

Labor Contract Negotiations**FY2003 Request: \$461,000**
Reference No: 35796**AP/AL:** Appropriation
Category: General Government
Location: Statewide
House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2002 - 06/30/2004**Project Type:** Planning
Contact: Dan Spencer
Contact Phone: (907)465-5655**Brief Summary and Statement of Need:**

All twelve labor contracts expire June 30, 2003. The Labor Relations operating budget does not include funding for most labor contract negotiations costs. This CIP request is designed to cover unfunded costs of this negotiation cycle regardless of timing.

Funding:	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>Total</u>
Gen Fund	\$461,000						\$461,000
Total:	\$461,000	\$0	\$0	\$0	\$0	\$0	\$461,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

No prior year funding has been received for this project. However, in preparation for the previous contract negotiations supplemental funding in the amount of \$310.0 was added to the Department of Administration Commissioner's Office for FY1998 and FY1999.

Project Description/Justification:

Problem: The Labor Relations operating budget does not include funding for most labor contract negotiation costs. Negotiations for the 2000-2003 contracts were funded in a special supplemental appropriation. All twelve state labor contracts expire between March 31 and June 30, 2003. Seasoned Labor Relations staff will act as chief negotiators and note takers for each team in addition to their other assigned duties. However, to effectively negotiate twelve contacts during the same period of time, some temporary, but fully dedicated staff and expertise is required. In addition, travel funds will be necessary to bring team members together from various locations in the state to the bargaining site.

Solution: Fund one time costs as a FY2003 Capital Budget item.

Timing: By statute, monetary terms must be submitted to the legislature by the 60th day of the session. This request assumes that all 12 contracts will be negotiated in time to present monetary terms to the 2003 legislature.

Negotiation preparation work will begin in early FY 2003. Bargaining teams must be established and trained; chief negotiators and note takers trained; input on contract changes collected from all agencies, analyzed, and proposed language changes developed; projected costs of benefits analyzed; recent wage and benefit changes in other northwestern states and municipalities, as well

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as Alaska municipalities analyzed; and options for negotiations prepared for strategic discussions with decision makers.

What We Are

Buying:	Negotiations Coordinator (8 mos)	\$ 75.0
	Support Staff and associated costs	
	Research Analyst (10 mos)	56.0
	Admin Clerk (8 mos)	30.0
	Travel (over 3.5 mos)	175.0
	Printing final contracts	25.0
	AKPAY Programming	100.0
	Total	\$461.0

Benefit: **Coordinated and effective negotiations.** The State Negotiations Coordinator position will coordinate the work of the twelve negotiation teams with the DOA Commissioner's Office, Governor's Office, the directors of the divisions of Finance, Retirement and Benefits, and Personnel to assure that the Administration's bargaining goals are met; that negotiations proceed in an orderly fashion; and that accurate information is provided to decision makers as needed. Upon ratification of the contracts, the Negotiations Coordinator will assist the Administration in presenting and explaining the new contracts to the Legislature.

Accurate information for decision makers. Negotiations often pivot on historical information and fast and accurate costing of proposed contract changes. Support positions will assure that accurate information is available in a timely manner both to bargaining teams and state decision makers prior to and throughout the negotiation process, and that all documents are properly managed.

Broad perspective and expertise on bargaining teams. Travel funds will facilitate appropriate statewide representation on all bargaining teams; travel will be necessary for team training and actual negotiations.