

Offered: 4/12/85
Referred: Rules

Original sponsor: Finance Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 207 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to calculation of the cost-of-living

7

and pay step differentials for the compensation and

8

retirement benefits of certain public employees;

9

classification system; limiting the state's power to

10

change the cost to the state of compensation for

11

certain positions; and providing for an effective

12

date."

13

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

14

* Section 1. AS 23.40 is amended by adding a new section to read:

15

Sec. 23.40.075. ITEMS NOT SUBJECT TO BARGAINING. The parties

16

may not negotiate terms contrary to the limitations on state personnel

17

actions under AS 37.07.085 or on pay step differential calculations

18

under AS 39.27.020(d).

19

* Sec. 2. AS 37.07 is amended by adding new sections to read:

20

Sec. 37.07.085. LIMITATIONS ON STATE PERSONNEL ACTIONS. (a)

21

Unless the budget specifically provides or the legislature approves,

22

the state may not

23

(1) reclassify a position to a higher salary range after

24

September 1, 1985 unless the reclassification is consistent with

25

policies established in AS 39.25.150(1) for a position classification

26

plan;

27

(2) change the salary range of a job class unless the

28

change is required to comply with AS 18.80.220(a)(5), AS 39.25.010 or

29

39.25.150(2); or

1 (3) promote a person to the next step of a flexibly staffed
2 position if the person was first hired in the flexibly-staffed posi-
3 tion after the effective date of this section.

4 (b) In this section, "state" means the executive, legislative
5 and judicial branches of state government and includes the University
6 of Alaska.

7 Sec. 37.07.087. LISTING OF PERMANENT POSITIONS. (a) On or
8 before September 15 of each year, each department shall deliver to the
9 division of budget review in the Office of Management and Budget a
10 list of permanent positions in the department on July 31 of that year.
11 The list shall include for each position the position control number
12 (PCN), title, salary range, pay step, location, time status, bargain-
13 ing unit if any, and position funding source. A department shall
14 remove from the list a PCN that is not funded and shall revise the
15 listing of other PCN's to be consistent with the positions authorized
16 in the budget. The department shall report to the legislature each
17 year the positions removed from its list.

18 (b) After conforming the list of permanent positions to the
19 budget, a department may not establish a new permanent PCN or change
20 the salary range, pay step, location, or time status of an existing
21 PCN unless the division of budget review concurs.

22 (c) A department shall maintain the master list of the depart-
23 ment's positions as an automated position accounting control system
24 file in accordance with instructions from the Office of Management and
25 Budget.

26 * Sec. 3. AS 39.25.010(b) is amended to read:

27 (b) The merit principle of employment includes the following:
28 (1) recruiting, selecting, and advancing employees on the
29 basis of their relative ability, knowledge, and skills, including open

- 1 consideration of qualified applicants for initial appointment;
- 2 (2) regular integrated salary programs based on the nature
3 of the work performed;
- 4 (3) retention of employees with permanent status on the
5 basis of the adequacy of their performance, reasonable efforts of
6 temporary duration for correction in inadequate performance, and
7 separation for cause;
- 8 (4) equal treatment of applicants and employees with regard
9 only to consideration within the merit principles of employment; [AND]
- 10 (5) selection and retention of an employee's position
11 secure from political influences; and
- 12 (6) classification and pay plans designed to provide pay
13 equity by using judgments and factors free of biases based on race or
14 sex and determining job worth for all job classifications based on a
15 single set of criteria.

16 * Sec. 4. AS 39.27.020 is amended by adding a new subsection to read:

17 (d) If an employee's basic annual salary is no more than
18 \$30,000, the pay step differential shall be calculated using the
19 employee's basic salary. If the employee's basic annual salary is
20 greater than \$30,000, then the employee's pay step differential shall
21 be calculated on the differential for a basic salary of \$30,000.

22 * Sec. 5. AS 39.35 is amended by adding a new section to read:

23 Sec. 39.35.675. INCLUSION OF COST-OF-LIVING DIFFERENTIALS IN
24 COMPENSATION AND BENEFITS. (a) An employee shall make contributions
25 to the system based on compensation including a cost-of-living differ-
26 ential.

27 (b) The amount of a cost-of-living differential may not be in-
28 cluded in the employee's compensation for purposes of calculating
29 benefits paid under this chapter unless the employee has received a

1 cost-of-living differential in a comparable amount or of at least that
2 many steps for at least 50 percent of the employee's credited service.

3 (c) When an employee receives a benefit, and if the employee's
4 compensation for purposes of calculating the benefit does not include
5 a cost-of-living differential, then the administrator shall refund to
6 the employee the amount of contributions the employee made based on
7 the differential.

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

12 * Sec. 6. AS 39.35.680(8) is amended to read:

13 (8) "compensation" means the total remuneration earned by
14 an employee for personal services rendered, including cost-of-living
15 differentials only as provided in AS 39.35.675, payments for leave
16 that is actually used by the employee, the amount by which the em-
17 ployee's wages are reduced under AS 39.30.150(c), and any amount
18 deferred under an employer-sponsored deferred compensation plan, but
19 does not include retirement benefits, welfare benefits, per diem,
20 expense allowances, workers' compensation payments or payments for
21 leave not used by the employee whether those leave payments are sched-
22 uled payments, lump-sum payments, donations, or cash-ins;

23 * Sec. 7. The legislature shall review the pay step differentials
24 provided under AS 39.27.020 and under collective bargaining contracts
25 between the state and employee bargaining organizations following the
26 release of a comprehensive study of the geographic differentials by the
27 state.

28 * Sec. 8. By September 15, 1985, the division of budget review in the
29 Office of Management and Budget shall develop a master position control

1 system with the capability of matching permanent positions listed in an
2 automated position accounting control system against the state's master
3 payroll record.

4 * Sec. 9. The amendments made by secs. 5 and 6 of this Act apply only
5 to members first hired under the Public Employees' Retirement System on or
6 after the effective date of secs. 5 and 6 of this Act.

7 * Sec. 10. Nothing in this Act terminates or modifies a collective
8 bargaining agreement in existence on the effective date contained in
9 sec. 13 of this Act.

10 * Sec. 11. If any provision of this Act, or the application thereof to
11 any person or circumstance is held invalid, the remainder of this Act and
12 the application to other persons or circumstances shall not be affected
13 thereby.

14 * Sec. 12. Sections 5, 6, and 9 of this Act take effect January 1,
15 1987.

16 * Sec. 13. Sections 1 - 4, 7, 8, 10, and 11 of this Act take effect
17 immediately in accordance with AS 01.10.070(c).