the tentative agreement with the Alaska Higher Education Crafts & Trades Employees (AHECTE) represented members.

The tentative agreement between the UA and the AHECTE includes: FY12, a 1% grid adjustment, with a step for eligible employees in December 2011; FY13, a 1.65% grid adjustment, with a step for eligible employees in December 2012. The union is in the ratification process.

Please let me know if you need any additional information.

Sincerely,

Michelle Rizk