

HB 322: Rep. Jim Colver

Exempt State Employee Salary Limit

HB 322

“An Act limiting employee compensation for certain officers and employees in the exempt service; and providing for an effective date.”

Section 1

- Certain employees in exempt positions (s.a. “XE”, “XX”) may not be paid a monthly base salary greater than the governor
- \$145,000.08 + benefits—Alaska Governor’s Current Salary
 - Recommended by the State Officers Compensation Commission, House Bill 322 will not affect that process (AS Section 39.23.500 through Sec. 39.23.599)
- With exemptions
 - University of Alaska President
 - President of Alaska Gasline Development Corporation (and up to three employees)
 - Petroleum engineers and geologists employed by DNR
 - Justices, judges, magistrates
 - Permanent Fund Corporation officers, some employees
 - State Medical Examiner

Governor's Sec 1 (c) Override

- HB 322 includes a provision for the Governor to propose overriding the \$145,000 total salary “cap” in Sec. 1 (c)

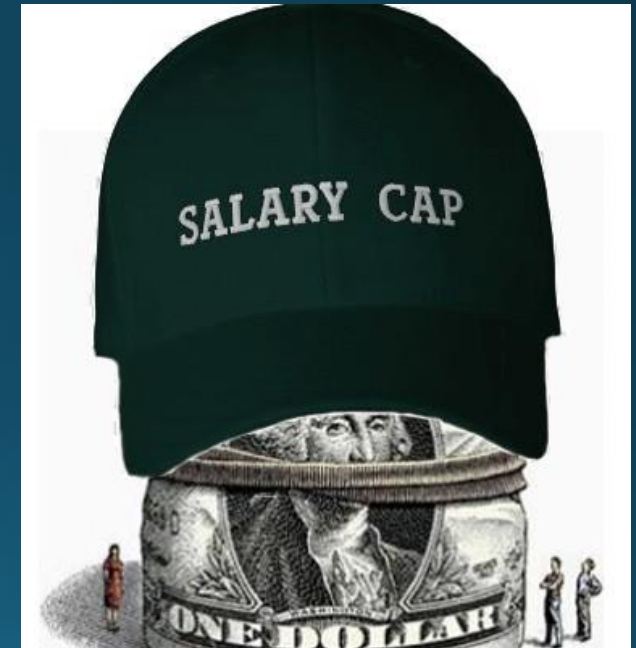


Image from hoop76.com

Alaska Awards Step Increases for Merit and Longevity

- Typical standing steps are A-B-C unless there is a salary override
- Some employees have worked 30+ years
 - In general, steps awarded for every 2 years of satisfactory service
- Several employees over \$145,000 total salary have earned steps M, N, O and Q

Section 2, Notes

- Section 2
 - Outlines amendments to AS 39.25.110
- Notes
 - In general, Cost Of Living Adjustments' (COLA) have kept pace with the Anchorage Consumer Price Index (CPI)
 - Step increases have visible impact on total salary (+3.25%)
 - See following Dept. of Admin. presentation p. 6 figure from Senate Finance Presentation 2/24/2016

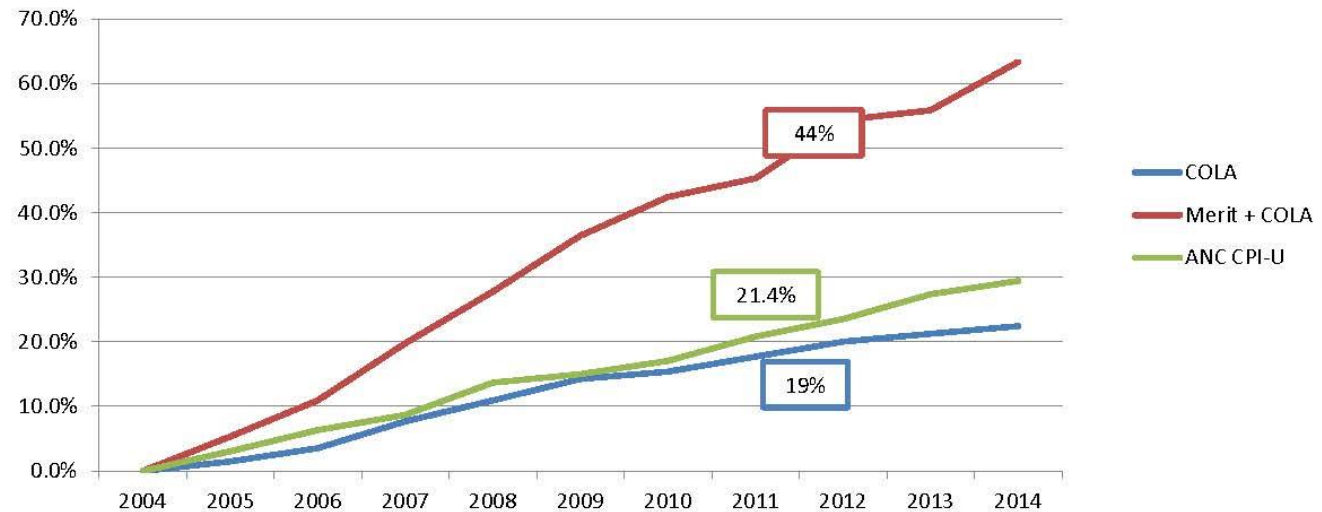
NEGOTIATING FRAMEWORK: CASH COMPENSATION

- Cash Component of Compensation
 - Below Market
 - High income professional employees tend to be below market
 - New employees tend to be below market
 - Above Market
 - Low income employees tend to be at or above market
 - More tenured employees tend to be above market

In addition to negotiated COLAs ("acceptable or better") :

- Merit Increases (1-5 yr)
 - ~3.5% every year
- Pay Increments (5+ yr)
 - 3.25% increase awarded every two years
 - No limit

Mid- Level Professional Salary Adjustments (COLA & MERIT)
Range 16 GGU Salary Schedules effective July 2004-2014



Summary

- In tight budgetary times, important to look at all expenditures
 - Necessary to streamline government, reduce draw on savings
- Law only will apply to exempt employees
- Savings to General Fund
 - To fund a more streamlined government
- Questions?

