

LETTER OF AGREEMENT
between the
STATE OF ALASKA
and the
ALASKA PUBLIC EMPLOYEES ASSOCIATION
representing the
SUPERVISORY UNIT

09-SS-037

It is mutually agreed between the parties that the below listed terms and conditions of employment apply to all employees covered by the Alaska Public Employee's Association, Supervisory Unit Agreement.

1. Effective January 1, 2009, Article 24.2, Service Steps shall be amended as follows:

Pay increments, computed at the rate of 3.75% of the employee's base salary, shall be provided after an employee has remained in the final steps within the given range for two years, and every two years thereafter, if, at the time the employee becomes eligible for the increment, the employee's current annual rating by the employee's supervisors is designated as "acceptable or better service."

If a pay increment is delayed due to an untimely performance evaluation, upon receipt of the evaluation with an annual rating of "acceptable or better", the pay increment will be granted retroactive to the employee's anniversary date.

2. The requirement that pay increments will only be awarded through a performance evaluation in which the employee is considered to have "acceptable or better service" will not be effective until July 1, 2009.
3. Members who have served two or more years at Step K, M, and N will receive a 3.75% salary increase effective January 1, 2009.
4. Effective January 1, 2009, merit increases shall be effective on the first day of the pay period following completion of the probationary period, rather than the sixteenth (16th) of the month. The following articles are amended to reflect this change:

Article 4.2, paragraph one will be amended to read:

Performance incentives will be based upon the appointing authority's evaluation of an employee's performance. A performance incentive of one (1) step in the salary range may be given to an employee who has received an overall performance evaluation of "Acceptable" or better on the employee's merit anniversary date. The first day of the pay period following the satisfactory completion of the probationary period will constitute an employee's merit anniversary date, unless the employee enters the pay range above the minimum rate of pay, in which case the merit anniversary date will be the first day of the pay period following completion of one (1) year of service in the position.

Article 4.2, paragraph three will be amended to read:

The merit anniversary date does not change when a performance incentive is not granted. If the employee's standard of performance reaches acceptable levels later in the merit year, the step increase may be granted effective the first day of the pay period following the acceptable level and no change in the merit anniversary date will result.

Article 4.2, paragraph four will be amended to read:

When an employee's level of work performance becomes less than "Acceptable," an interim performance evaluation may be prepared. When such an evaluation is prepared, and the level of performance does not reach "Acceptable" within the subsequent thirty (30) calendar day period, one (1) salary step may be withdrawn on the first day of the pay period following completion of the thirty (30) calendar day period, provided the employee's salary is other than the entry step of the salary range. No more than one (1) salary step may be withdrawn in a twelve (12) month period. Before a personnel action withdrawing a salary step is prepared, the employee will be notified in writing that the performance has not improved. If the employee's level of performance subsequently reaches "Acceptable," the salary step may be restored effective the first day of the pay period following preparation of a performance evaluation report confirming the improved level of performance.

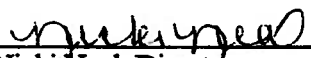
Article 18.6(A), paragraphs two and five will be amended to read:

Employees in ranges 5 through 13 who, in the judgment of the Employer, have satisfied the requirements for completion of the probationary period may, with the written approval of their division Director, be made permanent on the first day of the pay period following completion of three (3) months of probationary service.

Employees at range 14 and above who, in the judgment of the Employer, have satisfied the requirements for completion of their probation may, at the discretion of the Employer, be made permanent on the first day of the pay period following six (6) months of probationary service.

5. This agreement constitutes a monetary term and is subject to Legislative appropriation. No terms of the agreement can be implemented until approved by the Legislature.

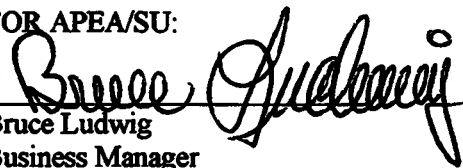
FOR THE STATE OF ALASKA:



Nicki Neal, Director
Division of Personnel & Labor Relations
Department of Administration

November 5, 2008
Date

FOR APEA/SU:



Bruce Ludwig
Business Manager

11/04/08
Date