

**HOUSE CS FOR CS FOR SENATE BILL NO. 95(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-EIGHTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 4/12/13**

**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 **who are first employed before**  
 25 **July 1, 2013, in a position for which leave may accrue** are entitled to personal leave  
 26 with pay that accrues as follows:

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

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

31 (3) two and one-half days for each full monthly pay period in the case

1 of officers and employees with five but less than 10 years of service;

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

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

5 (c) Officers and employees of the state who are first employed on or after  
6 July 1, 2013, in a position for which leave may accrue are entitled to personal leave  
7 with pay that accrues as follows:

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

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

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

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

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

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

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

26 \* **Sec. 7.** AS 39.20.240 is amended to read:

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

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

1 (b) Notwithstanding (a) of this section, an officer or employee may not  
 2 accumulate more than 1,000 hours of personal leave at the end of each 12-month  
 3 period for use in succeeding 12-month periods.

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

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

12 (1) be exempt from the limitation under (b) of this section; and

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

15 (e) Unless the head of an agency or department certifies in writing that an  
 16 officer or employee of the agency or department who is subject to the requirements of  
 17 (d) of this section was denied the opportunity to take at least 15 days of personal leave  
 18 during a 12-month period, 15 days of personal leave minus the number of days of  
 19 personal leave that was taken by the officer or employee shall be subtracted from the  
 20 accrued personal leave balance of the officer or employee. The leave subtracted from  
 21 accrued personal leave shall be canceled without pay.

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

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

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

29 (a) The following monthly basic salary schedule is approved as the pay plan  
 30 for classified and partially exempt employees in the executive branch of the state  
 31 government who are not members of a collective bargaining unit established under the

1 authority of AS 23.40.070 - 23.40.260 (Public Employment Relations Act), and for  
 2 employees of the legislature under AS 24:

3	Range	Step	Step	Step	Step	Step	Step
4	No.	A	B	C	D	E	F
5	5	2,151	2,211	2,273	2,339	2,408	2,471
6	6	2,273	2,339	2,408	2,471	2,543	2,619
7	7	2,408	2,471	2,543	2,619	2,698	2,785
8	8	2,543	2,619	2,698	2,785	2,864	2,951
9	9	2,698	2,785	2,864	2,951	3,046	3,133
10	10	2,864	2,951	3,046	3,133	3,229	3,323
11	11	3,046	3,133	3,229	3,323	3,436	3,545
12	12	3,229	3,323	3,436	3,545	3,665	3,790
13	13	3,436	3,545	3,665	3,790	3,922	4,061
14	14	3,665	3,790	3,922	4,061	4,204	4,363
15	15	3,922	4,061	4,204	4,363	4,503	4,672
16	16	4,204	4,363	4,503	4,672	4,841	5,011
17	17	4,503	4,672	4,841	5,011	5,184	5,361
18	18	4,841	5,011	5,184	5,361	5,527	5,737
19	19	5,184	5,361	5,527	5,737	5,917	6,133
20	20	5,527	5,737	5,917	6,133	6,318	6,551
21	21	5,917	6,133	6,318	6,551	6,752	6,997
22	22	6,318	6,551	6,752	6,997	7,225	7,483
23	23	6,752	6,997	7,225	7,483	7,733	8,022
24	24	7,225	7,483	7,733	8,022	8,289	8,569
25	25	7,733	8,022	8,289	8,569	8,879	9,210
26	26	8,022	8,289	8,569	8,879	9,210	9,541
27	27	8,289	8,569	8,879	9,210	9,541	9,900
28	28	8,569	8,879	9,210	9,541	9,900	10,244
29	29	8,879	9,210	9,541	9,900	10,244	10,606
30	30	9,210	9,541	9,900	10,244	10,606	10,979

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

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

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

4 (f) Effective July 1, **2015** [2012], the amounts set out in the salary schedule  
5 contained in (a) of this section, as increased under (e) of this section, are increased by  
6 **2.5** [TWO] percent.

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

8 (h) Pay increments, computed at the rate of **3.25** [3.75] percent of the  
9 employee's base salary, shall be provided after an employee has remained in the final  
10 step within a given range for two years, and every two years thereafter, if, at the time  
11 the employee becomes eligible for the increment, the employee's current annual rating  
12 by the employee's supervisors is designated as "good" or higher.

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

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

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

22 **Sec. 39.27.020. Geographic pay differentials.** (a) The following geographic  
23 pay differentials established as a percentage above the basic salary schedule provided  
24 in AS 39.27.011 are approved as an amendment to the basic salary schedule provided  
25 in AS 39.27.011:

	Geographic Pay
Duty Station	Differential
28 Anchor Point	0
29 Anchorage	0
30 Anchorage International Airport	0
31 Aniak	50

1	Anvik	50
2	Auke Bay	5
3	Barrow	50
4	Bethel	50
5	Camp Carroll	0
6	Cantwell	0
7	Chena River	3
8	Chignik	50
9	Chitina	0
10	Cold Bay	50
11	Coldfoot Camp	37
12	Cooper Landing	0
13	Cordova	11
14	Craig	0
15	Crown Point	0
16	Deadhorse	50
17	Delta Junction	0
18	Denali	0
19	Dillingham	37
20	Douglas	5
21	Dutch Harbor	60
22	Eagle	0
23	Eagle River	0
24	Eielson Air Force Base	3
25	Elfin Cove	0
26	Elmendorf Air Force Base	0
27	Emmonak	50
28	Fairbanks	3
29	Finger Lake	0
30	Fort Richardson	0
31	Fort Wainwright	3

1	Fort Yukon	37
2	Gakona	0
3	Galena	37
4	Girdwood	0
5	Glennallen	0
6	Gustavus	0
7	Haines	0
8	Harding Lake	3
9	Healy	0
10	Homer	0
11	Hoonah	0
12	Iliamna	50
13	Juneau	5
14	Kaltag	50
15	Kenai	0
16	Ketchikan	0
17	King Cove	50
18	King Salmon	50
19	Klawock	0
20	Kodiak	11
21	Kotzebue	60
22	Mackenzie Point	0
23	Matanuska	0
24	McGrath	37
25	Mount Edgecumbe	5
26	Nancy	0
27	Nenana	0
28	Nikiski	0
29	Ninilchik	0
30	Nome	37
31	Northway	0



1	Palmer	0
2	Pelican	0
3	Petersburg	0
4	Point Alsworth	50
5	Port Moller	50
6	Saint Mary's	50
7	Sand Point	50
8	Selawik	60
9	Seward	0
10	Sitka	5
11	Skagway	0
12	Soldotna	0
13	Sterling	0
14	Sutton	0
15	Talkeetna	0
16	Tazlina	0
17	Tenakee Springs	0
18	Tok	0
19	Trapper Creek	0
20	Unalakleet	50
21	Unalaska	60
22	Valdez	11
23	Wasilla	0
24	Whittier	0
25	Willow	0
26	Wrangell	0
27	Yakutat	0
28	Other states	0

29 (b) If an employee's duty station is not included in (a) of this section and is not  
30 in a foreign country, the commissioner of administration shall establish by regulation  
31 the appropriate geographic pay differential. The regulations are not subject to

1 AS 44.62 (Administrative Procedure Act).

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

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

7 **Sec. 39.27.030. Geographic pay differential survey.** Subject to appropriation,  
8 the director of the division of personnel shall conduct a survey, at least every five  
9 years, to review the geographic pay differentials under AS 39.27.020. The survey may  
10 address factors the director determines are relevant to review state salary schedules,  
11 entitlements for beneficiaries of state programs, and payments for state service  
12 providers. The survey must reflect the cost of living for duty stations in the state or  
13 outside of the state by using the cost of living in Anchorage, Alaska, as a base.

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

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

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

19 **Sec. 44.31.020. Duties of department.** The Department of Labor and  
20 Workforce Development shall

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

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

25 (3) operate systems of workers' compensation and unemployment  
26 insurance;

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

31 (5) operate the federally funded employment and training programs

1 under 29 U.S.C. 2801 - 2945 (Workforce Investment Act of 1998);

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

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

8 \* **Sec. 19.** AS 22.35.010 and AS 39.27.045 are repealed.

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

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

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

22 SALARY ADJUSTMENTS FOR CERTAIN EMPLOYEES OF THE JUDICIAL  
23 BRANCH. (a) The salary adjustments under AS 39.27.011(a), as repealed and reenacted by  
24 sec. 10 of this Act, and under AS 39.27.011(e) and (f), as amended by secs. 11 and 12 of this  
25 Act, apply to permanent and temporary employees and magistrates in the judicial branch of  
26 the state government, other than justices and judges, who are not members of a collective  
27 bargaining unit established under AS 23.40.070 - 23.40.260 (Public Employment Relations  
28 Act) and who are not otherwise covered by AS 39.27.011(a).

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

1 AS 22.15.220(e).

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

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

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

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

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

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

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

29 (c) If the pay for a position of an employee described in (a) of this section is lowered  
30 by the reclassification of the position, the employee remains subject to (a) of this section as  
31 long as the employee continues to remain at the job and duty station that the employee was

1 employed in on the effective date of sec. 15 of this Act.

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

4 **TRANSITION: REGULATIONS.** The commissioner of administration or the  
5 personnel board may immediately adopt regulations necessary to implement the respective  
6 changes made by this Act. The regulations are not subject to AS 44.62 (Administrative  
7 Procedure Act). The regulations may take effect after the effective date of the law  
8 implementing the regulation.

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

10 \* **Sec. 27.** Section 13 of this Act takes effect July 1, 2015.

11 \* **Sec. 28.** Section 25 of this Act takes effect immediately under AS 01.10.070(c).

12 \* **Sec. 29.** Except as provided in secs. 26 - 28 of this Act, this Act takes effect July 1, 2013.