

# **State of Alaska FY2018 Governor's Operating Budget**

## **Department of Administration Labor Relations Component Budget Summary**

**Component: Labor Relations**

**Contribution to Department's Mission**

To achieve the purposes of the Public Employment Relations Act by acting as the executive branch representative in contract negotiations and contract administration matters.

**Core Services**

- Contract Negotiation - Negotiations for the State's 11 bargaining unit contracts and subsequent amendments to the contracts. Staff act as chief spokesmen for the State's bargaining teams and handle all associated logistics. The section is responsible for issuing contract interpretive memoranda as needed.
- Contract Administration - Labor Relations staff investigate complaints and grievances that reach the Commissioner of Administration level and represent the State's interests in resolution or adjudication of these disputes. The Division is responsible for interpreting and applying labor agreements and ensuring consistency of application throughout State government.
- Training - Labor Relations staff provides training on all new contracts, facilitate training for human resource staff on employment law and on the arbitration process, and dispute/complaint handling training for State supervisors.
- Advice and Counsel - Staff provide expert advice and counsel to supervisors, managers, and policy makers on employee relations issues.

**Major Component Accomplishments in 2016**

- Completed negotiations of successor agreements with Alaska State Employees Association (ASEA), Alaska Public Employees Association Supervisory Union (APEA-SU), Confidential Employee Association (CEA), Labor Trades and Crafts (LTC), Marine Engineer's Beneficial Association (MEBA), and Teachers' Education Association of Mt. Edgecumbe.
- Responded to 275 grievances, completed 231 letters of agreement, negotiated 90 letters of resolution and responded to 14 pay Increment/performance appeals.
- Successful in the APEA-SU mediation regarding contract negotiations.
- Participated in five Labor Management Committees.
- Arbitration Record: In FY2016 fourteen cases were set for arbitration. Nine cases were resolved prior to arbitration: four cases were lost by the State, and one case was split. All decisions have been received for FY2016.

**Key Component Challenges**

**Labor Contract Negotiations** – Achieve long term successor agreements that meet the economic and managerial objectives for remaining units. Finalize contracts with Supervisory Union (SU) in time for submission to the 2017 Alaska State Legislature. Initiate and complete negotiation of successor agreements with Alaska Vocational Technical Center Teacher's Unit (AVTECTA), Inland-boatman's Union (IBU), Masters Mates and Pilots (MMP), Marine Engineers' Beneficial Association (MEBA), Public Safety Employees Association (PSEA), and Teacher's Education Association of Mt. Edgecumbe (TEAME) in time for submission to the 2017 Alaska State Legislature.

**Significant Changes in Results to be Delivered in FY2018**

**Negotiations** -The State will begin negotiations for successor agreements for Alaska Vocational Technical Center Teacher's Unit (AVTECTA), Inland-boatman's Union (IBU), Masters Mates and Pilots (MMP), Marine Engineers' Beneficial Association (MEBA), Public Safety Employees Association (PSEA) and Teachers' Education Association of Mt. Edgecumbe (TEAME) during FY2017 with implementation in FY2018.

**Statutory and Regulatory Authority**

AS 23.40.070-250      Public Employment Relations Act

AS 39.25 et seq.      State Personnel Act

**Contact Information**

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Labor Relations Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2017</u> <u>Management</u> <u>Plan</u>	<u>FY2018</u> <u>Governor</u>		
Full-time	8	7	Annual Salaries	691,823
Part-time	1	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	380,400
			<i>Less 0.01% Vacancy Factor</i>	(73)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>9</b>	<b>7</b>	<b>Total Personal Services</b>	<b>1,072,150</b>

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Labor Relations Analyst I	0	0	1	0	1
Labor Relations Analyst II	0	0	4	0	4
Labor Relations Analyst III	0	0	1	0	1
Labor Relations Mgr	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>7</b>

**Component Detail All Funds**  
**Department of Administration**

**Component:** Labor Relations (58)

Non-Formula Component

**RDU:** Centralized Administrative Services (13)

	FY2016 Actuals	FY2017 Conference Committee	FY2017 Authorized	FY2017 Management Plan	FY2018 Governor	FY2017 Management Plan vs FY2018 Governor	
71000 Personal Services	1,070.5	1,114.9	1,258.5	1,221.9	1,072.1	-149.8	-12.3%
72000 Travel	38.6	25.0	25.0	25.0	25.0	0.0	0.0%
73000 Services	385.9	104.8	519.1	555.7	166.4	-389.3	-70.1%
74000 Commodities	7.0	16.8	16.8	16.8	16.8	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>1,502.0</b>	<b>1,261.5</b>	<b>1,819.4</b>	<b>1,819.4</b>	<b>1,280.3</b>	<b>-539.1</b>	<b>-29.6%</b>
<b>Fund Sources:</b>							
1004Gen Fund (UGF)	1,502.0	1,261.5	1,819.4	1,819.4	1,280.3	-539.1	-29.6%
<b>Unrestricted General (UGF)</b>	<b>1,502.0</b>	<b>1,261.5</b>	<b>1,819.4</b>	<b>1,819.4</b>	<b>1,280.3</b>	<b>-539.1</b>	<b>-29.6%</b>
<b>Designated General (DGF)</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>0.0%</b>
<b>Other Funds</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>0.0%</b>
<b>Federal Funds</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>0.0%</b>
<b>Positions:</b>							
Permanent Full Time	9	9	9	8	7	-1	-12.5%
Permanent Part Time	0	0	0	1	0	-1	-100.0%
Non Permanent	0	0	0	0	0	0	0.0%

**Change Record Detail - Multiple Scenarios with Descriptions**  
**Department of Administration**

**Component:** Labor Relations (58)  
**RDU:** Centralized Administrative Services (13)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
<b>***** Changes From FY2017 Conference Committee To FY2017 Authorized *****</b>												
<b>FY2017 Conference Committee</b>												
1004 Gen Fund	ConfCom	1,261.5	1,114.9	25.0	104.8	16.8	0.0	0.0	0.0	9	0	0
<b>Labor Contract Negotiations and Arbitration Sec17a Ch2 4SSLA2016 P35 L12 (SB138) (FY15-FY17)</b>												
1004 Gen Fund	CarryFwd	557.9	143.6	0.0	414.3	0.0	0.0	0.0	0.0	0	0	0
Sec. 17. Department of Administration. (a) Section 10(c), ch. 38, SLA 2015, is amended to read:												
(c) The sum of \$792,000 is appropriated from the general fund to the Department of Administration, labor relations, for costs related to labor contract negotiations and arbitration support for the fiscal years ending June 30, 2015, [AND] June 30, 2016, and June 30, 2017.												
<b>Subtotal</b>		<b>1,819.4</b>	<b>1,258.5</b>	<b>25.0</b>	<b>519.1</b>	<b>16.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9</b>	<b>0</b>	<b>0</b>
<b>***** Changes From FY2017 Authorized To FY2017 Management Plan *****</b>												
<b>Change Human Resource Technician I (02-1126) from Full-Time to Part-Time</b>												
	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	1	0
Change a Human Resource Technician I (02-1126), range 12, located in Juneau, from full-time to part-time. Existing staff is sufficient to accommodate this change.												
<b>Align Authority with Projected Expenditures</b>												
	LIT	0.0	-36.6	0.0	36.6	0.0	0.0	0.0	0.0	0	0	0
Transfer authority from personal services to services to comply with vacancy factor guidelines and meet projected operational needs.												
<b>Subtotal</b>		<b>1,819.4</b>	<b>1,221.9</b>	<b>25.0</b>	<b>555.7</b>	<b>16.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8</b>	<b>1</b>	<b>0</b>
<b>***** Changes From FY2017 Management Plan To FY2018 Governor *****</b>												
<b>Reverse Labor Contract Negotiations and Arbitration Sec17a Ch2 4SSLA2016 P35 L12 (SB138) (FY15-FY17)</b>												
1004 Gen Fund	OTI	-557.9	-143.6	0.0	-414.3	0.0	0.0	0.0	0.0	0	0	0
Reverse labor contract negotiations and arbitration support funding.												
<b>Transfer Human Resource Technician (02-1126) to Shared Services of Alaska for Travel and Expense Services</b>												
	Trout	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	-1	0
Division of Labor Relations is transferring an initial wave of positions to the Shared Services of Alaska organization for travel and expense activities.												

**Change Record Detail - Multiple Scenarios with Descriptions**  
**Department of Administration**

**Component:** Labor Relations (58)  
**RDU:** Centralized Administrative Services (13)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
<p>The Shared Services organizational structure provides back-office support for common administrative functions, allowing the agency to focus more closely on core mission responsibilities.</p> <p>The Shared Services organization model will increase the quality and speed of service delivery, and increase client satisfaction while decreasing the overall cost to the department for performing these functions. This is achieved through a business structure focused on continuous process improvement that includes standardizing business processes and improving transaction cycle-times. It is anticipated that an initial ten percent savings can be realized in FY2018 for these activities, with increased savings in future fiscal years.</p> <p>The following PCN is transferred to the Shared Services organization:</p> <p>Part-time Human Resource Technician I (02-1126), range 12, located in Juneau</p>												
<b>Delete Vacant Labor Relations Analyst III (02-2098)</b>												
PosAdj		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
<p>Delete a full-time Labor Relations Analyst III (02-2098), range 22, located in Juneau. The workload of this position has been absorbed by the remaining positions within the component.</p>												
<b>Align Authority with Projected Expenditures</b>												
LIT		0.0	-25.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
<p>Transfer authority from personal services to services to align authority with projected expenditures.</p>												
<b>FY2018 Alaska Care &amp; PSEA Health Insurance Increase</b>												
SalAdj		18.8	18.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		18.8										
<p>Alaska Care rate increase from \$1346 to \$1555 per month for CEA members. \$15.1</p> <p>Alaska Care rate increase from \$1346 to \$1555 per month for exempt and partially exempt employees. \$3.7</p>												
<b>Totals</b>		<b>1,280.3</b>	<b>1,072.1</b>	<b>25.0</b>	<b>166.4</b>	<b>16.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>7</b>	<b>0</b>	<b>0</b>

**Personal Services Expenditure Detail**  
**Department of Administration**

**Scenario:** FY2018 Governor (13956)  
**Component:** Labor Relations (58)  
**RDU:** Centralized Administrative Services (13)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
02-2001	Division Director	FT	A	XE	Juneau	N05	27J	5.8	*	64,733	0	0	31,398	96,131	96,131
02-2002	Labor Relations Analyst III	FT	1	KK	Juneau	205	22M	9.6		88,339	0	0	45,589	133,928	133,928
02-2040	Labor Relations Mgr	FT	1	XE	Juneau	N05	24F / J	12.0		115,404	0	0	58,562	173,966	173,966
02-2096	Labor Relations Analyst II	FT	1	KK	Juneau	205	20F	12.0		85,068	0	0	48,228	133,296	133,296
02-2098	Labor Relations Analyst III	FT	A	KK	Juneau	205	22A / B	12.0		0	0	0	0	0	0
02-2134	Labor Relations Analyst II	FT	1	KK	Juneau	205	20D / E	12.0		81,600	0	0	47,030	128,630	128,630
02-9008	Labor Relations Analyst I	FT	A	KK	Juneau	205	18E	12.0		71,748	0	0	43,628	115,376	115,376
02-9013	Labor Relations Analyst II	FT	1	KK	Juneau	205	20K / L	12.0		93,390	0	0	51,103	144,493	144,493
04-1018	Administrative Officer I	FT	A	KK	Juneau	205	17D	2.8	*	15,230	0	0	9,658	24,888	24,888
18-7331	Labor Relations Analyst II	FT	A	KK	Juneau	205	20B / C	12.0		76,311	0	0	45,204	121,515	121,515
<b>Total</b>													<b>Total Salary Costs:</b>	691,823	
<b>Positions</b>													<b>Total COLA:</b>	0	
<b>Full Time Positions:</b>													<b>Total Premium Pay::</b>	0	
<b>Part Time Positions:</b>													<b>Total Benefits:</b>	380,400	
<b>Non Permanent Positions:</b>															
<b>Positions in Component:</b>													<b>Total Pre-Vacancy:</b>	1,072,223	
													<b>Minus Vacancy Adjustment of 0.01%:</b>	(73)	
													<b>Total Post-Vacancy:</b>	1,072,150	
													<b>Plus Lump Sum Premium Pay:</b>	0	
													<b>Personal Services Line 100:</b>	1,072,150	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	1,072,223	1,072,150	100.00%
<b>Total PCN Funding:</b>	<b>1,072,223</b>	<b>1,072,150</b>	<b>100.00%</b>

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.



**Line Item Detail (1676)**  
**Department of Administration**  
**Travel**

**Component:** Labor Relations (58)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
2000	Travel		38.6	25.0	25.0
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
<b>2000 Travel Detail Totals</b>			<b>38.6</b>	<b>25.0</b>	<b>25.0</b>
2000	In-State Employee Travel	Transportation costs for travel relating to administration, training, conventions and meetings, boards and commissions	38.6	25.0	25.0

**Line Item Detail (1676)**  
**Department of Administration**  
**Services**

**Component:** Labor Relations (58)

<b>Line Number</b>	<b>Line Name</b>		<b>FY2016 Actuals</b>	<b>FY2017 Management Plan</b>	<b>FY2018 Governor</b>
3000	Services		385.9	555.7	166.4
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2016 Actuals</b>	<b>FY2017 Management Plan</b>	<b>FY2018 Governor</b>
<b>3000 Services Detail Totals</b>			<b>385.9</b>	<b>555.7</b>	<b>166.4</b>
3000	Education Services	Training, educational conferences, agency memberships, and employee tuition	191.4	2.0	2.7
3002	Legal and Judicial Services	Hearing/mediation services - for arbitration, negotiations, and settlements	87.7	2.5	3.4
3004	Telecommunications	Local, long distance, and cellular telephone charges, television, data/network, telecommunication equipment, and other wireless charges from outside vendors	1.0	1.1	1.5
3006	Delivery Services	Freight, courier services, and postage	0.0	0.3	0.2
3009	Structure/Infrastructure/Land	Structure, infrastructure and land repairs, maintenance, rental, and leases	1.0	1.2	1.2
3010	Equipment/Machinery	Machinery, furniture and office equipment purchase, repairs, maintenance, rentals, and leases	4.1	5.0	6.7
3011	Other Services	Consulting services for arbitrations, settlements, negotiations - Includes Carryforward of multi-year appropriation for Labor Relations Contracts for Negotiations/Arbitrations/Grievances	23.0	456.4	33.1
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Enterprise Technology Services (2082) Enterprise Productivity Rate (EPR) computer services	6.0	7.0	9.5

**Line Item Detail (1676)**  
**Department of Administration**  
**Services**

**Component:** Labor Relations (58)

Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor	
<b>3000 Services Detail Totals</b>			<b>385.9</b>	<b>555.7</b>	<b>166.4</b>	
3018	Inter-Agency Information Technology Telecommunications	Admin - Enterprise Technology Services (2082)	Enterprise Productivity Rate (EPR) telecommunications and telephone line services	12.4	13.0	17.5
3021	Inter-Agency Mail	Admin - Print Services (2333)	Centralized mail services chargeback	4.1	5.0	6.7
3022	Inter-Agency Human Resources	Admin - Personnel (56)	Human Resources services chargeback	3.7	4.0	5.4
3023	Inter-Agency Building Leases	Admin - Facilities (2429)	Rent for state-owned facilities	13.7	15.0	20.2
3026	Inter-Agency Insurance	Admin - Risk Management (71)	Workers compensation and liability claims reimbursement	0.2	0.2	0.3
3027	Inter-Agency Financial	Admin - Finance (59)	State payroll and accounting system chargeback	0.7	0.8	1.1
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Personnel (56)	Americans with Disabilities Act (ADA) chargeback	0.0	0.1	0.1
3038	Inter-Agency Management/Consulting	Admin - Administrative Services (46)	DAS chargeback	12.7	14.0	18.9
3038	Inter-Agency Management/Consulting	Admin - DOA Info Tech Support (2334)	DOA-IT chargeback	9.8	11.0	14.8
3038	Inter-Agency Management/Consulting	Admin - E-Travel (2966)	State travel office service fee	0.0	0.1	0.2
3038	Inter-Agency Management/Consulting	Admin - Office of the Commissioner (45)	Commissioner's Office chargeback	9.2	11.0	14.8
3038	Inter-Agency Management/Consulting	Admin - Purchasing (60)	DGS Chargeback	5.2	6.0	8.1

**Line Item Detail (1676)**  
**Department of Administration**  
**Commodities**

**Component:** Labor Relations (58)

<b>Line Number</b>	<b>Line Name</b>		<b>FY2016 Actuals</b>	<b>FY2017 Management Plan</b>	<b>FY2018 Governor</b>
4000	Commodities		7.0	16.8	16.8
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2016 Actuals</b>	<b>FY2017 Management Plan</b>	<b>FY2018 Governor</b>
		<b>4000 Commodities Detail Totals</b>	<b>7.0</b>	<b>16.8</b>	<b>16.8</b>
4000	Business	General business supplies such as office consumables, furniture, and computer equipment	7.0	16.8	16.8

**Inter-Agency Services (1682)**  
**Department of Administration**

**Component:** Labor Relations (58)

				FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
<b>Component Totals</b>				<b>77.7</b>	<b>87.2</b>	<b>117.6</b>
With Department of Administration				77.7	87.2	117.6
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2016 Actuals</b>	<b>FY2017 Management Plan</b>	<b>FY2018 Governor</b>	
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Enterprise Technology Services (2082)	Enterprise Productivity Rate (EPR) computer services	6.0	7.0	9.5
3018	Inter-Agency Information Technology Telecommunications	Admin - Enterprise Technology Services (2082)	Enterprise Productivity Rate (EPR) telecommunications and telephone line services	12.4	13.0	17.5
3021	Inter-Agency Mail	Admin - Print Services (2333)	Centralized mail services chargeback	4.1	5.0	6.7
3022	Inter-Agency Human Resources	Admin - Personnel (56)	Human Resources services chargeback	3.7	4.0	5.4
3023	Inter-Agency Building Leases	Admin - Facilities (2429)	Rent for state-owned facilities	13.7	15.0	20.2
3026	Inter-Agency Insurance	Admin - Risk Management (71)	Workers compensation and liability claims reimbursement	0.2	0.2	0.3
3027	Inter-Agency Financial	Admin - Finance (59)	State payroll and accounting system chargeback	0.7	0.8	1.1
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Personnel (56)	Americans with Disabilities Act (ADA) chargeback	0.0	0.1	0.1
3038	Inter-Agency Management/Consulting	Admin - Administrative Services (46)	DAS chargeback	12.7	14.0	18.9
3038	Inter-Agency Management/Consulting	Admin - DOA Info Tech Support (2334)	DOA-IT chargeback	9.8	11.0	14.8
3038	Inter-Agency Management/Consulting	Admin - E-Travel (2966)	State travel office service fee	0.0	0.1	0.2
3038	Inter-Agency Management/Consulting	Admin - Office of the Commissioner (45)	Commissioner's Office chargeback	9.2	11.0	14.8
3038	Inter-Agency Management/Consulting	Admin - Purchasing (60)	DGS Chargeback	5.2	6.0	8.1