

**SENATE BILL NO. 98**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 3/25/19

Referred: State Affairs, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to compensation for certain public officials, officers, and employees not  
2 covered by a collective bargaining agreement; establishing a two-week pay period for  
3 state employees who are not covered by a collective bargaining agreement; and  
4 providing for an effective date."

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

6 \* **Section 1.** AS 18.56.070 is amended to read:

7 **Sec. 18.56.070. Personnel exempt from State Personnel Act.** The executive  
8 director and employees [PERSONNEL] of the corporation are in the exempt service  
9 under [EXEMPT FROM] AS 39.25.

10 \* **Sec. 2.** AS 24.10.060(c) is amended to read:

11 (c) Except as provided in (e) of this section for hourly employees, all  
12 employees of the legislature are employed subject to

13 (1) classification and wage plans based on the merit principle and  
14 adapted to the special needs of the legislature, including limitations on pay

1 increments comparable to the limitations on pay increments under  
 2 AS 39.27.011(h); and

3 (2) the general state laws regarding leave and retirement.

4 \* **Sec. 3.** AS 31.25.065 is amended to read:

5 **Sec. 31.25.065. Personnel exempt from State Personnel Act.** The executive  
 6 director and employees [PERSONNEL] of the corporation are in the exempt service  
 7 under [EXEMPT FROM] AS 39.25.

8 \* **Sec. 4.** AS 39.25.110(11) is amended to read:

9 (11) the executive director and employees [OFFICERS AND  
 10 EMPLOYEES] of the following boards, commissions, and authorities:

11 (A) [REPEALED]

12 (B) Alaska Permanent Fund Corporation;

13 (C) Alaska Industrial Development and Export Authority;

14 (D) Alaska Commercial Fisheries Entry Commission;

15 (E) Alaska Commission on Postsecondary Education;

16 (F) Alaska Aerospace Corporation;

17 (G) [REPEALED]

18 (H) Alaska Gasline Development Corporation and subsidiaries

19 of the Alaska Gasline Development Corporation;

20 (I) Alaska Housing Finance Corporation;

21 (J) Alaska Energy Authority;

22 \* **Sec. 5.** AS 39.25.110(18) is amended to read:

23 (18) the executive director and employees of the Alaska Seafood  
 24 Marketing Institute;

25 \* **Sec. 6.** AS 39.25.110(26) is amended to read:

26 (26) professionally credentialed investment officers [IN THE  
 27 DEPARTMENT OF REVENUE];

28 \* **Sec. 7.** AS 39.25.110 is amended by adding new subsections to read:

29 (b) The maximum salary of a position under (a) of this section except for  
 30 (a)(1) - (3) and (a)(40) is \$300,000 a year.

31 (c) An agency or department with exempt positions in (a) of this section may

1 adopt a salary schedule for the positions. The salary schedule shall be submitted for  
2 approval to the director of the office of management and budget.

3 (d) All salary increases and bonuses for exempt positions not subject to an  
4 approved salary schedule under (c) of this section must be approved by the director of  
5 the office of management and budget.

6 \* **Sec. 8.** AS 39.25.120(c) is amended to read:

7 (c) The following positions in the state service constitute the partially exempt  
8 service:

9 (1) deputy and assistant commissioners of the principal departments of  
10 the executive branch, including the assistant adjutant general of the Department of  
11 Military and Veterans' Affairs;

12 (2) the directors of the major divisions of the principal departments of  
13 the executive branch and the regional directors of the Department of Transportation  
14 and Public Facilities;

15 (3) attorney members of the staff of the Department of Law, of the  
16 public defender agency, and of the office of public advocacy in the Department of  
17 Administration;

18 (4) one private secretary for each head of a principal department in the  
19 executive branch;

20 (5) employees of councils, boards, or commissions established by  
21 statute in the Office of the Governor or the office of the lieutenant governor, unless a  
22 different classification is provided by statute;

23 (6) not more than two special assistants to the commissioner of each of  
24 the principal departments of the executive branch, but the number may be increased if  
25 the partially exempt service is extended under AS 39.25.130 to include the additional  
26 special assistants;

27 (7) the principal executive officer of the following boards, councils, or  
28 commissions:

29 (A) Alaska Public Broadcasting Commission;

30 (B) Professional Teaching Practices Commission;

31 (C) Parole Board;

- 1 (D) Board of Nursing;
- 2 (E) Real Estate Commission;
- 3 (F) Alaska Royalty Oil and Gas Development Advisory Board;
- 4 (G) Alaska State Council on the Arts;
- 5 (H) Alaska Police Standards Council;
- 6 (I) Alaska Commission on Aging;
- 7 (J) Alaska Mental Health Board;
- 8 (K) State Medical Board;
- 9 (L) Governor's Council on Disabilities and Special Education;
- 10 (M) Advisory Board on Alcoholism and Drug Abuse;
- 11 (N) Statewide Suicide Prevention Council;
- 12 (O) State Board of Registration for Architects, Engineers, and
- 13 Land Surveyors;
- 14 (P) Alaska Health Care Commission;
- 15 (Q) Board of Pharmacy;
- 16 (8) Alaska Pioneers' Home and Alaska Veterans' Home managers;
- 17 (9) hearing examiners in the Department of Revenue;
- 18 (10) the comptroller in the division of treasury, Department of
- 19 Revenue;
- 20 (11) airport managers in the Department of Transportation and Public
- 21 Facilities employed at the Anchorage and Fairbanks International Airports;
- 22 (12) the deputy director of the division of insurance in the Department
- 23 of Commerce, Community, and Economic Development;
- 24 (13) the executive director and staff of the Alaska Public Offices
- 25 Commission;
- 26 (14) the rehabilitation administrator of the division of workers'
- 27 compensation;
- 28 (15) guards employed by the Department of Public Safety for
- 29 emergencies;
- 30 (16) marine pilot coordinator of the Board of Marine Pilots;
- 31 (17) guards employed by the Department of Corrections, other than in

1 state correctional facilities, to carry out the responsibility of the commissioner of  
2 corrections under AS 33.30.071(b);

3 (18) hearing officers and administrative law judges of the Regulatory  
4 Commission of Alaska;

5 (19) the compact administrator appointed under AS 33.36.130;

6 (20) the chief administrative law judge and administrative law judges  
7 of the office of administrative hearings;

8 (21) the executive secretary of the Board of Public Accountancy;

9 **(22) persons employed in a professional capacity to make a**  
10 **temporary or special inquiry, study, or examination as authorized by the**  
11 **governor;**

12 **(23) labor relations analysts in the Department of Administration.**

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

14 (h) Pay increments, computed at the rate of 3.25 percent of the employee's  
15 base salary, shall be provided **to the employee** after **the** [AN] employee has remained  
16 in the final step **of** [WITHIN] a given range for **three** [TWO] years, and every **three**  
17 [TWO] years thereafter, if, at the time the employee becomes eligible for the  
18 increment, the employee's current annual rating by the employee's supervisors is  
19 designated as "good" or higher.

20 \* **Sec. 10.** AS 39.27.012 is amended to read:

21 **Sec. 39.27.012. Temporary salary schedules; pay periods.** The director of  
22 the division of personnel may establish salary schedules providing lesser amounts than  
23 those in the basic salary schedule in order to meet salary limit requirements for receipt  
24 and expenditure of federal funds. [SALARY RATES ESTABLISHED UNDER  
25 AUTHORITY OF THIS SECTION DO NOT AFFECT THE SALARIES OF  
26 EMPLOYEES PROVIDED FOR BY A COLLECTIVE BARGAINING  
27 AGREEMENT NEGOTIATED UNDER THE AUTHORITY OF AS 23.40.070 -  
28 23.40.260 (PUBLIC EMPLOYMENT RELATIONS ACT).]

29 \* **Sec. 11.** AS 39.27.012 is amended by adding new subsections to read:

30 (b) The director of the division of personnel may establish a two-week pay  
31 period for biweekly payment of a monthly salary under AS 39.27.011. The director

1 shall determine the amount paid biweekly based on

2 (1) an annual salary equal to the monthly salary multiplied by 12;

3 (2) a rate of hourly pay equal to the annual salary divided by 1,975.50,  
4 for an employee subject to a normal work week of 37.5 hours, or the annual salary  
5 divided by 2,088, for an employee subject to a normal workweek of 40 hours;

6 (3) a rate of daily pay equal to the hourly pay multiplied by the number  
7 of hours in the employee's normal work day;

8 (4) a rate of weekly pay equal to the hourly rate multiplied by 37.5, for  
9 an employee subject to a normal work week of 37.5 hours, or the hourly rate  
10 multiplied by 40, for an employee subject to a normal work week of 40 hours; and

11 (5) a rate of biweekly pay equal to the hourly rate multiplied by 75, for  
12 an employee subject to a normal work week of 37.5 hours, or the hourly rate  
13 multiplied by 80, for an employee subject to a normal work week of 40 hours.

14 (c) This section does not apply to an employee in a bargaining unit  
15 represented by an organization under AS 23.40.070 - 23.40.260 (Public Employment  
16 Relations Act).

17 \* **Sec. 12.** AS 39.25.110(9) is repealed.

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

20 APPLICABILITY. This Act does not apply to individual employment contracts  
21 entered into before July 1, 2019.

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

24 TRANSITION. Agencies and departments shall submit to the director of the office of  
25 management and budget a list of all exempt positions and salaries of exempt positions that  
26 exist on the effective date of this Act for review and approval. Agencies and departments may  
27 also submit proposed salary schedules for exempt positions.

28 \* **Sec. 15.** The uncodified law of the State of Alaska is amended by adding a new section to  
29 read:

30 TRANSITION: REGULATIONS. The commissioner of administration or the  
31 personnel board may adopt regulations necessary to implement the respective changes made

- 1 by this Act. The regulations are not subject to AS 44.62 (Administrative Procedure Act).
- 2 \* **Sec. 16.** This Act takes effect July 1, 2019.