



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Administration

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The Honorable Anna MacKinnon, Co-Chair
Senate Finance Subcommittee
Alaska Capitol Building, Room 516
Juneau, Alaska 99801

Dear Senator MacKinnon,

Thank you for the opportunity to speak to the Senate Finance Committee on SB 31 "No State Employee Pay Increase for Two Years." During our presentation, there were questions we were unable to answer. We have provided those responses below.

1. *Senator Bishop asked how long it would take an employee to get to the end of the alphabet?*

It would take approximately 39 years to get to the end of the alphabet, assuming that an employee remained at the same range and on the same base salary schedule the entire time.

2. *Senator Von Imhof asked how long it would take to double an employee's initial salary?*

It would generally take 37-40 years to double the initial salary (remaining at the same range and schedule) and assuming no COLAs.

However, assuming an annual COLA of 1%, the employee's initial salary would be doubled in about 23-24 years. Assuming an annual COLA of 1.33% (to somewhat mimic a 1-1-2 agreement), the salary would double in about 20-21 years. Again, this assumes that the employee stays at the same range and on the same schedule.

3. *Senator Bishop asked what the attrition rate is for non-covered employees?*

Please see the attached report titled "Copy of EX EE and PX Separation Rates".

4. *Senator Bishop asked the total salary cost for non-covered employees?*

The payroll of the non-covered people in the salary bill is \$370 million with the University (but excluding the Legislature, Courts and AMHS).

5. *Senator Dunleavy asked the total of personal services for the State?*

Salaries of employees for which we have budget position detail is \$1.8 billion (**excludes** University, Legislature, Courts and AMHS). Salaries of ALL employees is \$2.4 billion (**includes** University, Legislature, Courts and AMHS).

6. *Senator Bishop asked the number of employees at each range and each step?*

Please see the attached report titled “Copy of XE Emp Counts”. You will notice on this report that there are terms such as “inapplicable” and many employees at a range 0. “Inapplicable” refers to employees that do not use a standard schedule (e.g. Governor and commissioners).

There are several instances where PCNs at a range 0 appear to be filled by multiple employees:

- 07-4550 Sub Teacher – AVTEC – 35 entries
- 01-501SF, 01-501SA, 01-501SG Election Translator – 18 entries
- 01-505YF, 01-505YJ, 01-505YW, 01-505YN Election Official – 11 entries
- 05-0065 Sub Teacher Mt. Edgecumbe – 64 entries

7. *Senator Dunleavy asked for the number of non-covered employees on salary overrides and advanced step placement?*

Attached is a report titled “Executive Branch Employees with Rate Overrides” as well as the report which shows all non-covered employees hired above A step. If a job class isn’t listed, then that position did not include anyone hired above A step.

Regarding the override report, there are many reasons why an employee may be paid on a rate override such as commissioner’s pay since it is set by the State Officers Compensation Commission and doesn’t necessarily correlate to a range or step on the salary schedule.

Regarding the report of non-covered employees hired above A step, it’s also important to note that some of these employees had earned that step at that range already so can be appointed back at that same step under the Personnel Rules. Therefore, these may not all be due to the advanced step placement rules.

To provide some clarification, advanced step placements, for partially-exempt employees, can be granted in three ways:

- Under the Personnel Rules for recruitment difficulties (2 AAC 07.320)
- Under the Personnel Rules for exceptional qualifications (employees can be placed on the highest merit step, F step, if both recruitment difficulties and exceptional qualifications are found)
- AS 39.27.011(k) allows the Governor to authorize a step higher than F if the determination is made that the action serves a critical governmental interest of the state, the employee possesses exceptional qualification, recruitment difficulties exist, or the action is necessary due to competitive salaries in the relevant labor market.

8. *The Committee requested to know the number of hires since the hiring restriction went into effect in January, 2016?*

Please see the report titled “State Employment Statistics for 2016”.

We appreciate the opportunity to discuss these issues. If there is anything else we can provide the committee, please do not hesitate to contact my office.

Sincerely,



Sheldon Fisher
Commissioner

cc: Darwin Peterson, Legislative Director, Governor Bill Walker

Enclosure:

“Copies of EX EE and PX Separation Rates”

“Copy of XE Emp Counts”

“Executive Branch Employees with Rate Overrides”

“Executive Branch Exempt and Partially Exempt Employees Hired from 1-1-2015 to 12-31-106 at an Advanced Step”