

ALASKA DEPARTMENT OF ADMINISTRATION
OVERVIEW OF HB 195 & SB 95
“STATE EMPLOYEE COMPENSATION AND BENEFITS”



More Information:

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WHAT ARE HB 195 AND SB 95 ABOUT?

- Consistency with cost of living, reduction of leave accrual, cap on leave amount and decreases in the pay increment
- Enhance ability to recruit and retain highly-skilled professionals
- Implementation of Geographical Pay Differential for last phase of remaining employees

OVERVIEW OF THE BILL SECTIONS

- Section 1-4: Leave Accrual and Cap
- Section 5: Petroleum Engineers/Geologists
- Section 6-8: Cost of Living Increases
- Section 9: Pay Increments
- Section 10: Partially-Exempt Salaries
- Section 11-14: Geographic Pay Differentials

NEW LEAVE ACCRUAL AND CAP

Sections 1-4

New - Leave Accrual Rates

Years of Service	Employees Hired Prior to 7/1/2013	Employees Hired on or after 7/1/2013
0 - 2 years of service	15 hours (2 days) per month	13.12 hours (1.75 days) per month
2 - 5 years of service	16.88 (2.25 days) per month	15 hours (2 days) per month
5 – 10 years of service	18.76 (2.5 days) per month	16.88 (2.25 days) per month
10 - 15 years of service	-	18.76 (2.5 days) per month
10+ years of service	22.5 (3 days) per month	-
15+ years of service	-	22.5 (3 days) per month

NEW - Mandatory Leave Usage

Current Requirement	Balance of 400 Hours or Less as of 12/16/2013	Balance Over 400 Hours as of 12/16/2013
37.5 hours (5 days) per year	75 hours (10 days) per year	112.5 hours (15 days) per year

NEW - Maximum Accrual Limit

	Current Limit	Limit as of 12/16/2013
Executive, Judicial and Legislative Branch Employees	None	1,000 hours

Employees with a balance that exceeds 400 hours as of 12/16/2013 are exempt from the maximum accrual limit until such time as his/her balance equals 400 hours or less.

PETROLEUM ENGINEERS/GEOLOGISTS

Section 5

- Removes exclusion of positions in Division of Geological & Geophysical Surveys (DGGS)
- Only 1 position – DGGS, Energy Section Manager (currently SU Geologist V) – vacant since March 17, 2012
 - Position requires complete understanding of petroleum systems analysis and exploration that is obtained primarily through industry experience
 - Industry salaries are approximately 50% higher than current authorized salary (data from Assoc of Petroleum Geologists 2011 Survey)
 - Two national searches failed – No qualified applicants after 45 days of recruitment and advertising in national trade publications
- Amendment applicable to DNR, DGGS only

COST OF LIVING INCREASES

Sections 6-8

- Effective 7/1/13 – 1%
- Effective 7/1/14 – 1%
- Effective 7/1/15 – 2.5%
- Consistent with terms of recently negotiated collective bargaining agreements
- Applies to noncovered classified and partially exempt (PX) and many exempt employees of the executive branch, employees of the legislature (AS 24.10.011 and AS 24.10.210), and the judicial branch

PAY INCREMENTS

Section 9

- Effective 7/1/15 the percentage between pay increments (J & above) will decrease from 3.75% to 3.25%
- Consistent with terms of recently negotiated collective bargaining agreements
- Applies to noncovered classified and PX employees – also applies to many exempt employees through policy.
- Applies to legislative branch if a policy has been adopted (AS 39.27.011(j))

PARTIALLY-EXEMPT SALARIES

Section 10

- Partially Exempt (PX) positions are subject to classification and pay plans which limits flexibility
- State often not competitive for top talent – need some flexibility for mission critical positions
- Governor or designee on case-by-case basis:
 - serves critical governmental interest of state
 - employee possesses exceptional qualifications
 - recruitment difficulties exist; or
 - necessary to compete with labor market
- Applies to executive branch Partially Exempt (PX) employees only

GEOGRAPHICAL PAY DIFFERENTIALS

Sections 11-14

HISTORY: Survey conducted by McDowell Group in Fall, 2008 – report completed in 2009

Communities	% above Base
Anchorage, Delta Junction/Tok Region, Glennallen Region, Kenai Peninsula Region, Ketchikan, Mat-su, Parks/Elliott/Steese Highway, SE Mid-Size Communities, SE Small Communities	0
Fairbanks	3
Juneau, Sitka	5
Cordova, Kodiak, Valdez	11
Dillingham, Nome, Roadless Interior	37
Barrow, Bethel, Aleutians (other than Unalaska/Dutch Harbor), SW Small Communities	50
Kotzebue, Unalaska/Dutch Harbor	60

Executive Branch:

483 Increase

122 No loss in pay (frozen)

727 No change

Legislative Branch:

145 Increase

24 No loss in pay (frozen)

204 No change

The background of the slide features a large, faint, circular seal of the State of Alaska Department of Administration. The seal contains the text "DEPARTMENT OF ADMINISTRATION" at the top and "ALASKA'S PROUDLY SERVING ALASKANS" at the bottom, with a central emblem depicting a mountain range and a sun.

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