

HOUSE BILL NO. 304

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 4/7/95

Referred: State Affairs, Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to geographic differentials for the salaries of certain state
2 employees who are not members of a collective bargaining unit; relating to
3 periodic salary surveys and preparation of an annual pay schedule regarding
4 certain state employees; relating to certain state aid calculations based on
5 geographic differentials for state employee salaries; and providing for an effective
6 date."

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 * **Section 1.** AS 22.15.220(b) is amended to read:

9 (b) Each magistrate shall receive annual compensation to be determined by the
10 supreme court. Salary increases shall be determined on the basis of percentage of pay
11 increase the legislature provides for state employees in the classified service. The base
12 salary of a magistrate shall be increased by a percentage equal to three and one-half
13 percent times the number of step increases provided under **former** AS 39.27.020 that

1 a state employee would receive working in the same election district. A magistrate's
2 annual compensation may be payable, at the option of the magistrate, either monthly
3 in 12 equal installments or semi-monthly in 24 equal installments.

4 * **Sec. 2.** AS 29.60.160(a) is amended to read:

5 (a) Payments to a municipality or other eligible recipient under AS 29.60.110 -
6 29.60.130 shall reflect area cost-of-living differentials. Payments shall be based on the
7 sum of per capita, per mile, and per bed or facility grants due each municipality or
8 other recipient multiplied by the appropriate area cost-of-living differential. The area
9 cost-of-living differential for each recipient shall be determined [ANNUALLY BY
10 ELECTION DISTRICT] under the provisions of **former AS 39.27.020 and former**
11 **AS 39.27.030.** Application of the area cost-of-living differential may not result in
12 distribution of an amount less than the amount of the payment determined without
13 reference to application of this section.

14 * **Sec. 3.** AS 29.60.290(b) is amended to read:

15 (b) The area cost-of-living differential payable to each municipality under this
16 section shall be determined [ANNUALLY BY ELECTION DISTRICT] under the
17 provisions of **former AS 39.27.020 and former** AS 39.27.030. Except as provided
18 in AS 29.60.300, application of the area cost-of-living differential may not result in a
19 payment that is less than the minimum payment determined under (a) of this section.
20 For purposes of this subsection, the election districts used are those designated by the
21 proclamation of reapportionment and redistricting of December 7, 1961, and retained
22 for the house of representatives by proclamation of the governor September 3, 1965.

23 * **Sec. 4.** AS 39.27 is amended by adding a new section to read:

24 Sec. 39.27.021. PAY DIFFERENTIALS. (a) The following pay differentials
25 are approved as an amendment to the basic salary schedule in AS 39.27.011:

26 Geographic Area	27 Percentage Above
(Election Districts)	Basic Salary Schedule
28 3, 4, and 7 - 33	0
29 1, 2, 5, and 6	5
30 34, 35, and 36	10
31 37 - 40	20

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

(b) A pay differential authorized by (a) of this section applies only to that part of an employee's gross salary that does not exceed \$30,000 annually, prorated by pay period.

(c) For purposes of (a) of this section, "election district" means an election district designated in the governor's proclamation of reapportionment and redistricting applicable to the 1994 general election.

(d) The director may establish salary differentials for positions in foreign countries or in states other than the State of Washington, which must be adjusted as necessary to maintain equitable relationships between salaries for positions outside Alaska and in Alaska.

* **Sec. 5.** AS 39.27 is amended by adding a new section to read:

Sec. 39.27.031. COST-OF-LIVING SURVEY. Subject to an appropriation for this purpose, the director shall conduct a survey, at least every five years, to review the pay differentials established in AS 39.27.021. The survey may address factors, as determined by the director, that are also relevant in review of state salary schedules, entitlement for beneficiaries of state programs, and payments for state service providers. The survey must reflect the costs of living in various election districts of the state, and Seattle, Washington, by using the cost of living in Anchorage as a base.

* **Sec. 6.** AS 39.35.675(d) is amended to read:

(d) In this section "cost-of-living differential" means an adjustment to salary based on the cost of living in the geographic region where the employee works and includes a pay step differential under **former** AS 39.27.020 **or under AS 39.27.021.**

* **Sec. 7.** AS 39.27.020, 39.27.030, 39.27.035, and 39.27.040 are repealed.

* **Sec. 8.** LIMITATION ON THE REDUCTION OF EMPLOYEE SALARIES. (a) The salary that an employee is receiving on July 1, 1995 may not be reduced by application of a provision of this Act until July 1, 1996, so long as the employee remains in the same geographic area, as defined in AS 39.27.021(a) and (c), as enacted by sec. 4 of this Act.

(b) If an employee moves to another geographic area after July 1, 1995, both the pay differential in AS 39.27.021(a), enacted by sec. 4 of this Act, and the limitation on applicable salary in AS 39.27.021(b), enacted by sec. 4 of this Act, apply to that employee's salary on

1 the effective date of the move.

2 (c) Nothing in this Act prohibits a reduction in an employee's salary as a result of a
3 voluntary or involuntary demotion.

4 * **Sec. 9.** Nothing in this Act modifies or terminates the terms of a collective bargaining
5 agreement in effect on July 1, 1995.

6 * **Sec. 10.** Section 8 of this Act is repealed July 1, 1996.

7 * **Sec. 11.** This Act takes effect July 1, 1995.