

**ALASKA STATE LEGISLATURE**  
**SENATE STATE AFFAIRS STANDING COMMITTEE**

April 28, 2022

3:36 p.m.

**MEMBERS PRESENT**

Senator Mike Shower, Chair  
Senator Lora Reinbold, Vice Chair  
Senator Roger Holland  
Senator Scott Kawasaki

**MEMBERS ABSENT**

Senator Mia Costello

**COMMITTEE CALENDAR**

SENATE BILL NO. 195

"An Act relating to the compensation of certain public officials, officers, and employees not covered by collective bargaining agreements; and providing for an effective date."

- MOVED SB 195 OUT OF COMMITTEE

SENATE BILL NO. 167

"An Act relating to elections, voter registration, ballots, and a system of tracking and accounting for ballots; establishing an election offense hotline; relating to election fraud, election interference, and election official misconduct; requiring signature verification, notice, and the opportunity to cure; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

SENATE BILL NO. 126

"An Act relating to elections, voter registration, ballots, and a system of tracking and accounting for ballots; establishing an election offense hotline; relating to election fraud, election interference, and election official misconduct; requiring signature verification, notice, and the opportunity to cure; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 195

SHORT TITLE: PAY INCREASES FOR EXEMPT EMPLOYEES

SPONSOR(S): SENATOR(S) KIEHL

02/15/22	(S)	READ THE FIRST TIME - REFERRALS
02/15/22	(S)	STA, FIN
03/29/22	(S)	STA AT 3:30 PM BUTROVICH 205
03/29/22	(S)	Heard & Held
03/29/22	(S)	MINUTE(STA)
04/12/22	(S)	STA AT 3:30 PM BUTROVICH 205
04/12/22	(S)	Heard & Held
04/12/22	(S)	MINUTE(STA)
04/14/22	(S)	STA AT 3:30 PM BUTROVICH 205
04/14/22	(S)	-- MEETING CANCELED --
04/26/22	(S)	STA AT 3:30 PM BUTROVICH 205
04/26/22	(S)	Heard & Held
04/26/22	(S)	MINUTE(STA)

**WITNESS REGISTER**

SENATOR JESSE KIEHL  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 195.

CATHY SCHLINGHEYDE, Staff  
Senator Jesse Kiehl  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on SB 195, on behalf of the sponsor.

[3:36:48 PM](#)

**ACTION NARRATIVE**

**CHAIR MIKE SHOWER** called the Senate State Affairs Standing Committee meeting to order at 3:36 p.m. Present at the call to order were Senators Reinbold, Kawasaki, Holland, and Chair Shower.

**SB 195-PAY INCREASES FOR EXEMPT EMPLOYEES**

[3:37:39 PM](#)

CHAIR SHOWER announced the consideration of SENATE BILL NO. 195 "An Act relating to the compensation of certain public

officials, officers, and employees not covered by collective bargaining agreements; and providing for an effective date."

3:37:58 PM

SENATOR JESSE KIEHL, Alaska State Legislature, Juneau, Alaska, sponsor of SB 195, introduced himself and his staff, Cathy Schlingheyde.

CHAIR SHOWER asked if there were any questions or comments.

3:38:16 PM

SENATOR HOLLAND thanked the sponsor for bringing the bill forward and said he was comfortable with it.

SENATOR REINBOLD summarized her understanding that the bill tries to match exempt employee pay with what has been negotiated for general government members.

SENATOR KIEHL clarified that SB 195 brings the pay for nonunion state employees to the pay scale that the union negotiated in 2015 for general government employees.

SENATOR REINBOLD offered her understanding that the union for GGU employees recently negotiated a 2.5 percent cost of living adjustment (COLA) this year, a 3 percent COLA next year, and a 5 percent COLA the third year.

SENATOR KIEHL responded that those terms are in the contract that is currently before the legislature for approval. SB 195 does not include those negotiated increases. This bill only catches up with the GGU raises that were negotiated and fully implemented about seven years ago.

SENATOR REINBOLD asked if the bill had any retroactive provisions.

3:40:04 PM

CATHY SCHLINGHEYDE, Staff, Senator Jesse Kiehl, Alaska State Legislature, Juneau, Alaska, answered that the bill was not retroactive.

SENATOR REINBOLD offered her understanding that the employees in question receive step and merit increases and this would be an additional raise. She asked if it was for cost of living increases. She also asked for a rough estimate of the annual cost.

SENATOR KIEHL answered that SB 195 adjusts the salary schedule as a whole by five percent, which keeps up with what inflation was several years ago. It does not account for inflation today. To the second question, he explained that the bill phases in over two years. The first year would cost about \$8.6 million and the second year the cost would be an additional \$8.8 million. Those amounts would be in the base budget going forward.

SENATOR REINBOLD recalled a similar bill in 2015 and asked whether SB 195 addressed the geographic differential.

[3:42:04 PM](#)

SENATOR KIEHL answered that SB 195 makes no changes to the geographic differentials in the pay scales.

SENATOR REINBOLD recalled the 2015 legislation that had significant geographic differentials. She asked if this bill reflects what happened in 2015.

SENATOR KIEHL answered that SB 195 does not change the geographic differentials that currently are on the books. The cost associated with SB 195 includes the cost of any previous adjustments, including geographic differentials.

SENATOR REINBOLD asked whether Juneau state workers received a five percent geographic differential.

SENATOR KIEHL said that was his recollection.

[3:43:22 PM](#)

SENATOR KAWASAKI noted that SB 195 catches up employees in exempt services to 2015 levels. He asked what the inflation adjustment had been since the GGU contract was implemented in 2015.

SENATOR KIEHL replied that he did not have the number with him, but the catch up is at full implementation, so it's really from 2013. Inflation compounded from 2013 to 2022 exceeds five percent.

SENATOR KAWASAKI asked whether the bill would affect 2,400 employees.

SENATOR KIEHL replied that was the number that came from the Office of Management and Budget and it had not changed.

SENATOR KAWASAKI referenced Section 6 that addresses University of Alaska employees who are in exempt service and not represented by a union. He asked if the university would need to take action for this to apply to those employees.

SENATOR KIEHL said the language is there but it does not affect any University of Alaska employees because they are all on a pay scale that is set by the university.

[3:45:11 PM](#)

SENATOR REINBOLD asked if the geographic differential is applied on top of the COLA.

SENATOR KIEHL offered his understanding that the only official cost of living adjustment was in the pension system. The ferry system has a cost of living differential for employees living out of state. None of those employees are affected by SB 195 because they are in a union and on contract. Some people call adjustments like this a cost of living adjustment but that term does not apply in the statutes.

MS. SCHLINGHEYDE agreed.

SENATOR REINBOLD expressed concern about the optics of a bill like this when so many in the private sector are still suffering. She asked Juneau people in particular not to forget about the private sector.

[3:48:51 PM](#)

SENATOR KIEHL agreed with her comments about the difficulties that Alaskans in the private sector face and said he looked forward to working together to find ways to help. He noted that the Senate worked together to put significantly more money into small business grants to keep Alaska business doors open than they got at the end of the process but it was a united effort to extend help. He said he did not disagree with the fundamental premise of Senator Reinbold's remarks. He expressed appreciation for the committee's work on this piece as well as the work for the private sector.

CHAIR SHOWER said he agrees with Senator Reinbold that the bill is expensive, but he'd like to send it on to the finance committee to reconcile that aspect.

CHAIR SHOWER found no further questions or comments and solicited the will of the committee.

3:50:28 PM

SENATOR REINBOLD moved to report SB 195, work order 32-LS1367\A, from committee with individual recommendations and attached fiscal note(s).

3:50:45 PM

CHAIR SHOWER found no objection and SB 195 was reported from the Senate State Affairs Standing Committee.

3:50:52 PM

At ease

3:52:56 PM

CHAIR SHOWER reconvened the meeting.

3:53:08 PM

There being no further business to come before the committee, Chair Shower adjourned the Senate State Affairs Standing Committee meeting at 3:53 p.m.