

COMMITTEE REPORT

SENATE

5/3/75

Mr. President:

Date 5/9/75

The Committee on FINANCE has had SB 404 relating to compensation of judicial officers, legislators, and public officers under consideration. A Majority of the members of the Committee

- ( ) recommends it DO PASS
- ( ) recommends it DO NOT PASS
- ( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- ( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT  
CS FOR \_\_\_\_\_ DO PASS
- ( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_  
COMMITTEE
- ( ) reports it back WITHOUT RECOMMENDATION
- ( ) "other" - *no individual member has dissent.*

Members signing the Majority report:

<u>Lee Kay</u>	<u>No Pass</u>	_____
<u>John L. ...</u>	<u>No Pass</u>	_____
<u>Alvin ...</u>	<u>Pass</u>	_____
<u>Ray ...</u>	<u>No Pass</u>	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends: No pass

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

Lee Kay Chairman

# STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

## DEPARTMENT OF ADMINISTRATION

DIVISION OF PERSONNEL

POUCH C — JUNEAU 99801

May 6, 1975

The Honorable Bill Ray  
Chairman, Senate Finance Committee  
Alaska State Legislature  
State Capitol - Pouch V  
Juneau, Alaska 99811

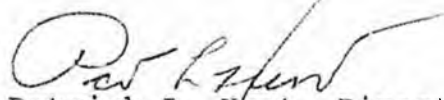
Dear Senator Ray:

The principle of relating pay of exempts, partially exempts, and classified employees into one coordinated salary administration program is one to be greatly desired by those to whom salary administration falls as a duty. Senate Bill 404 ties into one package many of the details that must be considered. By virtue of the interrelatedness of the various types of employees in the bill, equity can be established and maintained automatically.

It is my feeling that SB 404 is a long step in the right direction. I must point out, however, that missing from this legislation is a rational device for determining what the basic salary schedule is to be. I would therefore call your attention to Senate Bill 318 wherein the Personnel Board is charged with the responsibility of recommending adjustments to the salary schedule. Through this arrangement appropriate consideration can be given to cost of living increases and, equally important in maintaining balance, any salary settlements based on negotiations with represented employees can be weighed. It follows that the entire wage and salary program will be more equitable if all factors can be fairly considered in recommendations to the Legislature.

I therefore recommend to you that sections 4, 5 and 6 of SB 404 be attached to SB 318 with an effective date of July 1, 1975, for those sections only.

Sincerely yours,



Patrick L. Hunt, Director  
Division of Personnel

XX 99811

April 21, 1975

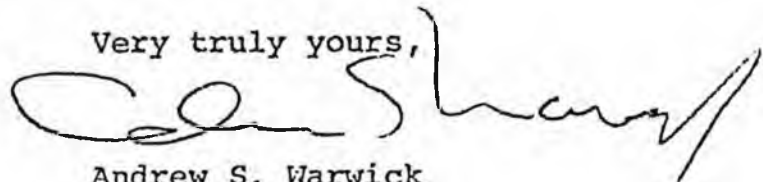
Honorable Bill Ray  
Chairman, Senate Finance Committee  
Alaska State Legislature  
State Capitol - Pouch V  
Juneau, Alaska 99811

Dear Senator Ray:

Attached is a copy of a proposed bill entitled "An Act relating to the frequency of paying statutory salaries" that I would request you consider as an amendment to any one of the employee pay bills presently under your consideration. The purpose of the proposed legislation is to allow the State to pay judges, commissioners and legislators bi-weekly as opposed to monthly as is now statutorily mandated. As you know the State is in the process of developing a new payroll system and one of the proposals we have under our consideration is to change the State's pay period from a monthly one to that of a bi-weekly one. Presently we pay some employees bi-weekly, some employees semi-monthly and some employees monthly. Adoption of this amendment would give the State the flexibility of paying all employees at the same time.

Should you have any questions in regard to this proposed amendment, please do not hesitate to contact me.

Very truly yours,



Andrew S. Warwick  
Commissioner

ASW/mjc  
CC: Fran Ulmer

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the frequency of paying statutory salaries."

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

\* Section 1. AS 22.05.140[a] is amended to read:

Sec. 22.05.140 COMPENSATION. [a] The chief justice and each associate justice shall receive \$44,000 annually as compensation. The compensation is payable at least monthly in [12] equal installments. Compensation of the chief justice or of an associate justice shall not be diminished during his term of office, unless by general law applying to all salaried officers of the state.

\* Section 2. AS 22.10.190[a] is amended to read:

Sec. 22.10.190. COMPENSATION. [a] Each superior court judge shall receive \$40,000 annually, as compensation, payable at least monthly in [12] equal installments. The compensation of a judge shall not be diminished during his term of office, unless by general law applying to all salaried officers of the state.

\* Section 3. AS 22.15.22[a] is amended to read:

Sec. 22.15.220. COMPENSATION. [a] Each district judge shall receive \$33,500 annually as compensation, payable at least monthly in [12] equal installments.

\* Section 4. AS 22.15.220[b] is amended to read:

Sec. 5 AS 22.15.220[b] Each magistrate shall receive annual compensation to be determined by the supreme court. Salary increases shall be determined on the basis of percentage of pay increase the legislature provides for state employees in the classified service. A magistrate's annual compensation shall [MAY] be payable at least

[, AT THE OPTION OF THE MAGISTRATE, EITHER] monthly in equal installments [OR SEMI-MONTHLY IN 24 EQUAL INSTALLMENTS].

\* Section 6 AS 24.15.02 is amended to read:

Sec. 24.15.020 <sup>14</sup> ANNUAL LEGISLATURE SALARIES. The annual salary of each member of the legislature is \$9,000 to be paid at least monthly in equal installments [IN APPROXIMATELY EQUAL MONTHLY INSTALLMENTS].

The president of the senate and speaker of the house of representatives are entitled to an additional \$500 a year during tenure of office.

\* Section 7 AS 39.20.010 is amended to read:

Sec. 39.20.010. ANNUAL SALARY OF GOVERNOR. The annual salary of the Governor is \$50,000. The salary shall be paid at least [IN EQUAL] monthly in equal installments.

\* Section 3 AS 39.20.030 is amended to read:

Sec. 39.20.030. ANNUAL SALARY OF LIETENANT GOVERNOR. The annual salary of the Lieutenant Governor is \$ 44,000. The salary shall be paid at least [IN EQUAL] monthly in equal installments.

\* Section 9 AS 39.20.080[a] is amended to read:

Sec. 39.20.08 SALARY OF EXECUTIVE DEPARTMENT HEAD AND DEPUTY.  
[a] The annual salary of the head of each principal executive department of the state upon appointment and confirmation is \$40,000. This salary shall be paid at least [IN EQUAL] monthly in equal installments.

\* Section 10 AS 42.05.091 is amended to read:

Sec. 42.05.091 COMPENSATION OF MEMBERS OF THE ALASKA PUBLIC UTILITIES COMMISSION. Members of the commission are in the exempt service and shall receive an annual salary equal to that of a district court judge to be paid at least [IN EQUAL] monthly in equal installments.

May 2, 1975

The Honorable Senator Ed Willis  
Pouch V  
State Capitol  
Juneau, Alaska 99811

Re: Senate Bill 318

Dear Senator Willis:

This is written to express our comments on Senate Bill 318, "An Act relating to public employment; and providing for an effective date". We feel the bill needs some modification to be acceptable to Tri-Trades and I hope this letter will serve as a suggestion as to how the bill could be amended. For purposes of convenience, I will refer to numerical sections of the bill and comment only on those sections we have suggestions.

Section 1 amending AS 23.40.200(b) is fine.

Section 2 of the bill adds language to AS 23.40.215 which confuses us and doesn't appear to add anything to existing law but could, if enacted, diminish the contract theory of upon which state employees might have to rely should legal enforcement of their collective bargaining agreement become necessary. I refer specifically to the language appearing on page 1, line 27-29 of the bill reading:

No payment of salary increases or fringe benefits called for in any such agreement may be made until the effective date of an appropriation which is enacted for the specific purpose of providing the funding for that agreement.

We feel this language is unnecessary and could eventually be detrimental to state employees no matter what bargaining unit they belong. We strongly urge this language be stricken from the bill.

Honorable Senator Ed Willis  
Page Two  
May 2, 1975

We request at this juncture that a new section be added to the bill amending Section 4, Chapter 113 SLA 1972 adding language to that Chapter of the session laws of 1972. Why this particular section of the 1972 Session laws was not given an AS number in our statutes is a mystery. Nevertheless, we would like incorporated in this bill a new section to read:

Section \_\_\_\_\_, Section 4, Chapter 113 SLA 1972 is amended to read:

This Act is applicable to organized boroughs and political subdivisions of the state, home rule or otherwise, unless the legislative body of the political subdivision, by ordinance or resolution, rejects having its provisions apply; provided, however, should the legislative body of the political subdivision by ordinance or resolution reject having this Act's provisions apply, it shall enact its own act not inconsistent with provisions of this Act.

Section 3 repeals and re-enacts the definition section of the act found in AS 23.40.250. We have no objection to the definition of "collective bargaining" found in sub-paragraph (1) of Section 3 of the bill. Likewise, we have no objection to the definition of "Confidential employee" in subparagraph (2); no objection to "election" in subparagraph (3); no objection to "labor relations agency" in subparagraph (4); no objection to "managerial employee" found in subparagraph (5); no objection to "organization" found in subparagraph (6).

In subparagraph (7), we find the definition of "public employee" such to inclusive and strongly urge you to delete the words "and noncertificated employees of school districts;" found on page 3, lines 7 and 8 of the bill. If this language is not stricken from the bill, noncertificated employees of school districts i.e., maintenance, janitorial, clerical, etc., are exempted from the Alaska Public Relations Act.

Honorable Senator Ed Willis  
Page Three  
May 2, 1975

As written, subparagraph (7) of the bill reads:

"public employee" means any classified employee of a public employer, except confidential employees, managerial employees, supervisory employees, and teachers and noncertificated employees of school districts;

We would ask the Committee to delete the words "and noncertificated employees of school districts;" so that subparagraph (7) would read:

"public employee" means any classified employee of a public employer, except confidential employees, managerial employees, supervisory employees, and teachers.

Subparagraph (8) defining "public employer" is OK. We urge that subparagraph (9) defining "supervisory employee" be defined a bit more clearly by adding language found in the National Labor Relations Act defining "supervisor" (29 USC 152 (ii)) as one who appoints, promotes, etc., and whose duties as a supervisor "is not of a merely routine or clerical nature, but requires the use of independent judgment." If you would incorporate this language in subparagraph (9) on page 3 of the bill it would read:

"supervisory employee" means an individual having substantial responsibility on behalf of the public employer regularly to participate in the performance of all or most of the following functions: appoint, promote, transfer, suspend, discharge, evaluate or adjudicate grievances of subordinate employees, except if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment, except supervision aboard vessels of the Marine Transportation System;

Honorable Senator Ed Willis  
Page Four  
May 2, 1975

We strongly urge you to incorporate the above individual language. We have no objection to subparagraph (10) defining "terms and conditions of employment."

We have no comment on Section 4 or 5 of the bill that relates to the Powers and Duties of the Personnel Board. Likewise, we have no objection to Section 6 through 12 amending Title 22, repealing certain sections of Title 39 and providing for an effective date.

For your convenience, we have attached a draft of Committee Substitutes for Senate Bill No. 318 incorporating our suggestion. Thank you for your courtesy in soliciting our views on this important legislation.

Sincerely,

Introduced: 4/28/75  
Referred: Judiciary and  
Finance

BY THE RULES COMMITTEE BY REQUEST  
OF THE ADMINISTRATIVE DIRECTOR OF  
THE ALASKA COURT SYSTEM

1 IN THE SENATE

2 SENATE BILL NO. 404

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the compensation of judicial  
7 officers, legislators, and public officers; and  
8 providing for an effective date."

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

10 \* Section 1. AS 22.05.140(a) is amended to read:

11 (a) The annual salary for the chief justice and each associate  
12 justice is 20 per cent above Step E, Range 28 of the salary schedule  
13 established in AS 39.27.010 for Anchorage, Alaska [SHALL RECEIVE  
14 \$44,000 ANNUALLY AS COMPENSATION]. The compensation is payable monthly  
15 in 12 equal installments. Compensation of the chief justice or of an  
16 associate justice shall not be diminished during his term of office,  
17 unless by general law applying to all salaried officers of the state.

18 \* Sec. 2. AS 22.10.190(a) is amended to read:

19 (a) The annual salary for each [EACH] superior court judge is 10  
20 per cent above Step E, Range 28 of the salary schedule established in  
21 AS 39.27.010 for Anchorage, Alaska [SHALL RECEIVE \$40,000 ANNUALLY, AS  
22 COMPENSATION], payable monthly in 12 equal installments. The compensa-  
23 tion of a judge shall not be diminished during his term of office, unless  
24 by general law applying to all salaried officers of the state.

25 \* Sec. 3. AS 22.15.220(a) is amended to read:

26 (a) The annual salary for each [EACH] district judge is 93 per  
27 cent of Step E, Range 28 of the salary schedule established in AS 39.-  
28 27.010 for Anchorage, Alaska [SHALL RECEIVE \$33,500 ANNUALLY AS COMPEN-  
29 SATION], payable monthly in 12 equal installments.

1 \* Sec. 4. AS 24.15.020 is amended to read:

2       Sec. 24.15.020. ANNUAL LEGISLATIVE SALARIES. The annual salary  
3 for each member of the legislature is 33-1/3 per cent of Step E, Range  
4 28 of the salary schedule established in AS 39.27.010 for Anchorage,  
5 Alaska, [\$9,000] to be paid in approximately equal monthly payments.  
6 The president of the senate and speaker of the house are each entitled  
7 to an additional \$500 a year during tenure of office.

8 \* Sec. 5. AS 39.20.010 is amended to read:

9       Sec. 39.20.010. ANNUAL SALARY OF GOVERNOR. The annual salary of  
10 the governor is 30 per cent above Step E, Range 28 of the salary  
11 schedule established in AS 39.27.010 for Anchorage, Alaska [\$50,000].  
12 The salary shall be paid in equal monthly installments.

13 \* Sec. 6. AS 39.20.030 is amended to read:

14       Sec. 39.20.030. ANNUAL SALARY OF LIEUTENANT GOVERNOR. The annual  
15 salary of the lieutenant governor is 20 per cent above Step E, Range 28  
16 of the salary schedule established in AS 39.27.010 for Anchorage,  
17 Alaska [\$44,000]. The salary shall be paid in equal monthly install-  
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19 \* Sec. 7. AS 39.20.080(a) is amended to read:

20       (a) The annual salary of the head of each principal executive  
21 department of the state upon appointment and confirmation is 10 per cent  
22 above Step E, Range 28 of the salary schedule established in AS 39.27.-  
23 010 for Anchorage, Alaska [\$40,000]. This salary shall be paid in equal  
24 monthly installments.

25 \* Sec. 8. This Act takes effect July 1, 1975.  
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28  
29

BY THE RULES COMMITTEE BY REQUEST  
OF THE ADMINISTRATIVE DIRECTOR OF  
THE ALASKA COURT SYSTEM

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23 010 for Anchorage, Alaska [\$40,000]. This salary shall be paid in equal  
24 monthly installments.

25 \* Sec. 8. This Act takes effect July 1, 1975.  
26  
27  
28  
29

The Legislature of the State of Alaska  
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. SB 404 Rules by Request of Courts  
Title: Compensation of Judicial Officers, Legislators, and Public Officers  
Requested by: Senate Finance Date: 5-8-75  
Return Date Requested: 5-8-75  
Agency: \_\_\_\_\_ Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Alaska Court System, Legislature, Governor's  
A. EXPENDITURES: (Thousands of dollars) Office and all Commissioners' Offices

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES		954,928				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		954,928	*1	*1	*1	

\*1 Future cost would fluctuate with adjustments in base pay as well as number of judges and others covered by this bill.

B. FUNDING: (Thousands of dollars)

GENERAL FUND		954,928	*1	*1	*1	
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This costing is based upon the assumption that HB 450 will pass, however, if it does not pass it will cost \$609,220.

The cost calculations are as follows:

Increased cost from Attachment A - Base salary		\$899,740
Benefits excluding PERS	22,494	
PERS on Applicable Employees	32,694	55,188
		<u>\$954,928</u>

The increase of 899,740 in base salary represents a 28.91% increase over the current salaries for these positions.

IV. ATTACHMENTS

V. DATE: May 8, 1975

PREPARED BY: 

Ronald B. Lind, Deputy Director  
Division of Budget and Management  
Department of Administration

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

SB 404

Analysis of Salaries

This schedule indicates the effect of passage of SB 404 on salaries based on the current pay scales as well as after the passage of HB 450.

It presents the current salaries and projected salaries.

Column A is the total yearly cost of salaries.

Column B is the total monthly cost of salaries.

Column C is the total yearly cost of salaries after the passage of SB 404.

Column D is the total monthly cost after the passage of SB 404.

Column E is the total yearly cost of salaries after the passage of both SB 404 and HB 450.

Column F is the total monthly cost of salaries after the passage of SB 404 and HB 450.

ANALYSIS OF SALARIES

SB 404 and HB 463

	<i>A</i> Present Cost of Salaries (annual)	<i>B</i> Present Cost (monthly)	<i>C</i> New Cost Present Sched- ule (annual)	<i>D</i> New Cost Present Sched- ule (monthly)	<i>E</i> New Cost if HB 450 passes (annual)	<i>F</i> New Cost if HB 450 passes (monthly)
Supreme Court Judges	\$ 220,000	\$ 18,333	\$243,070	\$ 20,255	\$264,960	\$ 22,080
Superior Court Judges	640,000	53,333	713,008	59,417	777,216	64,768
District Court Judges	536,000	44,666	602,816	50,234	657,104	54,758
Legislators	540,000	45,000	810,000	67,500	883,440	73,620
Governor	50,000	4,166	52,688	4,390	57,408	4,784
Lieutenant Governor	44,000	3,666	48,614	4,051	52,992	4,416
Commissioners (17)	680,000	56,666	757,571	63,130	825,792	68,816
TOTAL	\$2,710,000	\$225,830	\$3,227,767	\$268,977	\$3,518,912	\$293,242

*COL A 2,710,000*  
*COL E 3,518,912*  
*\$ 808,912*

*Commission  
Members (12)  
APC, APUC, APC  
Lim. Extra*

<i>402,000</i>	<i>33,504</i>	<i>452,112</i>	<i>37,668</i>	<i>492,828</i>	<i>41,064</i>
<i>3,112,000</i>	<i>259,334</i>	<i>3,679,879</i>	<i>306,645</i>	<i>4,011,740</i>	<i>334,306</i>
				<i>3,112,000</i>	
				<i>899,740</i>	

	Present Annual	Present Monthly	New based on Present schedule (annual)	New based on Present Schedule (monthly)	New based on Passage of HB 450 (ann.)	New based on Passage of HB450 (monthly)
Justice (120%)	\$44,000	\$3667	\$48,614 (4614)	\$4051 (384)	\$52,992 (8992)	\$4416 (749)
Superior Court Judge (110%)	40,000	3333	44,563 (4563)	3714 (381)	48,576 (8576)	4048 (715)
District Judge (93%)	33,500	2792	37,676 (4176)	3139 (347)	41,069 (7569)	3422 (630)
Legislator (33 1/3%)	9,000	750	13,500 (4500)	1125 (375)	14,720 (5720)	1227 (477)
Governor (130%)	50,000	4167	52,668 (2668)	4389 (222)	57,408 (7408)	4784 (617)
Lieutenant Governor (120%)	44,000	3667	48,614 (4614)	4051 (384)	52,992 (8992)	4416 (749)
Commissioner (110%)	40,000	3333	44,563 (4563)	3714 (381)	48,576 (8576)	4048 (715)

Step E Range 28 now \$3376 per month.

Step E Range 28 proposed in HB 450 \$3680 per month.

*Commissioners (12)* 33,500 2792 37,676 3139 41,069 3422