RPEA FILES DECLARATORY RELIEF LAWSUIT

Sharon Hoffbeck, Executive Vice President
Retired Public Employees of Alaska

On Friday, January 29, 2016, the Retired Public Employees of Alaska (RPEA), filed a Declaratory Relief lawsuit against DOA Commissioner Fisher and the State of Alaska.

The lawsuit claims the state has refused to acknowledge that the health insurance benefits provided under the Dental/Vision/Audio (DVA) and Long Term Care (LTC) plans are part of the vested retirement benefits that cannot be impaired under the Constitution.

This lawsuit is focused principally on the changes made by the Division of Administration (DOA) to the dental portion of the DVA plan benefits in January 2014. RPEA is asking the court to declare that the DVA and LTC plans are part of these Constitutionally protected retirement benefits, and that the changes made by DOA were an illegal impairment of those benefits. Susan Orlansky, a very experienced and well-regarded Alaska attorney is representing RPEA. We hope to have a decision from the court sometime in 2016.

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If At First You Don’t Succeed

Yes, please excuse the egg on my face…I am embarrassed, but determined to get back on track and make our new APEA Newsletter regular, habitual and dependable.

My apologies – the New Year went crazy, negotiations became almost frantic, the legislative session has been a persistent campaign of defense, and I let the newsletter slip. But we are back up, nearly upright, and will start again. Hopefully, with more success and more dependability.

SU negotiations have been slow and difficult, especially with constant legislative interference and threat of intervention – they can’t (won’t!) take care of their own business, but want to get in the middle of ours!! Aargh!!

SU meets again next week – 26, 27, 28 April; if those meetings don’t show real progress, we will probably seek mediation assistance. We have already agreed that we will move on to interest arbitration for the entire SU bargaining unit if we cannot reach agreement via mediation.

Meanwhile, CEA has made a tentative agreement with the state, JESS continues to negotiate with Juneau School District, ACE has ratified a contract, as has KBEA, MSBEA and PDSP, our classified unit in the Petersburg School District. (Congratulations, by the way, to Field Associate Dezarae Deraimer, who negotiated her first contract with the PDSP membership, and did a very nice job!)

Anyway, our newsletter is back in business – I promise to work harder to get it done if you promise to read it! – and I hope we will all continue to advance our concerns, our issues and our efforts to make for improved, improving and appropriate working conditions for all our members.

The Passing of a Union Brother

Tim Nelson (1962-2015)

Tim Nelson was the past President and longtime Negotiator for the Alaska Housing Maintenance & Custodians Local 6082. Tim’s union life started out a bit rough. Tim was not initially what you would call a union man. As the AHMC was forming, Tim was in fact anti-union to the point he actually sued to stop the formation of the union, and then later when that failed he attempted to decertify the union. When his attempts to fight the union failed, he decided if you can’t beat them maybe he should join them.

Tim turned his energy and attention to the betterment of the union and his co-workers. Tim was always a good worker, good friend and colleague and he became a strong union leader. Tim advocated for his union brothers and sisters in the same way he took on so many things, with integrity, gusto and humor. Tim retired from the Alaska Housing Finance Corporation at the ripe old age of 51. After Tim retired, he continued his close friendship with so many of his union brothers. Tim left us suddenly at the age of 53 on December 31, 2015. He will be missed, but not forgotten.

There is no greater calling than to serve your Brother. And, no greater satisfaction than to have done it well.

—Walter Reuther
Member Engagement

On January 28, 2016, the Fairbanks Field Office kicked off our Member Engagement commitment, starting with a training facilitated by Mary Jo Shannon, National AFT Representative.

We had seventeen (17) people in attendance; union leaders and members left excited about connecting with agency fee payers and members over the next few months and converting agency fee payers to full memberships.

Troublemakers

Another question I’m asked on occasion. Why is it that the union only appears to look out for members who are troublemakers? It’s a good question for many reasons.

All of the terms and conditions of the collective bargaining agreement (CBA), wages, benefits, Article by Article language apply to all members, all the time not just when an individual member has a “case”. Every member, not just the alleged troublemaker is protected by your CBA. The union is always there with you. Every member will benefit from future improvements negotiated by the union on everything from wages, health insurance, to safety improvements, and holidays. Every member is helped by the political action of the labor movement. Why politics (another article). However, the huge number of our most basic laws including Worker’s Comp, Social Security, OSHA, Civil Rights, the Minimum Wage and Overtime exist because unions fought for All workers, union or not. Remember that right or wrong you too may be considered a “troublemaker” someday and need protection and representation. Without the union, you wouldn’t even be having a conversation. No one would be protected, and you would be at the raw mercy of the employer. So, yes the union does protect “troublemakers.” The union guarantees that they too like everyone else can only be disciplined for just cause, and that they can get counseling or outside help or whatever is needed to keep them on the job.

-Joel Hill, Southeast Field Representative
The Kenai Peninsula Borough Employees Association, Local 6140 held their quarterly membership meeting on January 26th. The meeting was well attended by members who were updated on the ongoing negotiations with the Borough and witnessed five new employee representatives take their oath of office. We applaud Nancy, Keri, Toni, Hannah and Jackie for stepping up to the plate and working with other employee representatives.

Photo: New KBEA Employee Representatives (left to right) Keri Nelson (9-1-1), Nancy Carver (Planning Department), Jackie Cason (North Peninsula Recreation Service Area), Tony Oliver (MIS), Hannah Blume (Solid Waste)

STATE SALARY SCHEDULES ATTACKED!

Last year, our esteemed State Legislature attempted to not fund the pay raises that had been honestly negotiated into our contracts 2 years before. This year, the legislative “game d’session” is an attack against the integrity and traditional design of the state salary schedules.

On the ninety-first day of this legislative session, the day after the legislature should have completed their business and adjourned, everything and everyone in Juneau was abuzz. Before 6am, email and text messages were chattering: there is a new, a secret, bill being introduced in House Finance! What is it? Do you know? Let me know if you find out!

That afternoon we learned that “special arrangements” had been made for a majority representative to file the “secret” bill, and the bill’s provisions explained why the big secret. The bill would institute a hard freeze on all state merit step and pay increments – effectively holding every state employee to the current dollar value of their wage until the price of oil exceeds $90 per barrel for a full fiscal year. The irony: in the face of zero increase proposals, the unions had proposed formulized increases based on the price of oil, but “NO” the administration said – we cannot allow ourselves to be controlled by the price of oil. And now the legislature proposes a hard freeze of all state wages until the price of oil increases 3 times, and holds that increase for a full fiscal year!

We will struggle against this nonsense – these games which ignore the state’s real financial issues, but attack the state’s workforce. We will continue our efforts for a decent contract . . . but we need – desperately need! – the help and assistance of every APEA member. Call your legislative representative and your state senator, call the members of the House Finance Committee, and let them know – clearly, definitively, civilly but firmly – how thorough and completely you oppose HB 379. And then….

And then, watch, watch closely….count who votes how, and in November vote to retain those legislators who stood with you and supported public employees, and to reject from office those legislators who proposed to unilaterally, without discussion and without consideration, freeze your wages and the wages of your fellow state workers.

November 2016 cannot be more important for Alaska!
That was four months ago, before the recent release of the new spring revenue forecast which is even grimmer. For the second time this year, the state’s credit rating has been downgraded, this time from Moody’s Investment Services who noted the “unprecedented structural imbalance” of our finances. Earlier in January, Standard and Poor’s reduced it, warning that if the state legislature failed to take significant action it could continue to fall. As of this writing, the legislature has passed the budget with substantial cuts but has yet to reconcile the differences between the House and Senate versions; nor have they reconciled the means of balancing the budget. For the next few days, the legislature will take up – or maybe not – measures reconfiguring the use of the permanent fund earnings, oil tax credits, an income tax, and various measures to curb “systemic” budget drivers. The latter would involve shifting PERS and TRS costs to municipalities and school districts; trimming revenue sharing; eliminating furloughs as a mandatory subject of bargaining, and reducing state employee step increases.

This is truly a historic time: decisions made this year will influence Alaska for years to come. Alaska has relatively low income inequality: will we be able to make the same claim five and ten years from now?

Notes on State Retirement

Retirement security has been a priority since the legislature repealed the Defined Benefit Retirement Plans (PERS Tier III/TRS Tier II). For nearly ten years now, employees hired after July 1, 2006 are in Defined Contributions which are similar to a 401-k style plan. Senator Dennis Egan has worked tirelessly on legislation allowing employees the choice between PERS Tier IV/TRS Tier III and a new Defined Benefit which would be cost neutral. Indeed, SB 88 may even save the state money the first year. JESS members Jerome Kristjanson and Greg Cullen testified in two separate committees on the benefits of a stable pension. The companion bill, HB 280, moved out of the State Affairs Committee and is now in the House Labor Committee. Below, Greg is pictured with Representative Kito, the sponsor of the house bill.

One of Our Own

Amid the revenue and budget overviews, there have been positive moments involving APEA/AFT members or family members. Newly appointed Representative Ivy Spohnholz is the daughter of Ann Spohnholz who serves as the Southcentral Vice Chair for United Adjuncts Local 6054. Representative Spohnholz fills out the term of the late Representative Max Gruenberg and she will serve on the Education and State Affairs Committees. Mother and daughter are pictured above in the House Speaker’s Chamber after the swearing in ceremony.
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RPEA Files Declaratory Lawsuit ...Continued from the front page

In prior lawsuits, courts have not specifically addressed the DVA and LTC plans, yet all administrations prior to the Parnell administration considered the DVA and LTC plans to be constitutionally protected, vested benefits. Beginning with the Parnell administration, and continuing into the Walker administration, the State has taken the position that these plans are not constitutionally protected, and that they can be reduced and/or changed without notice to plan participants, or justification to support the reductions and changes. This lawsuit asks the court to rule on this specific issue.

The DVA and LTC plans are optional plans that can be selected at retirement. Both plans are funded 100% by the monthly premiums that plan participants pay, and these premiums are placed in trusts and invested thereby making the plans completely self-supporting. All of the costs of administering the plans are paid for from the DVA and LTC trusts, including the cost of positions in the Div. of Retirement & Benefits. The State’s general fund does not make any contributions to subsidize or support the DVA and LTC plans.

On December 31, 2013, then-Deputy Commissioner Mike Barnhill signed an Amendment that significantly reduced the dental benefits in the dental portion of the DVA plan, imposed a dental network and a 25% penalty assessed to Alaskan residents only, for using out-of-network providers. Retirees who are residents of another state are not assessed the 25% penalty. This Amendment became effective January 1, 2014.

The dental plan changes were implemented without notice to plan participants, or any actuarial studies done by the state to support the action they took. Retirees found out about the reductions when they went to their dentists expecting a certain level of coverage based on what they purchased when they retired and opted into the plan, as well as past coverage, only to find out after work was done that the plan had been severely reduced. One retiree reported having to write her dentist a check for $25,000 to continue implant work that had begun just prior to the changes, but were now no longer covered—stopping was not an option.

RPEA has had the financial status of the DVA trust analyzed, and found that there was not only no reason for DOA to reduce the dental benefits, but that the trust was significantly overfunded, making none of the reductions necessary.

For the past 2 years, RPEA has met frequently with the Division of Administration strenuously negotiating and requesting that dental benefits be restored to where they were prior to 2014, with very little success.

The Declaratory Relief lawsuit is the first step in restoring all benefits to where they were prior to 2014.

Questions or comments can be sent to Sharon Hoffbeck at sharonhoffbeck@gmail.com.