

**By Subcategories**

**UGF/DGF/Other/Fed Summary by Department (1088)**

**Alaska State Employee Assc. (GGU)**

**Scenario: FY2017 Governor Amds Submitted Mar17 (13349)**

<b>Department</b>	<b>UGF</b>	<b>DGF</b>	<b>Other</b>	<b>Federal</b>	<b>Total</b>	<b>PFT</b>	<b>PPT</b>	<b>NP Positions</b>	<b>Total</b>
Department of Administration	-92.5	-79.4	-152.8	-1.4	-326.1	0	0	0	0
Department of Commerce, Community, and Economic Development	-31.6	-125.5	-18.1	-6.4	-181.6	0	0	0	0
Department of Corrections	-298.5	-44.8	-4.9	-12.2	-360.4	0	0	0	0
Department of Education and Early Development	-63.3	-5.0	-9.2	-23.3	-100.8	0	0	0	0
Department of Environmental Conservation	-54.5	-87.8	-42.5	-63.0	-247.8	0	0	0	0
Department of Fish and Game	-134.5	-7.5	-137.0	-158.3	-437.3	0	0	0	0
Department of Health and Social Services	-1,079.8	-73.7	-201.8	-386.5	-1,741.8	0	0	0	0
Department of Labor and Workforce Development	-37.1	-51.2	-30.0	-243.9	-362.2	0	0	0	0
Department of Law	-71.8	-6.0	-38.4	-3.8	-120.0	0	0	0	0
Department of Military and Veterans Affairs	-28.8	0.0	-25.5	-43.4	-97.7	0	0	0	0
Department of Natural Resources	-163.6	-86.1	-77.3	-28.2	-355.2	0	0	0	0
Department of Public Safety	-169.3	-10.5	-15.7	-2.7	-198.2	0	0	0	0
Department of Revenue	-107.1	-39.5	-12.1	-75.8	-234.5	0	0	0	0
Department of Transportation/Public Facilities	-53.1	-85.5	-593.8	0.0	-732.4	0	0	0	0
<b>Total:</b>	<b>-2,385.5</b>	<b>-702.5</b>	<b>-1,359.1</b>	<b>-1,048.9</b>	<b>-5,496.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The Finance Committee

**TO:**

**OFFERED BY:**

**DEPARTMENT:** Various

**APPROPRIATION:** Various

**ALLOCATION:** Various

**ADD:**

1002	Federal Receipts	(1,044.3)
1003	General Fund Match	(278.1)
1004	General Fund Receipts	(1,943.2)
1005	General Fund/Program Receipts	(302.4)
1007	Interagency Receipts	(384.3)
1014	Donated Commodity/Handling Fee Account 1017	(1.1)
	Benefits Systems Receipts	(16.8)
1021	Agricultural Loan Fund	(3.4)
1023	FICA Administration Fund Account	(0.4)
1024	Fish and Game Fund	(49.6)
1026	Highways/Equipment Working Capital Fund 1027	(9.5)
	International Airport Revenue Fund	(62.0)
1029	Public Employees Retirement System Fund	(25.7)
1031	Second Injury Fund Reserve Account	(0.9)
1032	Fishermen's Fund	(1.3)
1033	Surplus Property Revolving Fund	(1.4)
1034	Teachers Retirement System Fund	(8.9)
1036	Commercial Fishing Loan Fund	(16.1)
1037	General Fund / Mental Health	(161.8)
1039	U/A Indirect Cost Recovery (1061 Capital Impr Rcpt)	(36.6)
1040	Real Estate Surety Fund	(0.7)
1042	Judicial Retirement System	(0.1)
1045	National Guard & Naval Militia Retirement System 1049	(0.7)
	Training and Building Fund	(1.4)
1050	Permanent Fund Dividend Fund	(36.3)
1052	Oil/Hazardous Prevention/Response Fund 1054 State	(54.5)
	Employment & Training Program	(2.5)
1055	Interagency/Oil & Hazardous Waste	(0.8)
1061	Capital Improvement Project Receipts	(589.1)
1066	Public School Trust Fund	(0.1)
1070	Fisheries Enhancement Revolving Loan Fund 1076	(1.7)
	Marine Highway System Fund	(52.0)

1081	Information Services Fund	(54.5)
1092	Mental Health Trust Authority Authorized Receipts	(8.9)
1093	Clean Air Protection Fund	(15.0)
1104	Alaska Municipal Bond Bank Receipts	(0.5)
1105	Alaska Permanent Fund Corporation Receipts	(15.4)
1108	Statutory Designated Program Receipts	(65.0)
1109	Test Fisheries Receipts	(3.6)
1133	CSSD Administrative Cost Reimbursement	(2.1)
1141	RCA Receipts	(27.7)
1147	Public Building Fund	(3.2)
1151	Technical Vocational Education Program Account	(10.2)
1153	State Land Disposal Income Fund	(21.5)
1154	Shore Fisheries Development Lease Program	(1.3)
1155	Timber Sale Receipts	(2.8)
1156	Receipt Supported Services	(58.1)
1157	Workers Safety and Compensation Administration Account	(29.7)
1162	Alaska Oil & Gas Conservation Commission Rcppts	(3.6)
1164	Rural Development Initiative Fund	(0.3)
1166	Commercial Passenger Vessel Environmental Compliance Fund	(4.1)
1168	Tobacco Use Education and Cessation Fund	(6.8)
1169	PCE Endowment Fund	(0.1)
1170	Small Business Economic Development Revolving Loan Fund	(0.3)
1171	PF Dividend Appropriations in lieu of Dividends to Criminals	(39.8)
1172	Building Safety Account	(3.9)
1200	Vehicle Rental Tax Receipts	(10.7)
1201	Commercial Fisheries Entry Commission Receipts	(1.8)
1203	Workers' Compensation Benefits Guaranty Fund	(0.6)
1205	Berth Fees for the Ocean Ranger Program	(1.5)
1215	Uniform Commercial Registration fees	(2.9)
1220	Crime Victim Compensation Fund	(1.4)
1226	Alaska Higher Education Investment Fund	(0.8)
1230	Alaska Clean Water Administrative Fund	(3.4)
1231	Alaska Drinking Water Administrative Fund	(1.0)
1232	In-state Pipeline Fund Interagency	(3.4)
1241	General Fund/Liquefied Natural Gas	(2.4)
	Total	(5,496.0)

**EXPLANATION:** The State of Alaska Department of Administration has reached an agreement on a three-year contract with the Alaska State Employees Association (representing the General Government Unit) covering the period of July 1, 2016 through June 30, 2019. There is a reduction of \$4.1 million (\$1.8 million UGF) for the health insurance contribution decrease from \$1,389 to \$1,342 and \$1.4 million (\$586.8 UGF) for 15 hour per member furloughs. The total amendment is a \$5.5 million (\$2.4 million UGF) reduction.

The agreement contains the following FY2017 provisions that require an appropriation:

- Beginning July 1, 2016, the Employer's health insurance contribution rate will be \$1,342 per member per month.
- Every permanent full time employee will be required to take 15 hours of furlough each fiscal year.

The agreement contains the following FY2017 provision that does not require an appropriation:

- Twenty eight employees in select geographical locations whose pay had been frozen since 2011 will now be eligible for merit/pay increases.



# Memorandum

To: Pat Pitney, Director  
Office of Management and Budget  
Office of the Governor

From: Sheldon Fisher, Commissioner *S.F.*  
Department of Administration

Date: February 9, 2016

Subject: Monetary terms of the July 1, 2016, to June 30, 2019, Collective Bargaining Agreement between the State and the Alaska State Employees Association (representing the General Government Unit).

The Administration has concluded the negotiations process with the Alaska State Employees Association. **If approved by the Legislature the monetary terms of this agreement become effective July 1, 2016, and remain in effect through June 30, 2019.**

## I. Terms Requiring Appropriation.

### Current Legislative session

Effective July 1, 2016, the Employer's health insurance contribution rate will be \$1342 per eligible member per month.

### Future Legislative Sessions

Effective July 1, 2017, the Employer's health insurance contribution will be \$1389 per eligible member per month.

Effective July 1, 2018, the Employer's health insurance contribution will be \$1432 per eligible member per month.

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

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

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

Every permanent full-time employee will be required to take 15 hours of furlough each fiscal year.

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

Twenty eight employees in select geographic locations whose pay had been frozen since 2011 will now be eligible for merit/pay increases.

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: Representative Mike Chenault, Speaker of the House, Alaska State Legislature

Senator Kevin Meyer, Senate President, Alaska State Legislature

All Commissioners

All Administrative Services Directors

Scot Arehart, Director  
Division of Finance

Kate Sheehan, Director  
Division of Personnel and Labor Relations

**By Subcategories**

**UGF/DGF/Other/Fed Summary by Department (1088)**

**Confidential Employee Assc. (CEA)**

**Scenario: FY2017 Governor Amds Submitted Mar17 (13349)**

<b>Department</b>	<b>UGF</b>	<b>DGF</b>	<b>Other</b>	<b>Federal</b>	<b>Total</b>	<b>PFT</b>	<b>PPT</b>	<b>NP Positions</b>	<b>Total</b>
Department of Administration	-7.0	0.0	-16.2	0.0	-23.2	0	0	0	0
Department of Commerce, Community, and Economic Development	-0.1	0.0	-0.4	0.0	-0.5	0	0	0	0
Department of Corrections	-1.5	0.0	0.0	0.0	-1.5	0	0	0	0
Department of Education and Early Development	-0.1	0.0	-0.2	0.0	-0.3	0	0	0	0
Department of Environmental Conservation	-0.1	-0.2	0.0	-0.1	-0.4	0	0	0	0
Department of Fish and Game	-0.5	0.0	-0.1	-0.1	-0.7	0	0	0	0
Department of Health and Social Services	-1.0	0.0	-0.2	-0.8	-2.0	0	0	0	0
Department of Labor and Workforce Development	-0.5	0.0	0.0	0.0	-0.5	0	0	0	0
Department of Military and Veterans Affairs	-0.1	0.0	-0.1	0.0	-0.2	0	0	0	0
Department of Natural Resources	-0.3	0.0	-0.2	0.0	-0.5	0	0	0	0
Department of Public Safety	0.0	0.0	-0.5	0.0	-0.5	0	0	0	0
Department of Revenue	-0.1	0.0	-0.2	-0.1	-0.4	0	0	0	0
Department of Transportation/Public Facilities	-0.3	-1.2	-1.2	0.0	-2.7	0	0	0	0
<b>Total:</b>	<b>-11.6</b>	<b>-1.4</b>	<b>-19.3</b>	<b>-1.1</b>	<b>-33.4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The Finance Committee

**TO:**

**OFFERED BY:** Insert Legislature

**DEPARTMENT:** Various

**APPROPRIATION:** Various

**ALLOCATION:** Various

**ADD:**

1002	Federal Receipts	(1.0)
1004	General Fund Receipts	(11.6)
1007	Interagency Receipts	(18.1)
1026	Highways/Equipment Working Capital Fund	(0.1)
1027	International Airport Revenue Fund	(0.1)
1039	U/A Indirect Cost Recovery (1061 CIP)	(1.1)
1052	Oil/Hazardous Prevention/Response Fund	(0.2)
1061	Capital Improvement Project Receipts	0.1
1076	Marine Highway System Fund	(1.2)
1133	CSSD Administrative Cost Reimbursement	(0.1)
	Total	(33.4)

**EXPLANATION:**

The State of Alaska Department of Administration has reached an agreement on a three-year contract with the Confidential Employees Association covering the period of July 1, 2016 through June 30, 2019.

The agreement contains the following FY2017 provisions that require an appropriation:

- Beginning July 1, 2016, the Employer’s health insurance contribution rate shall be the amount of money not exceeding that necessary to maintain the Select Benefits Default/Economy plan.
- Beginning July 1, 2016, employer contribution to the Legal Trust will increase from \$10 to \$12 per employee per month.
- Every permanent full-time employee will be required to take 15 hours of furlough each fiscal year.

The agreement contains the following FY2017 provisions that do not require an appropriation:

- Effective January 1, 2017, employee contributions to the Economy Plan, Employee Only health care shall be \$30 per month. Employee contributions to the Economy Plan plus Family, shall be \$75 per month.



# Memorandum

To: Pat Pitney, Director  
Office of Management and Budget  
Office of the Governor

From: Sheldon Fisher, Commissioner *S.F.*  
Department of Administration

Date: March 15, 2016

Subject: Monetary terms of the July 1, 2016 to June 30, 2019 Collective Bargaining Agreement between the State and the Confidential Employees Association.

The Administration has concluded the negotiations process with the Confidential Employees Association. **If approved by the Legislature the monetary terms of this agreement become effective July 1, 2016 and remain in effect through June 30, 2019.**

## **I. Terms Requiring Appropriation.**

### **Current Legislative session**

Effective July 1, 2016, the Employer's health insurance contribution rate shall be the amount of money not exceeding that necessary to maintain the Select Benefits Default/Economy plan.

Effective July 1, 2016, the Employer contribution to the Legal Trust shall increase from \$10 per employee per month to \$12 per employee per month. This is an increase of \$2 per employee per month.

### **Future Legislative Sessions**

Effective July 1, 2017, the Employer's health insurance contribution rate shall be the amount of money not exceeding that necessary to maintain the Select Benefits Default/Economy plan.

Effective July 1, 2018, the Employer's health insurance contribution rate shall be the amount of money not exceeding that necessary to maintain the Select Benefits Default/Economy plan.

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

No term of this agreement addresses change in state revenues.

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

Every permanent full-time employee will be required to take 15 hours of furlough each fiscal year.

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

Effective January 1, 2017, employee contributions to the Economy Plan, Employee Only health care shall be \$30 per month. Employee contributions to the Economy Plan plus Family, shall be \$75 per month.

Effective January 1, 2018, employee contributions to the Economy Plan, Employee Only health care shall be \$40 per month. Employee contributions to the Economy Plan plus Family, shall be \$115 per month.

Effective January 1, 2019, employee contributions to the Economy Plan, Employee Only health care shall be \$60 per month. Employee contributions to the Economy Plan plus Family, shall be \$160 per month.

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: Representative Mike Chenault, Speaker of the House, Alaska State Legislature

Senator Kevin Meyer, Senate President, Alaska State Legislature

All Commissioners

All Administrative Services Directors

Scot Arehart, Director  
Division of Finance

Kate Sheehan, Director  
Division of Personnel and Labor Relations

**Change Record Detail with Description (1441)**  
**Department of Transportation/Public Facilities**

**Scenario:** FY2017 Governor Amds Submitted Mar17 (13349)

**Component:** Marine Vessel Operations (2604)

**RDU:** Marine Highway System (334)

**Title:** Salaries for Marine Engineer's Beneficial Association (MEBA) Contract Terms Year 3 of 3

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	SalAdj	534.2	534.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	534.2										

Marine Engineer's Beneficial Association (MEBA) Contract Year 3 of 3. FY2017 is the final year of the contract and reflects a 2% cost of living increase of \$216.6, pay increments for M/V Tustumena employees of \$43.7, and a 5.9% defined benefit contribution increase of \$117.9.

The amendment includes \$156.0 that was removed by the Senate based on the contract not being ratified by members. This amount is included in the House version of the FY2017 operating bill. The estimated FY2017 additional cost is \$378.2 for a total amendment request of \$534.2.

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The Finance Committee

**TO:**

**OFFERED BY:**

**DEPARTMENT:** Various

**APPROPRIATION:** Various

**ALLOCATION:** Various

**ADD:**

1004 General Fund Receipts 534.2

**EXPLANATION:**

Marine Engineer's Beneficial Association (MEBA) Contract Year 3 of 3. FY2017 is the final year of the contract and reflects a 2% cost of living increase of \$216.6, pay increments for M/V Tustumena employees of \$43.7, and a 5.9% defined benefit contribution increase of \$117.9.

The amendment includes \$156.0 that was removed by the Senate based on the contract not being ratified by members. This amount is included in the House version of the FY2017 operating bill. The estimated FY2017 additional cost is \$378.2 for a total amendment request of \$534.2.

The agreement contains the following FY2017 provisions that require an appropriation:

- Effective July 1, 2016, the Employer's health insurance contribution rate shall be the amount of money that is necessary to maintain the Select Benefits Default/Economy plan.
- Effective July 1, 2016, the wages for employees working on the M/V Tustumena will increase by 5% to 8%, depending on job classification.
- Effective July 1, 2016, the Employer contribution to the Defined Benefits plan is increased by 5.9%.
- Effective July 1, 2016, State contribution to the Union training fund will increase by \$1 per man per day.
- Upon implementation of the agreement, employees and retirees who retire during the life of this agreement are required to pay a \$100 fee to use any pass privileges.



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of Administration**

SHELDON FISHER, COMMISSIONER

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PO Box 110200  
Juneau, AK 99811-0200  
Main: 907.465.2200  
Fax: 907.465.2135  
www.doa.alaska.gov

**To: Pat Pitney, Director**  
Office of Management and Budget  
Office of the Governor

Date: January 29, 2015

**From: Sheldon Fisher**  
Commissioner

Phone: 465-2200

**Subject:** Monetary terms of the July 1, 2014 to June 30, 2017 Collective Bargaining Agreement between the State and the Marine Engineers' Beneficial Association, Alaska Region representing the licensed Marine Engineers of the Alaska Marine Highway System.

The Administration has concluded the negotiations process with the Marine engineers' Beneficial Association resulting in a tentative agreement that is subject to ratification by the Union membership. **If approved by the Legislature the monetary terms of this agreement become effective July 1, 2015 and remain in effect through June 30, 2017.**

**I. Terms Requiring Appropriation.**

**Future Legislative Sessions**

Effective July 1, 2015, the Employer's health insurance contribution will be the amount of money that is necessary to maintain the Select Benefits Default/Economy Plan, whichever is higher.

Effective July 1, 2015, the wage schedule in effect on June 30, 2015 will increase by 1%.

Effective July 1, 2015, State contribution to the Union training fund will increase by \$1 per man per day.

Effective July 1, 2016, the Employer's health insurance contribution will be the amount of money that is necessary to maintain the Select Benefits Default/Economy Plan.

Effective July 1, 2016, the wage schedule in effect on June 30, 2016 will increase by 2%.

Effective July 1, 2016, the wages for employees working on the M/V Tustumena will increase by 5% to 8%, depending on job classification.

Effective July 1, 2016, the Employer contribution to the Defined Benefits plan is increased by 5.9%

Effective July 1, 2016, State contribution to the Union training fund will increase by \$1 per man per day.

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

Upon implementation of the agreement, employees and retirees who retire during the life of this agreement are required to pay a \$100 fee to use any pass privileges.

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

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

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

Effective July 1, 2014, the Employer's health insurance contribution rate will be \$1371 per eligible member per month.

Effective July 1, 2016, the Employer contribution to the Money Purchase Benefit Plan is reduced by 2.4 %

Effective July 1, 2016, the wage reallocation will be reduced to 3.6%.

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: Representative Mike Chenault, Speaker of the House, Alaska State Legislature

Senator Kevin Meyer, Senate President, Alaska State Legislature

Acting Commissioner John Binder, Department of Transportation and Public Facilities

Mary Siroky, Administrative Services Director, Department of Transportation and Public Facilities

Scot Arehart, Director  
Division of Finance

Kate Sheehan, Director  
Division of Personnel and Labor Relations

Category: AK Care

**UGF/DGF/Other/Fed Summary by Department (1088)**

Alaska Care Health Insurance Rate

Scenario: FY2017 Governor Amds Submitted Mar17 (13349)

Department	UGF	DGF	Other	Federal	Total	PFT	PPT	NP Positions	Total
Department of Administration	282.9	64.8	263.0	1.7	612.4	0	0	0	0
Department of Commerce, Community, and Economic Development	27.7	87.1	171.8	2.6	289.2	0	0	0	0
Department of Corrections	1,373.2	18.3	0.6	23.3	1,415.4	0	0	0	0
Department of Education and Early Development	51.3	3.4	152.7	9.5	216.9	0	0	0	0
Department of Environmental Conservation	44.5	60.4	27.6	50.6	183.1	0	0	0	0
Department of Fish and Game	244.2	48.5	115.1	138.2	546.0	0	0	0	0
Office of the Governor	163.2	0.0	6.3	1.3	170.8	0	0	0	0
Department of Health and Social Services	456.5	24.8	85.4	215.1	781.8	0	0	0	0
Department of Labor and Workforce Development	61.3	31.5	26.7	110.8	230.3	0	0	0	0
Department of Law	263.9	8.4	137.1	1.8	411.2	0	0	0	0
Department of Military and Veterans Affairs	32.4	0.0	37.9	24.7	95.0	0	0	0	0
Department of Natural Resources	169.2	62.7	80.7	15.3	327.9	0	0	0	0
Department of Public Safety	102.0	4.7	6.7	0.7	114.1	0	0	0	0
Department of Revenue	62.4	17.2	119.5	32.8	231.9	0	0	0	0
Department of Transportation/Public Facilities	842.0	69.2	331.7	0.0	1,242.9	0	0	0	0
Judiciary	959.5	0.0	0.0	0.0	959.5	0	0	0	0
Legislature	578.4	0.0	0.0	0.0	578.4	0	0	0	0
<b>Total:</b>	<b>5,714.6</b>	<b>501.0</b>	<b>1,562.8</b>	<b>628.4</b>	<b>8,406.8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The Finance Committee

**TO:**

**OFFERED BY:**

**DEPARTMENT:** Various

**APPROPRIATION:** Various

**ALLOCATION:** Various

**ADD:**

1002	Federal Receipts	620.9
1003	General Fund Match	132.1
1004	General Fund Receipts	5,442.8
1005	General Fund/Program Receipts	160.0
1007	Interagency Receipts	727.0
1014	Donated Commodity/Handling Fee Account	0.7
1017	Benefits Systems Receipts	13.4
1018	Exxon Valdez Oil Spill Settlement	6.2
1023	FICA Administration Fund Account	0.4
1024	Fish and Game Fund	62.2
1026	Highways/Equipment Working Capital Fund	15.4
1027	International Airport Revenue Fund	48.7
1029	Public Employees Retirement System Fund	20.4
1031	Second Injury Fund Reserve Account	0.9
1032	Fishermen's Fund	0.7
1033	Surplus Property Revolving Fund	0.9
1034	Teachers Retirement System Fund	7.1
1036	Commercial Fishing Loan Fund	10.0
1037	General Fund / Mental Health	116.2
1040	Real Estate Surety Fund	0.1
1045	National Guard & Naval Militia Retirement System	0.6
1049	Training and Building Fund	2.4
1050	Permanent Fund Dividend Fund	15.2
1052	Oil/Hazardous Prevention/Response Fund	42.4
1054	State Employment & Training Program	1.4
1055	Interagency/Oil & Hazardous Waste	2.8
1061	Capital Improvement Project Receipts	336.1
1066	Public School Trust Fund	0.3
1070	Fisheries Enhancement Revolving Loan Fund	1.1
1076	Marine Highway System Fund	56.0
1081	Information Services Fund	34.9
1092	Mental Health Trust Authority Authorized Receipts	25.8
1093	Clean Air Protection Fund	9.2
1094	Mental Health Trust Administration	20.2

1101	Alaska Aerospace Development Corporation Receipts	20.0
1102	Alaska Industrial Development & Export Authority Receipts	43.5
1104	Alaska Municipal Bond Bank Receipts	0.6
1105	Alaska Permanent Fund Corporation Receipts	90.6
1108	Statutory Designated Program Receipts	64.5
1109	Test Fisheries Receipts	6.5
1133	CSSD Administrative Cost Reimbursement	5.9
1141	RCA Receipts	32.7
1147	Public Building Fund	4.8
1151	Technical Vocational Education Program Account	2.7
1153	State Land Disposal Income Fund	10.1
1154	Shore Fisheries Development Lease Program	1.2
1155	Timber Sale Receipts	0.3
1156	Receipt Supported Services	38.6
1157	Workers Safety and Compensation Administration Account	13.7
1162	Alaska Oil & Gas Conservation Commission Rcpts	30.3
1164	Rural Development Initiative Fund	0.1
1166	Commercial Passenger Vessel Environmental Compliance Fund	2.2
1168	Tobacco Use Education and Cessation Fund	2.2
1169	PCE Endowment Fund	0.5
1170	Small Business Economic Development Revolving Loan Fund	0.1
1171	PF Dividend Appropriations in lieu of Dividends to Criminals	17.0
1172	Building Safety Account	3.1
1185	Election Fund (HAVA)	1.3
1200	Vehicle Rental Tax Receipts	8.4
1201	Commercial Fisheries Entry Commission Receipts	39.9
1205	Berth Fees for the Ocean Ranger Program	0.9
1215	Uniform Commercial Registration fees	0.9
1220	Crime Victim Compensation Fund	1.3
1230	Alaska Clean Water Administrative Fund	2.3
1231	Alaska Drinking Water Administrative Fund	0.9
1232	In-state Pipeline Fund Interagency	1.7
1241	General Fund/Liquefied Natural Gas	23.5
	Total	<u>8,406.8</u>

**EXPLANATION:**

Employer contribution rates for employees covered by Alaska Care will increase from \$1,346 to \$1,451 per member per month. The following bargaining units participate in Alaska Care:

- AVTEC instructors (AVTECTA)
- Confidential (CEA)
- Correctional Officers (ACOA)
- Marine Engineers (MEBA)
- Mt. Edgecumbe Teachers (TEAME)
- Supervisory Unit (APEA)
- Unlicensed Vessel Personnel (IBU)
- Exempt Employees

The Group Health and Life fund is the account that the Division of Retirement and Benefits uses to pay health care claims for the approximately 6,400 covered Alaska Care employees and their dependents. Deposits to the fund include employer and employee contributions, other income to the fund such as pharmacy rebates, and earnings on the funds (which recently have been minimal). Expenditures include claims paid, administrative fees to the third-party administrators, and Retirement and Benefits administrative fees.

Projections for FY2016 indicate a significant gap between revenues and expenditures resulting in a rapidly dwindling reserve balance. The current end-of-year reserve balance is projected to be less than a week of claims. The largest contributing factor has been the emergence of an increasing health care cost trend growth rate of approximately 7% year over year. Factors contributing to that trend include an increase in utilization of health care services, which may be attributable to increased insecurity of the work force, as well as a double-digit growth trend in the pharmacy component of the health care plan.

Current estimates for FY2017 indicate that the fund needs a combination of \$21 million of additional revenue and reduced expenditures in order to maintain a healthy balance through the end of FY2017. The department is implementing a multiple level plan to address the projected shortfall. The tools that are being used to address this problem include:

1. Increased employee contributions - the department is currently bargaining a minimum contribution for employees in this bargaining cycle and is considering implementing a similar minimum employee contribution on non-represented employees.
2. Plan design - The department will implement plan design changes to reduce the cost of the plan or incent behavior in the employee population to lower overall costs to the plan.
3. Provider negotiation - The department is in the process of negotiating agreements to reduce the cost of Anchorage hospital stays through the implementation of steerage that will create greater incentive to use the plan's preferred hospital with lower overall facility spend as a result.
4. Dependent eligibility review - The department is in the process of reviewing the eligibility status of all plan dependents to insure that they are eligible for benefits.
5. Increased employer contributions - The department proposes a total of approximately \$15 million in additional employer contributions that would be offset by savings in other areas of the collective bargaining process such as increased furlough savings. This could be accomplished by a direct contribution to the fund, an increased employer contribution per employee, or both.

It is estimated that the first four measures above will result in a combination of approximately \$6 million in either additional inflows or reduced outflows to the plan. The longer term savings for these initiatives will be higher (approximately \$12 million per year), but the plan year begins in January therefore only half of the savings can be captured in FY2017.

**FY2017 Operating Budget Amendment**  
**FY2017 Mental Health Budget Amendment**

Add the SALARY AND BENEFIT ADJUSTMENTS section as follows:

**(new)** SALARY AND BENEFIT ADJUSTMENTS. (a) The operating budget appropriations made in 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, 2017, of the following ongoing collective bargaining agreements:

- (1) Alaska State Employees Association, for the general government unit;
- (2) Confidential Employees Association, for the confidential unit;
- (3) Marine Engineers' Beneficial Association; representing licensed engineers employed by the Alaska marine highway system.

(b) If a collective bargaining agreement listed in (a) of this section is not ratified by the membership of the respective collective bargaining unit, the appropriations made in this Act applicable to the collective bargaining unit's agreement are adjusted proportionately by the amount for that collective bargaining agreement, and the corresponding funding source amounts are adjusted accordingly.