

CS FOR SENATE BILL NO. 95(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/8/13

Referred: Rules

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

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 the compensation and geographic differentials in pay
4 of certain justices and judges; relating to certain petroleum engineers and petroleum
5 geologists employed by the Department of Natural Resources; relating to increased pay
6 for certain partially exempt employees of the state in specific circumstances; making
7 conforming amendments; and providing for an effective date."

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

9 * **Section 1.** AS 22.05.140(c) is amended to read:

10 (c) In addition to the monthly salary, each justice is entitled to receive a
11 geographic cost-of-living adjustment **each year on \$100,000 of the justice's annual**
12 **base salary for that year** [UNDER AS 22.35.010], based on the location of the
13 primary office assignment. **The commissioner of administration shall calculate the**

1 **geographic cost-of-living adjustment based on the geographic pay differentials**
2 **established under AS 39.27.020(a).** Retirement contributions and benefits shall be
3 computed only on the monthly base salary not including the geographic cost-of-living
4 adjustment.

5 * **Sec. 2.** AS 22.10.190(c) is amended to read:

6 (c) In addition to the monthly salary, each superior court judge is entitled to
7 receive a geographic cost-of-living adjustment **each year on \$100,000 of the judge's**
8 **annual base salary for that year** [UNDER AS 22.35.010], based on the location of
9 the primary office assignment. **The commissioner of administration shall calculate**
10 **the geographic cost-of-living adjustment based on the geographic pay**
11 **differentials established under AS 39.27.020(a).** Retirement contributions and
12 benefits shall be computed only on the monthly base salary not including the
13 geographic cost-of-living adjustment.

14 * **Sec. 3.** AS 22.15.220(d) is amended to read:

15 (d) In addition to the monthly salary, each district court judge is entitled to
16 receive a geographic cost-of-living adjustment **each year on \$100,000 of the judge's**
17 **annual base salary for that year** [UNDER AS 22.35.010], based on the location of
18 the primary office assignment. **The commissioner of administration shall calculate**
19 **the geographic cost-of-living adjustment based on the geographic pay**
20 **differentials established under AS 39.27.020(a).** Retirement contributions and
21 benefits shall be computed only on the monthly base salary not including the
22 geographic cost-of-living adjustment.

23 * **Sec. 4.** AS 39.20.200(a) is amended to read:

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

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

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

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

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

3 * **Sec. 5.** AS 39.20.200 is amended by adding a new subsection to read:

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

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

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

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

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

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

16 * **Sec. 6.** AS 39.20.225(c) is amended to read:

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

24 * **Sec. 7.** AS 39.20.240 is amended to read:

25 **Sec. 39.20.240. Accumulation of personal leave.** Except as provided in
26 AS 39.20.225(c) **and this section,** personal leave that is not taken by an officer or
27 employee during a 12-month period accumulates for use in succeeding 12-month
28 periods.

29 * **Sec. 8.** AS 39.20.240 is amended by adding new subsections to read:

30 (b) Notwithstanding (a) of this section, an officer or employee may not
31 accumulate more than 1,000 hours of personal leave at the end of each 12-month

1 period for use in succeeding 12-month periods.

2 (c) The personnel board may adopt regulations to allow an exemption from the
3 requirements of (b) of this section if the department or agency head certifies in writing
4 that the officer or employee accumulated more than 1,000 hours of leave at the end of
5 a 12-month period because the officer or employee was denied the opportunity to use
6 personal leave.

7 (d) Each officer or employee who has a balance of accumulated personal leave
8 in excess of 400 hours on December 16, 2013, shall, until that balance becomes 400
9 hours or less,

10 (1) be exempt from the limitation under (b) of this section; or

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

13 * **Sec. 9.** AS 39.25.110(14) is amended to read:

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

19 * **Sec. 10.** AS 39.27.011(a) is repealed and reenacted to read:

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

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

1	10	2,864	2,951	3,046	3,133	3,229	3,323
2	11	3,046	3,133	3,229	3,323	3,436	3,545
3	12	3,229	3,323	3,436	3,545	3,665	3,790
4	13	3,436	3,545	3,665	3,790	3,922	4,061
5	14	3,665	3,790	3,922	4,061	4,204	4,363
6	15	3,922	4,061	4,204	4,363	4,503	4,672
7	16	4,204	4,363	4,503	4,672	4,841	5,011
8	17	4,503	4,672	4,841	5,011	5,184	5,361
9	18	4,841	5,011	5,184	5,361	5,527	5,737
10	19	5,184	5,361	5,527	5,737	5,917	6,133
11	20	5,527	5,737	5,917	6,133	6,318	6,551
12	21	5,917	6,133	6,318	6,551	6,752	6,997
13	22	6,318	6,551	6,752	6,997	7,225	7,483
14	23	6,752	6,997	7,225	7,483	7,733	8,022
15	24	7,225	7,483	7,733	8,022	8,289	8,569
16	25	7,733	8,022	8,289	8,569	8,879	9,210
17	26	8,022	8,289	8,569	8,879	9,210	9,541
18	27	8,289	8,569	8,879	9,210	9,541	9,900
19	28	8,569	8,879	9,210	9,541	9,900	10,244
20	29	8,879	9,210	9,541	9,900	10,244	10,606
21	30	9,210	9,541	9,900	10,244	10,606	10,979

22 * **Sec. 11.** AS 39.27.011(e) is amended to read:

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

25 * **Sec. 12.** AS 39.27.011(f) is amended to read:

26 (f) Effective July 1, **2015** [2012], the amounts set out in the salary schedule
27 contained in (a) of this section, as increased under (e) of this section, are increased by
28 **2.5** [TWO] percent.

29 * **Sec. 13.** AS 39.27.011(h) is amended to read:

30 (h) Pay increments, computed at the rate of **3.25** [3.75] percent of the
31 employee's base salary, shall be provided after an employee has remained in the final

1 step within a given range for two years, and every two years thereafter, if, at the time
 2 the employee becomes eligible for the increment, the employee's current annual rating
 3 by the employee's supervisors is designated as "good" or higher.

4 * **Sec. 14.** AS 39.27.011 is amended by adding a new subsection to read:

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

12 * **Sec. 15.** AS 39.27.020 is repealed and reenacted to read:

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

	Geographic Pay
Duty Station	Differential
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 administration shall establish by regulation
 22 the appropriate geographic pay differential. The regulations are not subject to
 23 AS 44.62 (Administrative Procedure Act).

24 (c) The commissioner of administration shall establish geographic pay
 25 differentials for positions in foreign countries. The differentials shall be adjusted
 26 annually, effective July 1, to maintain equity between salaries for positions in foreign
 27 countries and salaries for positions in the state.

28 * **Sec. 16.** AS 39.27.030 is repealed and reenacted to read:

29 **Sec. 39.27.030. Geographic pay differential survey.** Subject to appropriation,
 30 the director of the division of personnel shall conduct a survey, at least every five
 31 years, to review the geographic pay differentials under AS 39.27.020. The survey may

1 address factors the director determines are relevant to review state salary schedules,
 2 entitlements for beneficiaries of state programs, and payments for state service
 3 providers. The survey must reflect the cost of living for duty stations in the state or
 4 outside of the state by using the cost of living in Anchorage, Alaska, as a base.

5 * **Sec. 17.** AS 39.35.675(d) is amended to read:

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

9 * **Sec. 18.** AS 44.31.020 is amended to read:

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

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

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

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

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

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

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

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

30 * **Sec. 19.** AS 22.35.010 and AS 39.27.045 are repealed.

31 * **Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 SALARY ADJUSTMENTS FOR CERTAIN EXEMPT OFFICERS AND
3 EMPLOYEES OF THE EXECUTIVE BRANCH. The salary adjustments under
4 AS 39.27.011(a), as repealed and reenacted by sec. 10 of this Act, and under AS 39.27.011(e)
5 and (f), as amended by secs. 11 and 12 of this Act, apply to public officers who are in the
6 exempt service under AS 39.25.110 and who are not members of a collective bargaining unit
7 established under AS 23.40.070 - 23.40.260 (Public Employment Relations Act) or otherwise
8 covered by AS 39.27.011(a). In this section, "public officers" includes the heads of principal
9 departments of the executive branch and permanent and temporary employees in the
10 executive branch, not including the governor and the lieutenant governor.

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

13 SALARY ADJUSTMENTS FOR CERTAIN EMPLOYEES OF THE JUDICIAL
14 BRANCH. (a) The salary adjustments under AS 39.27.011(a), as repealed and reenacted by
15 sec. 10 of this Act, and under AS 39.27.011(e) and (f), as amended by secs. 11 and 12 of this
16 Act, apply to 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 who are not otherwise covered by AS 39.27.011(a).

20 (b) Justices of the supreme court and judges of the court of appeals and the superior
21 and district courts are entitled to receive salary adjustments provided for in secs. 10 - 12 of
22 this Act in accordance with AS 22.05.140(d), AS 22.07.090(c), AS 22.10.190(d), and
23 AS 22.15.220(e).

24 * **Sec. 22.** The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

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

30 * **Sec. 23.** The uncodified law of the State of Alaska is amended by adding a new section to
31 read:

1 APPLICABILITY. Section 14 of this Act applies to a partially exempt employee of
2 the state in the executive branch hired before, on, or after the effective date of sec. 14 of this
3 Act.

4 * **Sec. 24.** The uncodified law of the State of Alaska is amended by adding a new section to
5 read:

6 TRANSITION: GEOGRAPHIC PAY DIFFERENTIAL FOR CERTAIN JUSTICES,
7 JUDGES, AND STATE EMPLOYEES. (a) If a state employee, including a justice or judge,
8 employed on the effective date of sec. 15 of this Act would have the employee's pay lowered
9 as a result of changes to AS 39.27.020, as repealed and reenacted by sec. 16 of this Act, the
10 state may not lower the employee's pay as a result of those changes. However, the pay of a
11 state employee described in this subsection may not be raised as long as the employee remains
12 in the job and duty station that the employee was employed in on the effective date of sec. 15
13 of this Act, unless the employee is entitled to a pay raise irrespective of the changes to
14 AS 39.27.020, as repealed and reenacted by sec. 15 of this Act.

15 (b) The geographic pay differentials under AS 39.27.020, as repealed and reenacted
16 by sec. 15 of this Act, do not apply to the pay of an employee whose pay is reduced because
17 of a demotion for cause or a voluntary demotion, and (a) of this section does not apply, as
18 long as the employee remains at the job and duty station that the employee was employed in
19 on the effective date of sec. 15 of this Act.

20 (c) If the pay for a position of an employee described in (a) of this section is lowered
21 by the reclassification of the position, the employee remains subject to (a) of this section as
22 long as the employee continues to remain at the job and duty station that the employee was
23 employed in on the effective date of sec. 15 of this Act.

24 * **Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 TRANSITION: REGULATIONS. The commissioner of administration or the
27 personnel board may immediately adopt regulations necessary to implement the respective
28 changes made by this Act. The regulations are not subject to AS 44.62 (Administrative
29 Procedure Act). The regulations may take effect after the effective date of the law
30 implementing the regulation.

31 * **Sec. 26.** Sections 6 - 8 of this Act take effect December 16, 2013.

- 1 * **Sec. 27.** Section 13 of this Act takes effect July 1, 2015.
- 2 * **Sec. 28.** Section 25 of this Act takes effect immediately under AS 01.10.070(c).
- 3 * **Sec. 29.** Except as provided in secs. 26 - 28 of this Act, this Act takes effect July 1, 2013.