



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
Pat Pitney, Director

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April 26, 2018

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

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

Re: FY2019 Budget Amendment related to Supervisory Unit Contract

Dear Co-Chair MacKinnon and Co-Chair Hoffman,

Enclosed, please find an FY2019 operating budget amendment for the Alaska Public Employees Association – Supervisory Unit (SU). On April 25, 2018, the Administration and Alaska Public Employees Association – Supervisory Unit signed a tentative agreement.

With legislative approval, this agreement will be effective July 1, 2018. The negotiated contract does not result in a raise, but it does result in a pay increase through increasing work hours to 40 hours per week from the current 37.5 hours. The contract also mandates two furlough days, flattens the pay schedule after step "P" from two years between pay increments to three years, and requires increased health care premium contributions. The 40-hour workweek supports the public safety action plan as it aligns Alaska State Trooper Command staff hours with the Alaska State Trooper workweek.

The increase in cost of the extended workweek is \$17.3 million, of which \$6.9 million is unrestricted general funds. This is a 5.7% increase from the current \$304 million personnel services budget associated with the 2,292 SU positions.

Attached, along with the proposed amendment, is a summary of the effect of the monetary terms on the state operating budget. Detailed information by appropriation and allocation will be transmitted directly to the Division of Legislative Finance.

Thank you for your consideration of this budget amendment.

Sincerely,

A handwritten signature in blue ink that reads "Pat Pitney".

Pat Pitney
Director

Enclosures

1. FY2019 Budget Amendment Backup

cc: David Teal, Director, Legislative Finance Division
Darwin Peterson, Director, Governor's Legislative Office