

**SENATE BILL NO. 95**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 4/1/13  
Referred: Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the compensation, allowances, geographic differentials in pay, and  
2 leave of certain public officials, officers, and employees not covered by collective  
3 bargaining agreements; relating to certain petroleum engineers and petroleum  
4 geologists employed by the Department of Natural Resources; relating to increased pay  
5 for certain partially exempt employees of the state in specific circumstances; making  
6 conforming amendments; and providing for an effective date."

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 \* **Section 1.** AS 39.20.200(a) is amended to read:

9 (a) Officers and employees of the state employed before July 1, 2013, are  
10 entitled to personal leave with pay that accrues as follows:

11 (1) two days for each full monthly pay period in the case of officers  
12 and employees with less than two years of service;

13 (2) two and one-quarter days for each full monthly pay period in the

1 case of officers and employees with two but less than five years of service;

2 (3) two and one-half days for each full monthly pay period in the case  
3 of officers and employees with five but less than 10 years of service;

4 (4) three days for each full monthly pay period in the case of officers  
5 and employees with 10 years or more of service.

6 \* **Sec. 2.** AS 39.20.200 is amended by adding a new subsection to read:

7 (c) Officers and employees of the state employed on or after July 1, 2013, are  
8 entitled to personal leave with pay that accrues as follows:

9 (1) one and three-quarters days for each full monthly pay period in the  
10 case of officers and employees with less than two years of service;

11 (2) two days for each full monthly pay period in the case of officers  
12 and employees with two but less than five years of service;

13 (3) two and one-quarter days for each full monthly pay period in the  
14 case of officers and employees with five but less than 10 years of service;

15 (4) two and one-half days for each full monthly pay period in the case  
16 of officers and employees with 10 but less than 15 years of service;

17 (5) three days for each full monthly pay period in the case of officers  
18 and employees with 15 years or more of service.

19 \* **Sec. 3.** AS 39.20.225(c) is amended to read:

20 (c) **Except as otherwise provided in this section, each** [EACH] officer **or**  
21 [AND] employee shall, during each 12-month period, take at least **10** [FIVE] days of  
22 personal leave. If the officer or employee does not take at least **10** [FIVE] days of  
23 personal leave during a 12-month period, the difference between **10** [FIVE] days and  
24 the amount of personal leave taken shall be canceled without pay unless the  
25 department or agency head certifies in writing that the officer or employee was denied  
26 the opportunity to take **10** [FIVE] days of personal leave during the 12-month period.

27 \* **Sec. 4.** AS 39.20.225 is amended by adding new subsections to read:

28 (d) Except as otherwise provided in this section, each officer or employee may  
29 accumulate a maximum of 1,000 hours of personal leave at the conclusion of each 12-  
30 month period for use in the succeeding 12-month period. Notwithstanding the  
31 requirements of this subsection, the personnel board may adopt regulations to allow

1 for an exemption from this subsection if the department or agency head certifies in  
 2 writing that the officer or employee was denied the opportunity to use personal leave  
 3 and required to accumulate more than the 1,000-hour maximum of personal leave in a  
 4 12-month period.

5 (e) Each officer or employee who, as of December 16, 2013, has a personal  
 6 leave balance that exceeds 400 hours

7 (1) is exempt from the 1,000-hour maximum limit set out in (d) of this  
 8 section until the officer's or employee's personal leave balance is less than or equal to  
 9 400 hours;

10 (2) shall, during each 12-month period, take at least 15 days of  
 11 personal leave.

12 \* **Sec. 5.** AS 39.25.110(14) is amended to read:

13 (14) petroleum engineers and petroleum geologists employed in a  
 14 professional capacity by the Department of Natural Resources and by the Alaska Oil  
 15 and Gas Conservation Commission [, EXCEPT FOR THOSE EMPLOYED IN THE  
 16 DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS IN THE  
 17 DEPARTMENT OF NATURAL RESOURCES];

18 \* **Sec. 6.** AS 39.27.011(a) is repealed and reenacted to read:

19 (a) The following monthly basic salary schedule is approved as the pay plan  
 20 for classified and partially exempt employees in the executive branch of the state  
 21 government who are not members of a collective bargaining unit established under the  
 22 authority of AS 23.40.070 - 23.40.260 (Public Employment Relations Act), and for  
 23 employees of the legislature under AS 24:

24	Range	Step	Step	Step	Step	Step	Step
25	No.	A	B	C	D	E	F
26	5	2,151	2,211	2,273	2,339	2,408	2,471
27	6	2,273	2,339	2,408	2,471	2,543	2,619
28	7	2,408	2,471	2,543	2,619	2,698	2,785
29	8	2,543	2,619	2,698	2,785	2,864	2,951
30	9	2,698	2,785	2,864	2,951	3,046	3,133
31	10	2,864	2,951	3,046	3,133	3,229	3,323

1	11	3,046	3,133	3,229	3,323	3,436	3,545
2	12	3,229	3,323	3,436	3,545	3,665	3,790
3	13	3,436	3,545	3,665	3,790	3,922	4,061
4	14	3,665	3,790	3,922	4,061	4,204	4,363
5	15	3,922	4,061	4,204	4,363	4,503	4,672
6	16	4,204	4,363	4,503	4,672	4,841	5,011
7	17	4,503	4,672	4,841	5,011	5,184	5,361
8	18	4,841	5,011	5,184	5,361	5,527	5,737
9	19	5,184	5,361	5,527	5,737	5,917	6,133
10	20	5,527	5,737	5,917	6,133	6,318	6,551
11	21	5,917	6,133	6,318	6,551	6,752	6,997
12	22	6,318	6,551	6,752	6,997	7,225	7,483
13	23	6,752	6,997	7,225	7,483	7,733	8,022
14	24	7,225	7,483	7,733	8,022	8,289	8,569
15	25	7,733	8,022	8,289	8,569	8,879	9,210
16	26	8,022	8,289	8,569	8,879	9,210	9,541
17	27	8,289	8,569	8,879	9,210	9,541	9,900
18	28	8,569	8,879	9,210	9,541	9,900	10,244
19	29	8,879	9,210	9,541	9,900	10,244	10,606
20	30	9,210	9,541	9,900	10,244	10,606	10,979

21 \* **Sec. 7.** AS 39.27.011(e) is amended to read:

22 (e) Effective July 1, **2014** [2011], the amounts set out in the salary schedule  
23 contained in (a) of this section are increased by **one** [TWO] percent.

24 \* **Sec. 8.** AS 39.27.011(f) is amended to read:

25 (f) Effective July 1, **2015** [2012], the amounts set out in the salary schedule  
26 contained in (a) of this section, as increased under (e) of this section, are increased by  
27 **2.5** [TWO] percent.

28 \* **Sec. 9.** AS 39.27.011(h) is amended to read:

29 (h) Pay increments, computed at the rate of **3.25** [3.75] percent of the  
30 employee's base salary, shall be provided after an employee has remained in the final  
31 step within a given range for two years, and every two years thereafter, if, at the time

1 the employee becomes eligible for the increment, the employee's current annual rating  
2 by the employee's supervisors is designated as "good" or higher.

3 \* **Sec. 10.** AS 39.27.011 is amended by adding a new subsection to read:

4 (k) Notwithstanding (a) - (j) of this section, the governor or a designee of the  
5 governor may, on a case-by-case basis, authorize for a partially exempt employee in  
6 the executive branch a higher pay than Step F. The authorization must be based upon a  
7 determination that the action serves a critical governmental interest of the state, the  
8 employee possesses exceptional qualifications, recruitment difficulties exist, or the  
9 action is necessary due to competitive salaries in the relevant labor market. A  
10 determination made under this subsection must be in writing.

11 \* **Sec. 11.** AS 39.27.020 is repealed and reenacted to read:

12 **Sec. 39.27.020. Geographic pay differentials.** (a) The following geographic  
13 pay differentials established as a percentage above the basic salary schedule provided  
14 in AS 39.27.011 are approved as an amendment to the basic salary schedule provided  
15 in AS 39.27.011:

16		Geographic Pay
17	Duty Station	Differential
18		
19	Anchor Point	0
20	Anchorage	0
21	Anchorage International Airport	0
22	Aniak	50
23	Anvik	50
24	Auke Bay	5
25	Barrow	50
26	Bethel	50
27	Camp Carroll	0
28	Cantwell	0
29	Chena River	3
30	Chignik	50
31	Chitina	0

1	Cold Bay	50
2	Coldfoot Camp	37
3	Cooper Landing	0
4	Cordova	11
5	Craig	0
6	Crown Point	0
7	Deadhorse	50
8	Delta Junction	0
9	Denali	0
10	Dillingham	37
11	Douglas	5
12	Dutch Harbor	60
13	Eagle	0
14	Eagle River	0
15	Eielson Air Force Base	3
16	Elfin Cove	0
17	Elmendorf Air Force Base	0
18	Emmonak	50
19	Fairbanks	3
20	Finger Lake	0
21	Fort Richardson	0
22	Fort Wainwright	3
23	Fort Yukon	37
24	Gakona	0
25	Galena	37
26	Girdwood	0
27	Glennallen	0
28	Gustavus	0
29	Haines	0
30	Harding Lake	3
31	Healy	0

1	Homer	0
2	Hoonah	0
3	Iliamna	50
4	Juneau	5
5	Kaltag	50
6	Kenai	0
7	Ketchikan	0
8	King Cove	50
9	King Salmon	50
10	Klawock	0
11	Kodiak	11
12	Kotzebue	60
13	Mackenzie Point	0
14	Matanuska	0
15	McGrath	37
16	Mount Edgecumbe	5
17	Nancy	0
18	Nenana	0
19	Nikiski	0
20	Ninilchik	0
21	Nome	37
22	Northway	0
23	Palmer	0
24	Pelican	0
25	Petersburg	0
26	Point Alsworth	50
27	Port Moller	50
28	Saint Mary's	50
29	Sand Point	50
30	Selawik	60
31	Seward	0

1	Sitka	5
2	Skagway	0
3	Soldotna	0
4	Sterling	0
5	Sutton	0
6	Talkeetna	0
7	Tazlina	0
8	Tenakee Springs	0
9	Tok	0
10	Trapper Creek	0
11	Unalakleet	50
12	Unalaska	60
13	Valdez	11
14	Wasilla	0
15	Whittier	0
16	Willow	0
17	Wrangell	0
18	Yakutat	0
19	Other states	0

20 (b) If an employee's duty station is not included in (a) of this section and is not  
 21 in a foreign country, the commissioner of the Department of Administration shall  
 22 establish by regulation the appropriate geographic pay differential. The regulations are  
 23 not subject to AS 44.62 (Administrative Procedure Act).

24 (c) The commissioner of the Department of Administration shall establish  
 25 salary differentials for positions in foreign countries. The differentials shall be  
 26 adjusted annually, effective July 1, to maintain equitable relationships between  
 27 salaries for positions in foreign countries and salaries for positions in the state.

28 \* **Sec. 12.** AS 39.27.030 is repealed and reenacted to read:

29 **Sec. 39.27.030. Geographic pay differential survey.** Subject to an  
 30 appropriation for this purpose, the director of the division of personnel shall conduct a  
 31 survey, at least every five years, to review the geographic pay differentials established



1 in or adopted under AS 39.27.020. The survey may address factors, as determined by  
 2 the director, that are also relevant in review of state salary schedules, entitlement for  
 3 beneficiaries of state programs, and payments for state service providers. The survey  
 4 must reflect the costs of living of duty stations in the state, and of other duty stations  
 5 outside of the state, by using the cost of living in Anchorage, Alaska as a base.

6 \* **Sec. 13.** AS 39.35.675(d) is amended to read:

7 (d) In this section, "cost-of-living differential" means an adjustment to salary  
 8 based on the cost of living in the geographic region where the employee works and  
 9 includes a **geographic** pay [STEP] differential under AS 39.27.020.

10 \* **Sec. 14.** AS 44.31.020 is amended to read:

11 **Sec. 44.31.020. Duties of department.** The Department of Labor and  
 12 Workforce Development shall

13 (1) enforce the laws and adopt regulations under them concerning  
 14 employer-employee relationships, including the safety, hours of work, wages, and  
 15 conditions of workers, including children;

16 (2) accumulate, analyze, and report labor statistics;

17 (3) operate systems of workers' compensation and unemployment  
 18 insurance;

19 (4) gather data reflecting the cost of living in [THE] various **locations**  
 20 [ELECTION DISTRICTS] of the state upon request of the director of personnel under  
 21 AS 39.27.030 [; IN THIS PARAGRAPH, "ELECTION DISTRICT" HAS THE  
 22 MEANING GIVEN IN AS 39.27.020(b)];

23 (5) operate the federally funded employment and training programs  
 24 under 29 U.S.C. 2801-2945 (Workforce Investment Act of 1998);

25 (6) administer the state's program of adult basic education and adopt  
 26 regulations to administer the program; and

27 (7) administer the programs of the Alaska Vocational Technical Center  
 28 and adopt regulations to administer the programs, including regulations that set rates  
 29 for student tuition and room and board and fees for the programs and services  
 30 provided by the department regarding the Alaska Vocational Technical Center.

31 \* **Sec. 15.** AS 39.20.240 and AS 39.27.045 are repealed.

1     \* **Sec. 16.** The uncodified law of the State of Alaska is amended by adding a new section to  
2 read:

3           SALARY ADJUSTMENTS FOR CERTAIN EXEMPT OFFICERS AND  
4 EMPLOYEES OF THE EXECUTIVE BRANCH. Public officers and permanent and  
5 temporary employees in the executive branch of the state government, other than the governor  
6 and lieutenant governor, and department heads, who are in the exempt service under  
7 AS 39.25.110, are not members of a collective bargaining unit established under  
8 AS 23.40.070 - 23.40.260 (Public Employment Relations Act), and are not otherwise covered  
9 by AS 39.27.011(a) are entitled to receive salaries comparable to those received by classified  
10 and partially exempt employees of the executive branch under AS 39.27.011(a), as repealed  
11 and reenacted by sec. 6 of this Act, and under AS 39.27.011(e) and (f), as amended by secs. 7  
12 and 8 of this Act.

13     \* **Sec. 17.** The uncodified law of the State of Alaska is amended by adding a new section to  
14 read:

15           SALARY ADJUSTMENTS FOR CERTAIN EMPLOYEES OF THE JUDICIAL  
16 BRANCH. (a) Permanent and temporary employees and magistrates in the judicial branch of  
17 the state government, other than justices and judges, who are not members of a collective  
18 bargaining unit established under AS 23.40.070 - 23.40.260 (Public Employment Relations  
19 Act) and are not otherwise covered by AS 39.27.011(a) are entitled to receive salary  
20 adjustments comparable to those received by classified and partially exempt employees of the  
21 executive branch under AS 39.27.011(a), as repealed and reenacted by sec. 6 of this Act, and  
22 under AS 39.27.011(e) and (f), as amended by secs. 7 and 8 of this Act.

23           (b) Justices of the supreme court and judges of the court of appeals and the superior  
24 and district courts are entitled to receive salary adjustments provided for in secs. 6 - 8 of this  
25 Act in accordance with AS 22.05.140(d), AS 22.07.090(c), AS 22.10.190(d), and  
26 AS 22.15.220(e).

27     \* **Sec. 18.** The uncodified law of the State of Alaska is amended by adding a new section to  
28 read:

29           SALARY INCREASES FOR CERTAIN EMPLOYEES OF THE UNIVERSITY OF  
30 ALASKA. The employees of the University of Alaska who are not members of a collective  
31 bargaining unit are entitled to receive salary increases in accordance with the compensation

1 policy of the Board of Regents of the University of Alaska.

2 \* **Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to  
3 read:

4 **APPLICABILITY.** Section 10 of the Act applies whether a partially exempt employee  
5 of the state in the executive branch was hired before, on, or after the effective date of this Act.

6 \* **Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to  
7 read:

8 **TRANSITION: GEOGRAPHIC PAY DIFFERENTIAL FOR CERTAIN STATE**  
9 **EMPLOYEES.** (a) If a state employee employed on the effective date of this Act would have  
10 the employee's pay lowered as a result of changes to AS 39.27.020, as repealed and reenacted  
11 by sec. 11 of this Act, the state employer may not lower the employee's pay as a result of  
12 those provisions. However, the pay of a state employee described in this section continues at  
13 the same amount so long as the employee remains in the same job at the same duty station as  
14 the employee was employed on the effective date of this Act, or changes in response to other  
15 law or personnel actions resulting in the employee receiving a higher pay than the fixed  
16 amount.

17 (b) Notwithstanding AS 39.27.020, as repealed and reenacted by sec. 11 of this Act, if  
18 the pay of an employee is reduced because of a demotion for cause or accepting a voluntary  
19 demotion, the employee's pay differential solely as a result of the location of the employee's  
20 duty station as of June 30, 2013, remains unchanged and continues so long as the employee  
21 remains at the same duty station. Subsection (a) of this section does not apply to a state  
22 employee who continues to meet the standards set out in this subsection.

23 (c) If the pay for a position of an employee described in (a) of this section is lowered  
24 by the reclassification of the position, the employee must continue to receive the fixed pay  
25 calculated under (a) of this section as long as the employee continues to meet the standards set  
26 out in (a) of this section.

27 \* **Sec. 21.** The uncodified law of the State of Alaska is amended by adding a new section to  
28 read:

29 **TRANSITION: REGULATIONS.** The commissioner of the Department of  
30 Administration or the personnel board may immediately adopt regulations necessary to  
31 implement the respective changes made by this Act. The regulations shall not be subject to

1 AS 44.62 (Administrative Procedure Act). The regulations may not take effect before July 1,  
2 2013.

3 \* **Sec. 22.** Sections 3 and 4 of this Act take effect on December 16, 2013.

4 \* **Sec. 23.** Section 9 of this Act takes effect July 1, 2015.

5 \* **Sec. 24.** Section 21 of this Act takes effect immediately under AS 01.10.070(c).

6 \* **Sec. 25.** Except as provided in secs. 22 - 24 of this Act, this Act takes effect July 1, 2013.