

**CS FOR SENATE BILL NO. 180(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 3/15/02

Referred: Rules

Sponsor(s): SENATE FINANCE COMMITTEE

**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; relating to cost-of-living**  
3 **differentials for state aid to municipalities; and providing for an effective date."**

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

5 \* **Section 1.** AS 26.05.260(i) is amended 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 **AS 39.27.020 and 39.27.030** [AS 39.27.030].  
9 Application of the area cost-of-living differential may not result in distribution of an  
10 amount less than the amount of the payment determined without reference to  
11 application of this 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 **AS 39.27.020 and 39.27.030** [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 39.27.020 is amended by adding a new subsection to read:

22 (d) The pay step differentials in this section apply to a person who has been  
23 employed by the state at any time through June 30, 2002, whenever that person is  
24 employed by the state. A person who begins state employment for the first time on or  
25 after July 1, 2002, is subject to AS 39.27.021 whenever that person is employed by the  
26 state.

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

28 **Sec. 39.27.021. Pay differentials by election district and in other states**  
29 **and countries.** (a) The following pay differentials apply only to state employees  
30 beginning state employment for the first time on or after July 1, 2002, and are  
31 approved as an amendment to the basic salary schedules provided in AS 39.27.011:

1	Percentage Pay	Geographic Areas
2	Differential	(Election Districts)
3	0	1, 2, 3, 4, 7, 8, 9, and 10
4	4	16a (Fairbanks South of the Arctic Circle
5		except the duty stations of Tok and Delta
6		Junction)
7	5	5
8	9	11
9	11	6
10	16	16b (the duty stations of Tok and Delta
11		Junction)
12	20	15b (the duty station of Nenana)
13	27	12 and 13
14	30	15a (Yukon-Kuskokwim except the duty
15		station of Nenana) and 19
16	34	18
17	38	14
18	42	16c (Fort Yukon - North of the Arctic
19		Circle) and 17.

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

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

27 \* **Sec. 6.** AS 39.27.030 is amended to read:

28 **Sec. 39.27.030. Cost-of-living survey.** Subject to an appropriation for this  
 29 purpose, the director shall conduct a survey, at least every five years, to review the pay  
 30 differentials established in AS 39.27.020 **and 39.27.021**. The survey may address  
 31 factors, as determined by the director, that are also relevant in review of state salary

1 schedules, entitlement for beneficiaries of state programs, and payments for state  
 2 service providers. The survey must reflect the costs of living in various election  
 3 districts of the state, and Seattle, Washington, by using the cost of living in Anchorage  
 4 as a base. [IN THIS SECTION, "ELECTION DISTRICT" HAS THE MEANING  
 5 GIVEN IN AS 39.27.020(b).]

6 \* **Sec. 7.** AS 39.27.045 is amended to read:

7 **Sec. 39.27.045. Definitions [DEFINITION].** In AS 39.27.020 - 39.27.030,

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

9 **(2) "election district" means an election district designated in the**  
 10 **governor's proclamation of reapportionment and redistricting of December 7,**  
 11 **1961.**

12 \* **Sec. 8.** AS 39.35.675(d) is amended to read:

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

17 \* **Sec. 9.** AS 44.31.020 is amended to read:

18 **Sec. 44.31.020. Duties of department.** The Department of Labor and  
 19 Workforce Development shall

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

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

24 (3) operate systems of workers' compensation and unemployment  
 25 insurance;

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

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

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

2 \* **Sec. 10.** This Act takes effect July 1, 2002.