

Statewide Salary Study Report

State of Alaska

April 9, 2025

Dear Commissioner Paula Vrana:

In accordance with the scope of work in RFP 2024-0200-0142/02-111-24, Segal is privileged to submit our report to the Division of Personnel (DOP) for the Alaska Statewide Salary Study for the State's Executive Branch. This report provides a comparative analysis of salary and benefits market data collected from private and public organizations. The State engaged Segal based on its need for a comprehensive salary and compensation study for Executive Branch jobs in the Classified and Partially Exempt service. The purpose of the study was to gather accurate and up-to-date data on salary and compensation practices across various industries and job roles amongst public and private sector employers to compare these structures with the State's.

The State's classification and pay plans are based on statutory requirements outlined in AS 39.25.150, which require the Director of Personnel to develop personnel rules that must provide for:

(1) the preparation, maintenance, and revision, by the director of personnel, subject to approval of the commissioner of administration and the personnel board, of a position classification plan for all positions in the classified and partially exempt services; the position classification plan must include:

(A) a grouping together of all positions into classes on the basis of duties and responsibilities.

(B) an appropriate title, a description of the duties and responsibilities, training and experience qualifications, and other necessary specifications for each class of positions.

(2) the preparation, maintenance, revision, and administration by the director of personnel of a pay plan for all positions in the classified and partially exempt services; the pay plan:

(A) shall be based upon the position classification plan.

(B) must provide for fair and reasonable compensation for services rendered and reflect the principle of like pay for like work.

(C) may be amended, approved, or disapproved by the legislature in regular or special session; after the pay plan is in effect, a salary or wage payment may not be made to a state employee covered by the plan unless the payment is in accordance with this chapter and the rules adopted under this chapter or unless the payment is in accordance with a valid agreement entered into in accordance with AS 23.40.

The information in this report summarizes Segal's work to collect, review, analyze and provide high level recommendations regarding the state's compensation structures.

About this Report

The State of Alaska (State) Statewide Salary Study (study) Report includes findings prepared by Segal. The purpose of the report is to analyze the competitiveness of the State's pay plans and compensation against the market data from private and public organizations.

This study began in 2024 by soliciting salary data from peer jurisdictions in both the public and private sector. After the initial data gathering, Segal conducted additional outreach to non-responsive organizations, added peer organizations and updated the State of Alaska compensation information. The overall goal was to expand and update the data for a comprehensive comparison with the labor market as of January 1, 2025.

The particular response rates by data source varies, but the overall volume and quality of compensation data collected through this effort exceeds industry standards necessary for performing analysis and drawing conclusions.

Segal compared the State to both the overall combined market 50th and 65th percentile target points in this report and refer to them individually or the "identified market competitive points."

How to Use this Report

This report provides a statewide overview of competitiveness of the State salary structures through the comparison of 404 benchmark jobs which represent approximately 7,310 employees. The data in this report is aggregated to represent the State's compensation programs in comparison to the market.

This report outlines the methodology used to collect and analyze the market data and provide findings regarding competitiveness. The State's market comparison is provided as a composite across all benchmark jobs, occupational groups, job families, bargaining units, and individual benchmark jobs to the market 50th and 65th percentiles. The 50th percentile is often referred to as the 'market median', which represents the middle point of a data set. Whereas the 65th would be considered a market leading point for market comparison purposes.

We trended all compensation data collected from custom survey participants and published survey sources in 2024. Health benefit data for Alaska and the Federal government is for the current period reviewed in this report, while the health benefit data for other peer organizations has been aged. The data and analysis presented in this report allows the State to review individual benchmarks and related job groupings against the identified market competitive points. In addition to the pay range comparison, Segal has collected market data and trends related to:

- Base Pay Range Information
- Paid time off (effective January 1, 2024)
- Health insurance cost share

This report does not define appropriate compensation for employees nor address changes to the current salary structures. Instead, the report is intended to provide State leaders data and related insights to make decisions related to compensation for State positions and ensure any updates reflect the appropriate balance to:

- Compensate State employees fairly
- Compete for skilled employees in the job market
- Effectively manage and forecast government operations costs

To navigate the report, in the table of contents and the following list of exhibits, readers can jump to specific sections by clicking on the respective name. The following report describes the methodology used to determine the scope, methods to perform the analysis, and then the study findings.

Executive Summary

The 2025 Statewide Salary Study (study or report) shows how the State's compensation structures for jobs in the Executive Branch compare to comparable peer organizations and the broader labor market. It is important to note that the last comprehensive statewide compensation survey was conducted 16 years ago, in 2009. The State embarked on this important endeavor so an assessment of current competitiveness can be evaluated. Segal partnered with the Department of Administration, Division of Personnel (DOP) to define the study methodology and key study elements (**Exhibit 1**).

Exhibit 1

Key Study Elements

Data Sources (Defined labor market)	Survey Elements	Benchmark Jobs
Custom survey (AK & Lower 48)	Base pay ranges	404 Benchmark jobs
State governments	Paid time off (vacation, sick, holiday, personal)	Represents thousands of state employees
Private sector data	Health insurance cost	Representative sample reflecting employee populations across occupational groups, job families, and bargaining units
Federal government		
Segal Public Sector Compensation Database		

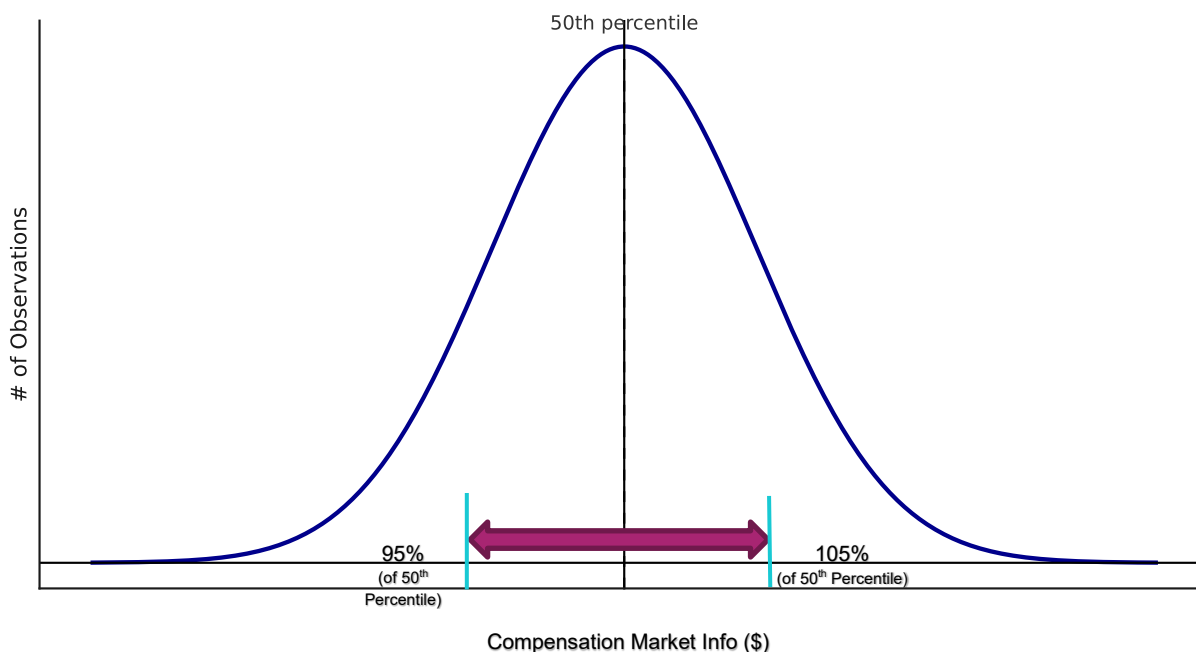
While the vast majority of the State's employees are located in Juneau and Anchorage, the comparable peers and labor market represent a broader geographic area. Due to Alaska's location and limited comparable organizations, the labor market needs to include the local organizations within the State as well as comparable organizations in the lower 48. The analysis and findings of the report show the comparative relationship of base pay ranges, health benefit costs with in-state public employers, in-state private employers and state and public sector governments from the lower 48.

The study includes data from multiple survey sources, including 42 peer organizations through the custom survey process, 38 recent public sector compensation surveys conducted by Segal across the United States (including Alaska) represented via the Segal Public Sector Compensation Database, and nationwide private sector organizations through published survey sources. All market salary and benefits data are adjusted using cost-of-labor adjustment factors, as described in the methodology section. Additionally, all market salary data collected through the custom survey and published survey sources in 2024 was aged using an annual trend factor, as described in the methodology section. We were able to identify quality job matches for 384 of the 404 benchmark jobs identified by DOP for the study (95% of benchmark jobs). The remaining benchmark jobs had fewer than five (5) peer matches in the custom survey or published survey job matches and are excluded from overall competitiveness calculations in

order meet the Department of Labor's Safe Harbor Guidelines that define data sufficiency reporting requirements.

Overall, the collected market data represents all departments and a majority of the State's employee population.

Segal defines a market competitiveness corridor as shown below, which is used to describe the State's relationship to the established competitive point. For example, a comparison to the identified competitive market point at 100%, means the State is paying equal to that amount. Segal has historically used this competitiveness corridor definition across all public sector compensation projects for the past 25 years. Additionally, these comparative guidelines follow *WorldatWork*, a compensation professional organization, best practices for interpreting market competitiveness. The graphic below depicts the distribution of the market data with a normal distribution around the 50th percentile, and the spread of competitive corridor between the 95% to 105% of the identified competitive market point (50th percentile on graphic). A similar graphic can be done for the market competitive corridor around the 65th percentile of the market. For reference, the 65th percentile of the market distribution below would be shifted slightly to the right, as it would be higher than the 50th percentile.



- Figures shown in **red text** are less than **95%** of the market 50th or 65th percentile and are considered **Below Market**
- Figures shown in **black text** are between **95%** and **105%** of the market 50th or 65th percentile and are considered **At Market** or **Market Competitive** (equivalent to +/- 5% variance from the market 50th percentile)
- Figures shown in **blue text** are greater than **105%** of the market 50th or 65th percentile and are considered **Above Market**

The comparisons of the pay ranges in the Executive Summary represents the overall combined 50th and 65th percentile of all market data sources (**Exhibit 2**).

Exhibit 2

Alaska as a Percentage of the Overall Combined Market 50th and 65th Percentile

	Alaska as Percentage of Market 50 th Percentile*			Alaska as a Percentage of Market 65 th Percentile*		
	Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
Public Sector Custom Survey	104%	98%	102%	96%	92%	95%
Published data sources (private sector)	91%	95%	106%	89%	92%	103%
Overall Combined	97%	96%	103%	92%	91%	98%

*Segal Public Sector Compensation Database at 50th and 65th percentile is not available.

Note: Overall combined market 50th and 65th percentile excludes 20 benchmark job titles that did not meet the data sufficiency requirement.

Below are the key findings and highlights for each of the study areas: base pay ranges, paid time off, and health insurance (**Exhibit 3**).

Exhibit 3

Key Findings

	Market 50 th Percentile	Market 65 th Percentile
Base Pay Ranges	<p>Across all benchmarks and market sectors:</p> <ul style="list-style-type: none"> • <i>Public Sector (Custom Survey)</i> - Minimum, Midpoint, Maximum – At Market • <i>Published Data Sources (Private Sector)</i> - Minimum – Below Market, Midpoint – At Market, Maximum – Above Market • Overall Combined Market - Minimum, Midpoint, Maximum – At Market 	<p>Across all benchmarks and market sectors:</p> <ul style="list-style-type: none"> • <i>Public Sector (Custom Survey)</i> - Minimum & Maximum – At Market, Midpoint – Below Market • <i>Published Data Sources (Private Sector)</i> - Minimum & Midpoint – Below Market, Maximum – At Market <p>Overall Combined Market - Minimum & Midpoint – Below Market, Maximum – At Market</p>
Paid Time Off*	<p>1 Year of Service - Below Market across all bargaining units</p> <p>10+ Years of Service - At Market and Above Market for most bargaining units</p>	
Health insurance cost share	<p>Public Sector – At Market</p> <p>Private Sector – Above Market</p>	

*Includes vacation, sick, holiday, and personal leave

Summary of base pay comparisons

- Compared to public sector compensation data (custom survey), the State's current pay range minimum, midpoint, and maximum are **At Market** at the 50th percentile of the market. However, while the State's current pay range minimum and maximum remain **At Market**, the midpoint falls **Below Market** when compared to the 65th percentile of the market.
- Compared to private sector compensation data (published survey sources), the State is **At Market** for the minimum, midpoint, and maximum at the 50th percentile of the market. However, the State's current range minimum, midpoint, and maximum across all benchmark jobs falls **Below Market** at the 65th percentile of the market.
- Compared to all compensation data (public and private sectors), at the 50th percentile across all benchmark jobs, the minimum, midpoint, and maximum of the State's current pay ranges are **At Market**. However, at the 65th percentile across all benchmark jobs, the minimum and midpoint of the State's current pay ranges is **Below Market**, and the State's current pay range maximum is **At Market**.

Benchmark job and employee breakdown

When compared to the overall combined market 50th percentile, 72% of employees are in benchmark jobs **At or Above Market** based on the current pay range minimum, 66% of employees are in benchmark jobs **At or Above Market** based on the midpoint, and 81% of employees are in benchmark jobs **At or Above Market** based on the maximum (**Exhibit 4**). Among highly populated benchmark jobs (over 100 employees), approximately 31% of employees are **At or Above Market** when compared to the current pay range midpoint.

In contrast, when compared to the overall combined market 65th percentile, 57% of employees in benchmark jobs are **At or Above Market** based on the current pay range minimum. At the current pay range midpoint, 41% of employees are in benchmark jobs **At or Above Market**. At the current pay range maximum, 69% of the employees are in benchmarks **At or Above Market** (**Exhibit 5**). Among the highly populated benchmark jobs (over 100 employees), 17% of employees are **At or Above Market** when compared to the current pay range midpoint.

Exhibit 4

Benchmark Job and Employee Percentage Breakdown at the Overall Combined Market 50th Percentile

Competitiveness	Minimum		Midpoint		Maximum	
	Jobs	Percent of Employees	Jobs	Percent of Employees	Jobs	Percent of Employees
Above Market	25%	33%	20%	28%	41%	55%
At Market	28%	39%	32%	38%	31%	26%
Below Market	43%	26%	42%	32%	23%	18%
Insufficient Data	5%	2%	5%	2%	5%	2%

Percentages may not add up to 100% due to rounding.

Exhibit 5

Benchmark Job and Employee Percentage Breakdown at the Overall Combined Market 65th Percentile

Competitiveness	Minimum		Midpoint		Maximum	
	Jobs	Percent of Employees	Jobs	Percent of Employees	Jobs	Percent of Employees
Above Market	14%	14%	13%	11%	28%	32%
At Market	26%	43%	24%	30%	32%	37%
Below Market	55%	42%	59%	57%	35%	30%
Insufficient Data	5%	2%	5%	2%	5%	2%

Percentages may not add up to 100% due to rounding.

Occupational group comparison

The State's benchmark jobs represent all twelve (12) of the State's defined occupational groups. We found that four (4) of the occupational groups are consistently **Below Market** at the midpoint in comparison to the overall combined market 50th and 65th percentiles. These occupational groups include Executives and Senior Administrators (PA); Education, Information, Libraries, and Museums (PE); Biological Sciences (PH); and Physical Sciences and Engineering (PK). The occupational groups Legal, Judicial, and Related (PI); Police, Fire Fighters, and Corrections (PJ); and Craftwork and Labor (PL) are consistently **At** or **Above Market** at the current pay range midpoint when compared to the overall combined market 50th and 65th percentiles.

Bargaining unit breakdown

The State's benchmark jobs represent ten (10) of the State's bargaining units. We found that Partially Exempt (XE) benchmark jobs are consistently **Below Market** at pay range midpoint in comparison to the overall combined market 50th and 65th percentiles. However, classified bargaining units are **At Market** in comparison to the overall combined market 50th percentile and **Below Market** at the overall combined market 65th percentile at pay range midpoint.

Five (5) bargaining units CEA Confidential Employees (KK), LTC Labor, Trades & Crafts (LL), Public Safety Officers (AA), Airport Police & Fire Officers (AP), and Correctional Officers (GC) are consistently **At** or **Above Market** at pay range midpoint in comparison to the overall combined market 50th and 65th percentiles.

Healthcare benefits

Alaska has annual employer healthcare costs that are **At Market** when compared to other public sector employers and are **Above Market** compared to the private employers (**Exhibit 6**).

Exhibit 6

Annual Employer Healthcare Cost Comparison

	Annual Employer Healthcare Cost
State of Alaska	\$22,217
Public Sector	\$22,140
Private Sector	\$19,259

Paid time off comparison

When comparing total paid leave days to the market average (**Exhibit 7**), the State is **Below Market** at earlier years of service, but **At Market** after five (5) years of service.

Exhibit 7

Average Alaska Total Paid Leave Compared to the Market

