

Introduced: 1/25/85
Referred: State Affairs
and Finance

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1 IN THE SENATE

2 SENATE BILL NO. 100

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act prohibiting salaries for certain employees
7 from exceeding the governor's salary; and providing
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 37.05 is amended by adding a new section to read:

11 Sec. 37.05.330. LIMITATIONS ON CERTAIN GRANTS. (a) A state
12 agency may not grant state money to an organization or entity to which
13 this section applies unless the organization or entity agrees to
14 comply with the salary limit established in AS 39.20.095 during the
15 life of the grant. If an organization or entity violates an agreement
16 to comply with AS 39.20.095, it shall return any state money it has
17 received for that year and shall be ineligible to receive further
18 funding under the grant.

19 (b) This section applies to grants to a person, organization, or
20 entity that received at least 50 percent of its annual budget from the
21 state treasury during the previous fiscal year or that projects that
22 it will receive at least 50 percent of its budget from the state
23 treasury during the current fiscal year.

24 (c) When an amount is appropriated or allocated as a grant under
25 AS 37.05.316, 37.05.317, or 37.05.318, the department responsible for
26 administering the grant shall notify the person or entity named as
27 recipient of the requirements of this section. The department shall
28 request the person, organization, or entity to file its agreement to
29 comply with AS 39.20.095 if the person, organization, or entity meets

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1 the requirements of (b) of this section. If the department is re-
2 questing proposals from other qualified persons, organizations, or
3 entities under AS 37.05.316 or 37.05.317, the department shall also
4 notify them of the requirements of this section. The department shall
5 request them to file an agreement to comply with AS 39.20.095 if they
6 meet the requirements of (b) of this section.

7 (d) In this section "state" has the meaning given in AS 39.20.-
8 095.

9 * Sec. 2. AS 39.20 is amended by adding a new section to read:

10 Sec. 39.20.095. SALARY LIMIT FOR CERTAIN PUBLIC EMPLOYEES. (a)
11 Notwithstanding the provisions of the Public Employment Relations Act
12 (AS 23.40) and AS 14.20.550 - 14.20.610, the state may not pay an
13 officer or employee a basic salary that is greater than the salary of
14 the governor set out in AS 39.20.010.

15 (b) For purposes of this section,

16 (1) "basic salary" is a person's salary including cost-of-
17 living adjustments, geographical differentials, length-of-service
18 increases, and adjustments in the nature of incentive, performance,
19 and year-end bonuses, but not including overtime compensation, hazard-
20 ous duty pay, travel per diem, or travel allowances;

21 (2) "state" includes the executive, legislative, and judi-
22 cial branches of state government; the University of Alaska; school
23 boards; political subdivisions of the state, including municipalities;
24 and state instrumentalities, boards, commissions, and authorities if
25 the instrumentality, board, commission, or authority receives at least
26 50 percent of its yearly budget from the state treasury.

27 * Sec. 3. AS 42.40.110 is amended by adding a new subsection to read:

28 (c) If the corporation receives at least 50 percent of its
29 yearly budget by direct appropriation or grant from the state

1 treasury, the board may not fix a basic salary for the chief executive
2 officer or approve basic salaries for other executive officers that
3 exceed the basic salary of the governor set out in AS 39.20.010. For
4 purposes of this subsection, "basic salary" has the meaning given in
5 AS 39.20.095.

6 * Sec. 4. Nothing in this Act terminates or modifies a collective
7 bargaining agreement or other contract if the agreement or contract is in
8 effect on the effective date of this Act. However, the state may not renew
9 or extend a contract after the effective date of this Act unless the con-
10 tract complies with this Act.

11 * Sec. 5. Nothing in this Act infringes on the independence of the
12 University of Alaska except the provisions of secs. 1 and 2 that impose a
13 salary limit on employees of certain state grant recipients and on certain
14 public employees.

15 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
16 10.070(c).