



## **HB 71 Sectional Analysis**

**Section 1** Outlines intent of bill is to reduce state's expenditures.

**Section 2** of the bill amends AS 39.25.140, AS 39.25.150 and AS 39.27.011 by disallowing for merit increases and pay increments for classified and partially exempt employees in the executive branch who are not covered by a collective bargaining agreement during the period of July 1, 2017 and June 30, 2019.

**Section 3** of the bill disallows general salary increases, merit steps, pay increments, bonus or comparable salary increases for employees in the exempt service under AS 39.25.110 (9), persons employed in a professional capacity to make a temporary or special inquiry, study or examination as authorized by the governor, (11) the officers and employees of the following boards, commissions, or authorities; Alaska Permanent Fund Corporation; Alaska Industrial Development and Export Authority; Alaska Commercial Fisheries Entry Commission; Alaska Commission on Postsecondary Education; Alaska Aerospace Corporation; Alaska Gasline Development Corporation and subsidiaries of the Alaska Gasline Development Corporation, (12) the executive secretary and legal counsel of the Alaska Municipal Bond Bank Authority, (13) the state medical examiner, deputy medical examiner, and assistant medical examiners appointed under AS 12.65.015 and pharmacists and physicians licensed to practice in this state and employed by the Department of Health and Social Services or by the Department of Corrections, (14) petroleum engineers and petroleum geologists employed in a professional capacity by the Department of Natural Resources and by the Alaska Oil and Gas Conservation Commission, (17) officers and employees of the state who reside in foreign countries, (18) employees of the Alaska Seafood Marketing Institute, (20) employees of the Office of the Governor and the office of the lieutenant governor, including the staff of the governor's mansion, (26) investment officers in the Department of Revenue, (30) a person employed as an actuary or assistant actuary by the division of insurance in the Department of Commerce, Community, and Economic Development, (34) the chief executive officer and employees of the Alaska Mental Health Trust Authority employed under AS 47.30.026 (b), (35) the assistant adjutant general for space and missile defense appointed under AS 26.05.185, (36) the victims' advocate established under AS 24.65.010 and the advocate's staff, (37) employees of the Alaska mental health trust land unit established under AS 44.37.050, (38) the executive director of the Council on Domestic Violence and Sexual Assault established under AS 18.66.011, (39) the executive director and employees of the Knik Arm Bridge and Toll Authority under AS 19.75.051 and 19.75.061, (40) the chair of the Workers' Compensation Appeals Commission (AS 23.30.007), (41) the Alaska Gasline Inducement Act coordinator appointed under AS 43.90.250, (42) oil and gas audit masters employed in a professional

capacity by the Department of Revenue and the Department of Natural Resources to collect oil and gas revenue by developing policy, conducting studies, drafting proposed regulations, enforcing regulations, and directing audits by oil and gas revenue auditors, (43) the in-state gasline project coordinator appointed under AS 38.34.010, during the period of July 1, 2017 and June 30, 2019.

**Section 4** of the bill prevents the State Officers Compensation Commission from increasing the salary of the Governor, Lieutenant Governor, Department Heads and members of the legislature through operation of AS 39.23.500-39.23.599.

**Section 5** of the bill disallows general salary increases, merit steps, pay increments, bonus or comparable salary increases for permanent and temporary employees of the legislative branch of the state government, including employees of the house and senate receiving compensation under AS 24.10.210, the employees of the office of victims' rights and victims' advocate, and the employees of the office of the ombudsman and the ombudsman, who are not covered by a collective bargaining agreement during the period of July 1, 2017 and June 30, 2019.

**Section 6** of the bill disallows general salary increases, merit steps, pay increments, bonus or comparable salary increases for employees of the University of Alaska who are not covered by a collective bargaining agreement during the period of July 1, 2017 and June 30, 2019.

**Section 7** of the bill amends Provides that merit increases can be awarded on the merit anniversary date of the employee between July 1, 2019 and June 30, 2020 and accounts for time worked before July 1, 2017 to count toward the next merit step. Also provides that the merit increase may not be awarded retroactively.

**Section 8** of the bill Provides that pay increments can be awarded on the merit anniversary date of the employee between July 1, 2019 and June 30, 2020 and accounts for time worked before July 1, 2017 to count toward the next pay increment. Also provides that the pay increment may not be awarded retroactively.

**Section 9** of the bill states that this act does not apply to individual employment contracts entered into before July 1, 2017.

**Section 10** of the bill provides transition language to allow for the personnel board to adopt any necessary regulation changes.

**Section 11** of the bill provides that any necessary regulation changes can be adopted immediately.

**Section 12** of the bill provides an effective date of July 1, 2017.