

February 27, 2015

Dear Brothers and Sisters with the State of Alaska,

As everyone knows the state revenue forecast is pretty dismal. The price of oil is less than half of what the legislature based this year's budget on for state operations. Consequently, the legislature is trying to fix this year's problem while addressing next years as well. That, in addition to having a new administration who is trying to develop policy towards Local 71 members, has created a challenging year for negotiations. While negotiations have been occurring, they haven't really been going fast.

The administration did pass across its first monetary package proposal last week. It included freezing any form of advancement up the step chart for three years, no raises, and a geographical differential proposal that would hit the employees who are least able to take a hit pretty hard. Like the other bargaining units, they want to cut back on the amount of leave people can accrue, require more leave usage, and cap the amount of leave that someone can have to 400 hours. Along with these changes, they want to weaken your Health Trust's ability to ensure you and your family are taken care of in times of medical necessity.

They also passed across numerous changes to the working rules in your contract that provide career advancement options, job protection and paycheck protection. In the past, your negotiating team has always seen half-hearted attempts by the administration to weaken our seniority provisions for promotion, and allow for greater privatization of our work, this proposal actually wants to take away our contractual protections for overtime after eight hours of work. This last effort is counter to state policy and law for the private sector and the state is hanging their hat on the provisions of the federal law that says that overtime need only be paid after 40 hours of work in a week.

This isn't the offer that we will bring back to you, and it is just first round, but we did want to inform you about how things are going. Our goal is ensure that we have a proposal that when we bring to you for review we can say this is the best there is going to be and encourage your support of it, **we are not there at this time.**

We are meeting again for more negotiations this coming Monday and Tuesday in Juneau. We will do our best to keep you updated on negotiations.

Fraternally,



Dennis Moen
Business Manager
Secretary-Treasurer