

CS FOR HOUSE BILL NO. 130(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/4/26

Referred: Finance

Sponsor(s): REPRESENTATIVE JOSEPHSON

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to flexible time credit for classified employees in the executive branch**
2 **who are not eligible for overtime compensation."**

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

4 * **Section 1.** AS 39.20 is amended by adding a new section to read:

5 **Article 3A. Flexible Time Credit.**

6 **Sec. 39.20.355. Flexible time credit for classified employees who are not**
7 **eligible for overtime compensation.** (a) The state shall grant time off with pay in the
8 form of a flexible time credit to a classified employee in the executive branch of state
9 government who is not eligible for overtime compensation in recognition of excessive
10 time worked by the employee. The state shall provide flexible time credit as follows:

- 11 (1) flexible time credit accrues for each hour or fraction of an hour
12 worked in excess of the employee's standard workweek;
- 13 (2) flexible time credits shall be credited in quarter hour increments;
- 14 (3) flexible time credit has no cash value and is canceled without

1 payment upon the employee's separation from state service or applicable bargaining
2 unit;

3 (4) flexible time credit does not accrue for time covered by a pay
4 premium or pay plan designed to compensate an employee who, as part of the
5 employee's job duties, must stay at the worksite for a period longer than 24 hours,
6 including time spent eating, sleeping, and working.

7 (b) A policy adopted by an employer or an applicable collective bargaining
8 agreement may establish additional terms and conditions related to the accrual and use
9 of flexible time credits for an employee. The policy or collective bargaining agreement
10 may include a method of resolving disputes related to the accrual and use of flexible
11 time credits and a process for a supervisor to approve or deny a request to use flexible
12 time credits.

13 * **Sec. 2.** AS 39.25.150 is amended to read:

14 **Sec. 39.25.150. Scope of the rules.** The personnel rules must provide for

15 (1) the preparation, maintenance, and revision, by the director of
16 personnel, subject to approval of the commissioner of administration and the
17 personnel board, of a position classification plan for all positions in the classified and
18 partially exempt services; the position classification plan must include

19 (A) a grouping together of all positions into classes on the basis
20 of duties and responsibilities;

21 (B) an appropriate title, a description of the duties and
22 responsibilities, training and experience qualifications, and other necessary
23 specifications for each class of positions;

24 (2) the preparation, maintenance, revision, and administration by the
25 director of personnel of a pay plan for all positions in the classified and partially
26 exempt services; the pay plan (A) shall be based on the position classification plan;
27 (B) must provide for fair and reasonable compensation for services rendered, and
28 reflect the principle of like pay for like work; (C) may be amended, approved, or
29 disapproved by the legislature in regular or special session; after the pay plan is in
30 effect, a salary or wage payment may not be made to a state employee covered by the
31 plan unless the payment is in accordance with this chapter and the rules adopted under

1 this chapter or unless the payment is in accordance with a valid agreement entered into
2 in accordance with AS 23.40;

3 (3) the use of employee selection methods, including open competitive
4 assessment devices, when appropriate, that will fairly evaluate the capacity and fitness
5 of the person assessed to discharge the duties of the position in which employment is
6 sought;

7 (4) the formulation of a list for appointment and promotion to a
8 position;

9 (5) the procedure for filling positions; the rule adopted under this
10 paragraph may include procedures providing a preference for local residents when
11 appropriate;

12 (6) promotions from within the state service when there are qualified
13 candidates in the state service; vacancies shall be filled by promotion whenever
14 practicable and in the best interest of the state service, and promotion shall be by
15 competitive assessment whenever possible; in considering promotions, the applicants'
16 qualifications, performance records, seniority, and conduct shall be evaluated;

17 (7) a period of probation not to exceed one year before an appointment
18 to a position becomes permanent, unless the period of probation is extended as set out
19 in a collective bargaining agreement under AS 23.40; however, a permanent employee
20 receiving a promotional appointment retains permanent status in the service and job
21 class from which appointed for the duration of the probationary period and may be
22 demoted to a former class without right of appeal, notwithstanding AS 39.25.170, but,
23 if the employee is dismissed from the service, the appeal rights under AS 39.25.170
24 apply;

25 (8) nonpermanent and emergency appointments to positions in the
26 state service in accordance with AS 39.25.195 - 39.25.200;

27 (9) provisional appointment without competitive assessment when the
28 recruitment and assessment procedures have not identified qualified candidates in
29 sufficient number;

30 (10) transfers from one department to another and from another merit
31 system jurisdiction to the state service;

- 1 (11) transfers from one area of the state to another;
- 2 (12) the reinstatement of a person who resigns in good standing;
- 3 (13) layoffs for reason of lack of money or work, abolition of
4 positions, or material changes in duties or organization; both performance and
5 seniority records shall be considered in the development of layoff orders;
- 6 (14) the development, maintenance, and use of employee performance
7 records;
- 8 (15) the establishment of disciplinary measures, which may include
9 disciplinary suspension without pay;
- 10 (16) the procedures for review of disputed personnel actions, for
11 resolving employee and interagency grievances, and for resolving grievances of the
12 general public concerning the operation of the state personnel system;
- 13 (17) hours of work for all employees in the state service;
- 14 (18) methods and procedures covering overtime work and pay;
- 15 (19) the granting of employment preference rights, not within the area
16 of promotion, under AS 39.25.159;
- 17 (20) the employment of persons in permanent positions on a part-time
18 basis of 15 hours or more a week, including the employment of two persons to fill one
19 permanent full-time position; these employees shall be designated as permanent part-
20 time employees;
- 21 (21) the granting of employment preference to individuals with severe
22 disabilities; this includes the right to provisional appointment without competitive
23 assessment for periods of up to four months and the granting of eligibility to an
24 individual with a severe disability provisionally appointed under the rules who
25 demonstrates ability to perform the job for permanent appointment without
26 competitive assessment; provisional employment under this paragraph may not exceed
27 four months during a 12-month period; "individual with a severe disability," as used in
28 this paragraph, means an individual certified by the director of the division of
29 vocational rehabilitation to be severely disabled;
- 30 (22) the establishment of programs facilitating the employment of
31 disadvantaged persons;

1 (23) the delegation, when feasible, of personnel responsibilities and
2 duties to the principal departments of the executive branch;

3 (24) the establishment of a transition period of up to 12 months for an
4 employee to be reappointed to a classified position if the employee's position is
5 withdrawn from the partially exempt or exempt service and placed in the classified
6 service;

7 (25) a procedure allowing an applicant who is a veteran, former
8 prisoner of war, or member of the national guard under AS 39.25.159 to substitute
9 military work experience or training for a nonmilitary work experience or training
10 requirement of a position if the military experience or training meets or exceeds the
11 position requirement;

12 (26) other rules and administrative regulations, not inconsistent with
13 this chapter, that are necessary for its enforcement;

14 **(27) rules and procedures covering flexible time credit for**
15 **classified employees who are not eligible for overtime compensation, including**
16 **establishing a cap on the amount of flexible time credit an employee may accrue**
17 **to ensure that the accrual of flexible time credit does not impair the efficient**
18 **provision of state services or necessitate the hiring of additional staff.**

19 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 APPLICABILITY. AS 39.20.355, enacted by sec. 1 of this Act, applies to contracts
22 entered into on or after the effective date of this Act.