

**SENATE BILL NO. 180**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

**BY THE SENATE FINANCE COMMITTEE**

**Introduced: 4/9/01**

**Referred: Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act implementing pay differentials based on geographic areas for certain state**  
2 **employees and for members of the Alaska State Defense Force; and providing for an**  
3 **effective date."**

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

5 \* **Section 1.** AS 26.05.260(i) is amend to read:

6 (i) When active state service is authorized by the governor or by the adjutant  
7 general as the governor's designee, members of the Alaska State Defense Force are  
8 entitled to receive, for each day of active service under AS 26.05.070, pay and  
9 allowances as provided in this subsection. Pay is equal to that provided under  
10 AS 39.27.011 - 39.27.021 [AS 39.27.011 - 39.27.020] for equivalent assignments of  
11 state officials or employees, including adjustments under AS 39.27.025, if applicable.  
12 Allowances shall be paid to the same extent, in the same manner, and under the same  
13 conditions as provided for state officials and employees under AS 39.20.110 -  
14 39.20.170. However, pay or allowances are not authorized for training or community

1 service activities of members of the Alaska State Defense Force.

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

3 (a) Payments to a municipality or other eligible recipient under AS 29.60.110  
 4 - 29.60.130 shall reflect area cost-of-living differentials. Payments shall be based on  
 5 the sum of per capita, per mile, and per bed or facility grants due each municipality or  
 6 other recipient multiplied by the appropriate area cost-of-living differential. The area  
 7 cost-of-living differential for each recipient shall be determined annually by election  
 8 district under the provisions of **former AS 39.27.020 and** AS 39.27.030. Application  
 9 of the area cost-of-living differential may not result in distribution of an amount less  
 10 than the amount of the payment determined without reference to application of this  
 11 section.

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

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

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

22 **Sec. 39.27.021. Pay differentials by election district and in other states**  
 23 **and countries.** (a) The following pay differentials are approved as an amendment to  
 24 the basic salary schedules provided in AS 39.27.011:

Percentage Pay Differential	Geographic Areas (Election Districts)
0	1, 2, 3, 4, 7, 8, 9, and 10
4	16a (Fairbanks South of the Arctic Circle except the duty stations of Tok and Delta Junction)
5	5

1	9	11
2	11	6
3	16	16b (the duty stations of Tok and Delta
4		Junction)
5	20	15b (the duty station of Nenana)
6	27	12 and 13
7	30	15a (Yukon-Kuskokwim except the duty
8		station of Nenana) and 19
9	34	18
10	38	14
11	42	16c (Fort Yukon - North of the Arctic
12		Circle) and 17.

(b) The basic salary schedule set out in AS 39.27.011 is amended for positions in other states to provide that those positions shall be compensated using a pay step differential of minus six pay steps.

(c) The director of the division of personnel shall establish salary differentials for positions in foreign countries. The differentials shall be adjusted annually, effective July 1, to maintain equitable relationships between salaries for positions in foreign countries and salaries for positions in Alaska.

\* **Sec. 5.** AS 39.27.030 is amended to read:

**Sec. 39.27.030. 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 [AS 39.27.020]. 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. [IN THIS SECTION, "ELECTION DISTRICT" HAS THE MEANING GIVEN IN AS 39.27.020(b).]

\* **Sec. 6.** AS 39.27.045 is amended to read:

**Sec. 39.27.045. Definitions [DEFINITION].** In AS 39.27.021 - 39.27.045

1 [AS 39.27.020 - 39.27.030],

2 **(1) "director" means the director of the division of personnel;**

3 **(2) "election district" means an election district designated in the**  
 4 **governor's proclamation of reapportionment and redistricting of December 7,**  
 5 **1961.**

6 \* **Sec. 7.** AS 39.35.675(d) is amended to read:

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

11 \* **Sec. 8.** AS 44.31.020 is amended to read:

12 **Sec. 44.31.020. Duties of department.** The Department of Labor and  
 13 Workforce Development shall

14 (1) enforce the laws, and adopt regulations under them concerning  
 15 employer-employee relationships, including the safety, hours of work, wages, and  
 16 conditions of workers, including children;

17 (2) accumulate, analyze, and report labor statistics;

18 (3) operate systems of workers' compensation and unemployment  
 19 insurance;

20 (4) gather data reflecting the cost of living in the various election  
 21 districts of the state upon request of the director of personnel under AS 39.27.030; in  
 22 this paragraph, "election district" has the meaning given in **AS 39.27.045**  
 23 **[AS 39.27.020(b)];**

24 (5) operate the federally funded employment and training programs  
 25 under 29 U.S.C. 1501 - 1792b (Job Training Partnership Act); and

26 (6) administer the state's program of adult basic education.

27 \* **Sec. 9.** AS 39.27.020 is repealed.

28 \* **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to  
 29 read:

30 **LIMITATION ON SALARY ADJUSTMENT FOR GEOGRAPHIC**  
 31 **DIFFERENTIALS. (a) The salary that an employee is receiving on June 30, 2001, may not**

1 be reduced by application of a provision of sec. 4 of this Act so long as the employee remains  
2 in the same geographic area as set out in AS 39.27.021, enacted by sec. 4 of this Act. If an  
3 employee moves to another geographic area on or after July 1, 2001, the pay differential in  
4 AS 39.27.021, enacted by sec. 4 of this Act, applies to the employee's salary on the effective  
5 date of the move.

6 (b) If, on July 1, 2001, an employee's salary would have been reduced but for the  
7 provisions of (a) of this section, that employee's salary may not be increased by application of  
8 an adjustment to the salary schedules in AS 39.27.011 or a step increase until the application  
9 of the adjustment or increase to the reduced salary the employee would otherwise have been  
10 receiving as of July 1, 2001, results in an amount that meets or exceeds the salary that the  
11 employee was receiving on June 30, 2001.

12 \* **Sec. 11.** This Act takes effect July 1, 2001.