

HOUSE
COMMITTEE REPORT

4/4

(7)

Date referred: 2/14/86

FURTHER REFERRALS: FINANCE

DATE: 4/3/86

The STATE AFFAIRS Committee has considered HB 599

"An Act relating to suspending the operation of longevity pay increments for employees in state service; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with _____ same title
- _____ new title

and recommends _____

further referral to the _____ Committee

and attaches:

- letter of intent
- first fiscal note Supplement 108
- new fiscal note
- zero fiscal note

SIGNING DO PASS:

B. J. Bombardieri

Bette Cato

SIGNING OTHER RECOMMENDATIONS:

Mike Arnone - no rec

Bill Miller - DO NOT PASS

Katie Hurley - No Rec

Charles Collins - No Rec

Roger Jenkins No Rec

Katie Hurley
Chairman

Cromer

Introduced: 2/14/86
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY ADAMS AND MARROU

2 HOUSE BILL NO. 599

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to suspending the operation of
7 longevity pay increments for employees in state
8 service; and providing for an effective date."

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

10 * Section 1. Notwithstanding AS 39.27.022, an employee may not receive
11 a pay increment for longevity in state service.

12 * Sec. 2. This Act is repealed July 1, 1987.

13 * Sec. 3. This Act takes effect July 1, 1986.

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STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Page 1 of 3

Revision Date: _____

REQUEST
Bill/Resolution No.: HB 599
Title: Act Suspending Longevity Pay
Increments _____

FISCAL DETAIL
Agency Affected: All
BRU: _____

Sponsor: Adams and Marrou
Requestor: _____
Date of Request: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-0-	(237.9)	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	(237.9)	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: Attach a separate page if necessary Please see attached.

Prepared By: Frank Raye, Director *F.R.*
Division: Personnel
Approved by Commissioner: Eleanor Andrews *Eleanor Andrews*
Agency: Department of Administration

Phone: 465-4430
Date: 2/26/86
Date: 2/28/86

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For HB 599 Page 2 of 3

SUBJECT OF PROPOSED BILL:

This bill would suspend the application of longevity pay increments under AS 39.27.022 for a period of one year.

SUMMARY/EXPLANATION OF INTENT:

AS 39.27.022 is an amendment to the six-step salary schedule at AS 39.27.011.

Because the basic salary schedule of AS 39.27.011 applies specifically only to classified and partially exempt employees of the executive branch who are not members of a collective bargaining unit established under the Public Employees Relations Act (AS 23.40), this bill would have limited effect. It would directly apply to the 13 members of the classified service who are excluded from collective bargaining and the 503 partially exempt employees. Of the total of the above employees, 27 would be eligible to receive a longevity increment between July 1, 1986, and July 1, 1987.

Employees in the General Government, Supervisory and Confidential bargaining units receive longevity increments through specific reference to AS 39.27.022 in their contractual agreements. Members of the Public Safety Employees Association have no specific contract provision incorporating AS 39.27.022, but would rely on past practice in the award of longevity increments. Labor, Trades and Crafts Unit employees have a service bonus provision that does not rely specifically on AS 39.27.022.

The current collective bargaining agreements with all the above units expire on December 31, 1986. Therefore, HB 599 could not apply to the majority of classified employees until January 1, 1987. Assuming all affected employees did come under coverage of this bill at that time, it would impact 160 bargaining unit members in all units who would become eligible for a longevity increment during the last six months of the term of this bill.

A year-long suspension of longevity increments for affected classified and partially exempt employees, along with a six-month suspension of increments for bargaining unit members, would result in a nonexpenditure of \$237,894 during FY 87. This figure is derived by multiplying the average monthly salary of employees at each longevity increment by 3.5%, the approximate percentage of increment.

Partially Exempt (July 1, 1986, through July 1, 1987)

	<u>Number of Employees</u>	<u>Average Salary</u>		
Step F to Step J	13	\$6,152 x 3.5%	x 12 months =	\$33,590
Step J to Step K	11	\$6,324 x 3.5%	x 12 months =	29,217
Step K to Step L	1	\$6,680 x 3.5%	x 12 months =	2,806
Step L to Step M	2	\$6,811 x 3.5%	x 12 months =	5,721
				<u>\$71,334</u>

Excluded

None

Classified (January 1, 1987, through July 1, 1987)

	<u>Number of Employees</u>	<u>Average Salary</u>		
Step F to Step J	85	\$3,127 x 3.5%	x 6 months =	\$55,817
Step J to Step K	59	\$3,365 x 3.5%	x 6 months =	41,692
Step K to Step L	16	\$4,212 x 3.5%	x 6 months =	14,152
Step L to Step M	0			
				<u>\$111,661</u>

GRAND TOTAL	\$182,995
x 30% Benefits	54,899
	<u>\$237,894</u>

Unless specifically prohibited by law, those employees who would have been eligible to receive a longevity increment during the suspension of AS 39.27.022 would not forfeit their right to receive the increment after the suspension was repealed. Further, once AS 39.27.022 was again operative, there is a question about whether those employees would be entitled to their longevity increment retroactive to the date it was earned.

ALASKA STATE LEGISLATURE

14th Legislature SECOND Session

HOUSE BILL NO. 599

By ADAMS, MARROU

"An Act relating to suspending the operation of longevity pay increments for employees in state service; and providing for an effective date."

longevity pay

Introduced in the House .. 2/14... , 19.86

HISTORY IN THE HOUSE

1986		Read first time and referred to Committee on STATE AFFAIRS AND FINANCE										
Feb	14	Reported back with recommendation that										
		Read second time and										
		Read third time and										
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		Reconsideration										
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PASS	Effective Date											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		Reported correctly engrossed										
		Signed by Speaker										
		Sent to Senate										

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19		Read first time and referred to Committee on										
		Reported back with recommendation that										
		Read second time and										
		Read third time and										
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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Absent	Absent											
Excused	Excused											
		Reported correctly engrossed										
		Signed by President										
		Returned to House										

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		Received from Senate
		Concurred in Senate amendment thus adopting: VOTE
		Failed to concur in Senate amendment; asked Senate to recede VOTE
		Senate receded from amendment VOTE
		Senate failed to recede from amendment VOTE
		CC appointed by House
		CC appointed by Senate
		CC adopted by House VOTE
		CC adopted by Senate VOTE
		To enrolling
		Reported correctly enrolled
		Sent to Governor
	 by Governor
		Filed with Lt. Governor
		Chapter No.

Introduced: 2/14/86
Referred: State Affairs
and Finance

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BY ADAMS AND MARROU

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HOUSE BILL NO. 599

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