

ALASKA STATE LEGISLATURE

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REPRESENTATIVE CRAIG JOHNSON RULES COMMITTEE CHAIRMAN

House Bill 379 Sponsor Statement

This year Alaskans have watched the price of oil drop and our state's revenues steeply decline. Businesses across the state have begun to examine downsizing, with many implementing layoffs. State government, in spite of our change in fiscal circumstances, is scheduled to give its employees pay increases, resulting in millions of dollars of spending. In this financial climate, during a period where many are unsure of their job security, the state of Alaska needs to prioritize private and public sector stability and economic health. While merit pay has been an advantage that many look forward to as a part of state employment, maintaining as many stable, healthy Alaskan families as possible must take priority.

The state's spending needs to best reflect the reality of our fiscal situation, and while the price of oil hovers at \$40 per barrel, we simply cannot afford to dole out merit raises. Under House Bill 379, merit increases would be frozen until such a time as oil prices increase. When prices rise, employees would share in the increase, and the state would reintegrate the increases.

No employee should lose their job in order to pay a colleague's raise, nor should Alaskans be asked to pay a share of their personal or business income to increase the pay of a state worker. This bill proposes no salary cuts or position eliminations. It simply represents an accurate reflection of the state's finances, and places priority on keeping Alaskans employed.