

House Bill 130: Flexible Time Credit

Presentation to House State Affairs Committee



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Only Some Public Employees are Overtime Eligible

- The general standard is whether a position is covered, or exempt, from the federal Fair Labor Standards Act (FLSA)
- “Exempt” employees are not eligible for overtime
- Determination is done by the Department of Administration, but broadly, “exempt” employees are executive, senior administrative, or technical employees who make at least a certain minimum salary
- Typically, in the state system, classified employees at and about roughly Range 18 and higher are “exempt”

What happens for non-eligible employees

- The union contracts provide, to a degree, for “compensatory time,” which is also referred to as “flexible time credit” or “comp time”
- This is basically additional allowed time off, (with supervisor approval of course), in addition to accrued leave
- Comp Time is not earned “1 for 1”

What happens for non-eligible employees?

- For example, in the General Government Unit (ASEA):
 - Regular work week is 37.5 hours
 - No comp time earned until the person works 45 hours (7.5 extra hours)
 - No hours earned on the first extra 2.5 hours / week
 - Once the employee gets to 45 hours, they earn comp time for each hour worked over 40
- In the Supervisor's Unit (APEA):
 - Regular work week is 40 hours
 - No comp time earned until the person works 45 hours (5 extra hours)
 - Once the employee gets to 45 hours, they earn $\frac{1}{2}$ hour of comp time for each hour worked over 40
 - So at 44 hours, they get zero; at 45 hours they get 2.5

What happens when employees are promoted?

- This bill came to my office from a constituent who was promoted to a new position no longer eligible for overtime
- The next year, his pay went down \$18,000
- This is not an unusual result if the employee typically works extra hours
- Problem likely getting worse due in recent years to high vacancy / recruitment and retention issues requiring more employees to work extra hours

What does HB130 do?

- Adds a new section to the state's personnel statutes, that says classified employees not eligible for overtime must accrue flexible time credit for each hour or fraction of an hour worked in excess of the standard work week
 - Specific exemption for employees with nonstandard work schedules requiring long stays at the workplace, for example firefighters and ferry workers
- The change is written as a minimum requirement for state union contracts; the impact of the change therefore only applies to contracts entered after the effective date of the bill
 - Does not apply to non-covered employees, for example in the Governor's Office, Legislature, and Department of Law
 - No actual cost / additional pay. The affected employees would only receive additional time off

How many employees are impacted?

FY 2024 Data *

* some exempt employees get overtime pay due to letters of agreement.

It's also possible the data may capture employees who were promoted from a non-exempt to an exempt job category during the year

GGU (ASEA)	Employee Count	Gross Pay	Overtime Pay
Exempt	2,015	\$165,841,447	\$682,410
Non-Exempt	6,235	\$346,705,007	\$29,712,428
Total	8,250	\$512,546,455	\$30,394,838

SU (APEA)	Employee Count	Gross Pay	Overtime Pay
Exempt	2,098	\$229,092,347	\$1,720,873
Non-Exempt	291	\$24,494,184	\$1,792,371
Total	2,389	\$253,586,531	\$3,513,244

Confidential Employees (APEA)	Employee Count	Gross Pay	Overtime Pay
Exempt	81	\$7,841,829	\$299,246
Non-Exempt	108	\$5,994,024	\$195,187
Total	189	\$13,835,853	\$494,433

THANK YOU



Feel Free to Visit, Call, or Email with Any Questions

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