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1 IN THE SENATE

BY FISCHER

2

SENATE BILL NO. 72

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH 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 22.05.140(c) is amended to read:

11 (c) Except as provided in AS 39.20.095, in [IN] addition to
12 annual salary, each justice is entitled to receive a geographic cost-
13 of-living adjustment, based on the location of the justice's primary
14 office assignment, equal to 3.5 percent of the [HIS] annual salary
15 times the number of pay step increases provided under AS 39.27.020 for
16 a state employee working in the same election district in those dis-
17 tricts for which AS 39.27.020 specified zero-to-five pay step in-
18 creases. In an election district for which AS 39.27.020 specifies
19 more than five pay steps, the number of pay step increases under this
20 section is limited to five. Any retirement benefits to which a jus-
21 tice may be entitled shall be computed only on the annual salary.

22 * Sec. 2. AS 22.07.090(a) is amended to read:

23 (a) Except as provided in AS 39.20.095, the [THE] monthly salary
24 of a judge of the court of appeals is equal to Step E, Range 29 of the
25 salary schedule in AS 39.27.011(a) for Juneau, Alaska. The compensa-
26 tion of a judge may not be diminished during the term of office,
27 unless by general law applying to all salaried officers of the state.

28 * Sec. 3. AS 22.10.190(c) is amended to read:

29 (c) Except as provided in AS 39.20.095, in [IN] addition to

1 annual salary, a superior court judge is entitled to receive a geo-
2 graphic cost-of-living adjustment, based on the location of the
3 judge's primary office assignment, equal to 3.5 percent of the [HIS]
4 annual salary times the number of pay step increases provided under AS
5 39.27.020 for a state employee working in the same election district
6 in those districts for which AS 39.27.020 specifies zero-to-five pay
7 step increases. In an election district for which AS 39.27.020 spec-
8 ifies more than five pay steps, the number of pay step increases under
9 this section is limited to five. Any retirement benefits to which a
10 superior court judge may be entitled shall be computed only on the
11 annual salary.

12 * Sec. 4. AS 22.15.220(d) is amended to read:

13 (d) Except as provided in AS 39.20.095, in [IN] addition to
14 annual salary, a district court judge is entitled to receive a geo-
15 graphic cost-of-living adjustment, based on the location of the
16 judge's [HIS] primary office assignment, equal to 3.5 percent of the
17 [JUDGE'S] annual salary times the number of pay step increases pro-
18 vided under AS 39.27.020 for a state employee working in the same
19 election district in those districts for which AS 39.27.020 specifies
20 zero-to-five pay step increases. In an election district for which AS
21 39.27.020 specifies more than five pay steps, the number of pay step
22 increases under this section is limited to five. Any retirement bene-
23 fits to which a district court judge may be entitled shall be computed
24 only on the annual salary.

25 * Sec. 5. AS 37.05 is amended by adding a new section to read:

26 Sec. 37.05.335. LIMITATIONS ON CERTAIN GRANTS. (a) A state
27 agency may not grant state money to an organization or entity to which
28 this section applies unless the organization or entity agrees to
29 comply with the salary limit established in AS 39.20.095 during the

1 term of the grant. If an organization or entity violates an agreement
2 to comply with AS 39.20.095, it shall return any state money it has
3 received for that year and shall be ineligible to receive further
4 funding under the grant.

5 (b) This section applies to grants to a person, organization, or
6 entity that received at least 50 percent of its annual budget from the
7 state treasury during the previous fiscal year or that projects that
8 it will receive at least 50 percent of its budget from the state
9 treasury during the current fiscal year.

10 (c) When an amount is appropriated or allocated as a grant under
11 AS 37.05.316, 37.05.317, or 37.05.318, the department responsible for
12 administering the grant shall notify the named grant recipient of the
13 requirements of this section. The department shall request the recip-
14 ient to file its agreement to comply with AS 39.20.095 if required
15 under (b) of this section. If the department is requesting proposals
16 from other qualified persons, organizations, or entities under AS 37.-
17 05.316 or 37.05.317, the department shall also notify them of the
18 requirements of this section. The department shall request them to
19 file an agreement to comply with AS 39.20.095 if required under (b) of
20 this section.

21 (d) In this section "state" has the meaning given in AS 39.20.-
22 095.

23 * Sec. 6. AS 39.20 is amended by adding a new section to read:

24 Sec. 39.20.095. SALARY LIMIT FOR CERTAIN PUBLIC EMPLOYEES. (a)
25 Notwithstanding the provisions of AS 23.40 (the Public Employment
26 Relations Act) and AS 14.20.550 - 14.20.610, the state may not pay an
27 officer or employee a basic salary that is greater than the salary of
28 the governor under AS 39.20.010.

29 (b) In this section,

1 (1) "basic salary" is a person's salary including cost-of-
2 living adjustments, geographical differentials, length-of-service
3 increases, and adjustments in the nature of incentive, performance,
4 and year-end bonuses; "basic salary" does not include overtime compen-
5 sation, shift differentials, hazardous duty pay, travel per diem, or
6 travel allowances;

7 (2) "state" includes the executive, legislative, and judi-
8 cial branches of state government; the University of Alaska; school
9 districts; political subdivisions of the state, including municipal-
10 ities; and state instrumentalities, boards, commissions, and author-
11 ities if the instrumentality, board, commission, or authority receives
12 at least 50 percent of its annual budget from the state treasury.

13 * Sec. 7. AS 39.27 is amended by adding a new section to read:

14 Sec. 39.27.027. SALARY LIMIT. Notwithstanding AS 39.27.020 and
15 39.27.022, the state may not pay an officer or employee a salary that
16 exceeds the salary limit under AS 39.20.095.

17 * Sec. 8. AS 42.40.110 is amended by adding a new subsection to read:

18 (c) If the corporation receives at least 50 percent of its
19 yearly budget by direct appropriation or grant from the state trea-
20 sury, the board may not fix a basic salary for the chief executive
21 officer or approve basic salaries for other executive officers that
22 exceed the basic salary of the governor under AS 39.20.010. For
23 purposes of this subsection, "basic salary" has the meaning given in
24 AS 39.20.095.

25 * Sec. 9. Nothing in this Act terminates or modifies a collective
26 bargaining agreement or other contract if the agreement or contract is in
27 effect on the effective date of this Act. However, the state may not renew
28 or extend a contract after the effective date of this Act unless the con-
29 tract complies with this Act.

1 * Sec. 10. Nothing in this Act infringes on the independence of the
2 University of Alaska except the provisions of secs. 5 - 7 that impose a
3 salary limit on employees of certain state grant recipients and on certain
4 public employees.

5 * Sec. 11. This Act takes effect immediately under AS 01.10.070(c).