

**HOUSE
COMMITTEE REPORT**

(11)

Date referred: 3/7/86

FURTHER REFERRALS:

DATE: 3/27/86

The FINANCE Committee has considered HCR 47

Relating to establishing a Joint Special Committee on state employee compensation.

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
 - new fiscal note
 - zero fiscal note

SIGNING DO PASS:

Albert P. Adams
Mike Symanski
John ...
Pat ...
Kirk ...
Steve ...
...
...
...
...
...
...

SIGNING OTHER RECOMMENDATIONS:

Albert P. Adams
Chairman

01/1

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : HCR 47
 Title : RELATING TO ESTABLISHING A JOINT
 COMMITTEE ON STATE EMPLOYEE COMP.
 Sponsor : HOUSE FINANCE COMMITTEE
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : LEGISLATURE: ADMIN:GOVERNOR
 BRU : _____

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

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

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-				

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

IT IS ANTICIPATED THAT STAFF WORK WILL BE DONE BY EXISTING LEGISLATIVE AND EXECUTIVE BRANCH EMPLOYEES. OTHER RELATED COSTS WILL BE TAKEN CARE OF USING EXISTING FUNDS.

Prepared by : HOUSE FINANCE COMMITTEE Phone : 465-3706
 Division : HOUSE FINANCE COMMITTEE Date : _____

Approved by ~~Commissioner~~ *[Signature]* Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

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

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

HOUSE CONCURRENT RESOLUTION NO. 47

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

Relating to establishing a Joint Special

6

Committee on state employee compensa-

7

tion.

8

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

9

WHEREAS there exists considerable legislative and public concern over
10 the issue of state employees' salaries, allowances, and other benefits; and

11

WHEREAS the continued decline of state revenue due to the decline of
12 world oil prices will likely force a reduction in state operating expendi-
13 tures over time; and

14

WHEREAS the current year's state operating budget includes personal
15 services costs in excess of \$900,000,000; and

16

WHEREAS the various components of the state's current compensation
17 plan are not sufficiently integrated or described to provide policy makers
18 with adequate information to evaluate the overall compensation package;

19

BE IT RESOLVED by the Alaska State Legislature that under Uniform Rule
20 21 a Joint Special Committee on State Employees' Salaries and Benefits is
21 established consisting of three members of the senate appointed by the
22 president of the senate and three members of the house of representatives
23 appointed by the speaker of the house to undertake a comprehensive review
24 of the state's employee compensation package; and be it

25

FURTHER RESOLVED that the committee work on this project in conjunc-
26 tion with representatives from the executive branch of state government;
27 and be it

28

FURTHER RESOLVED that the committee is authorized to meet during and
29 between sessions of the legislature and is to report its recommendations

1 and finding on the first day of the First Session of the Fifteenth Legisla-
2 ture and is terminated on the first day of the First Session of the Fif-
3 teenth Legislature.

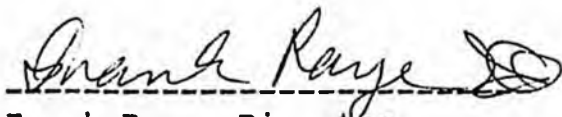
POSITION PAPER
HOUSE CONCURRENT RESOLUTION 47

This Resolution would establish a six member Joint Special Committee of the Legislature to undertake a comprehensive review of the state's employee compensation package. The committee is to work with representatives of the executive branch during and between legislative sessions and report its recommendations and findings on the first day of the First Session of the Fifteenth Legislature.

The Department of Administration is in full support of HCR 47. A comprehensive review of all facets of the compensation and benefit package that state employees receive is very appropriate and needed at this juncture. The recently completed Classification Study and Geographic Differential Study each dealt with a single and distinct portion of the total compensation package. The Classification Study examined the internal alignment of classifications and salary ranges. The Geographic Differential Study examined the appropriateness of the cost of living allowances being paid throughout the state.

This would be an ideal point in time to review and compare other aspects of the compensation and benefits provided state employee groups such as retirement, insurance, types of leave and so forth. Another aspect of the system of compensation that should be examined is the three "services" in the executive branch - exempt, partially exempt and classified. While the system of classification and pay for the partially exempt and classified service is statutorily controlled, the exempt service functions largely without rules on pay. Consequently, the proliferation of exempt boards and commissions over the past several years has resulted in an increased number of state employees with limited legislative salary oversight.

The Department of Administration looks forward to working with the Joint Special Committee in examining these issues.



Frank Raye, Director
Division of Personnel

2/28/86

Date



Commissioner Eleanor Andrews
Department of Administration

3/3/86

Date

HCR 47



Official Business

Alaska State Legislature
House of Representatives

Al Adams
Chairman
Committee on Finance

WHILE IN SESSION
Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3706

OUT OF SESSION
P.O. Box 333
Kotzebue, Alaska 99752
(907) 442-3320

1024 W. 6th
Anchorage, Alaska 99501
(907) 274-0315

Testimony of Rep. Al Adams on

HCR 47

Before the House State Affairs Committee

March 5, 1986

House Concurrent Resolution 47 would establish a joint legislative committee on state employee compensation. The reason for my introduction of this resolution at this time stems from my continued frustration over the annual battle over negotiated salary increases. The time has come for the legislature to move beyond this one issue and to examine all aspects of the state's employee compensation package.

The duties of the proposed committee would be to examine the total state employee compensation package and to make recommendations to the next legislature on any changes the committee feels would best serve the State of Alaska in light of declining state financial resources. Areas to be evaluated would include the retirement system, the employee classification system, geographical pay differentials, merit/longevity pay increases and

others as determined by the committee. The findings and recommendations of the committee would provide information to the whole legislature that would allow the employee compensations package to be evaluated in its entirety rather than as a set of separate components as is now the case.

Some good work has recently been completed which will be available to the committee to draw on. The Legislative Budget & Audit Committee has recently released an audit of the TRS and PERS retirement systems which point out numerous changes which could be made to these programs to make them less expensive to the state while maintaining an excellent retirement program for state employees.

Also, in response to legislative intent, the Governor's Office of Management & Budget has recently completed a report on state salaries which I found to be quite useful.

In preparing their recommendations I would expect that the joint committee would pull together all the existing information on employee compensation as well as commission additional work as necessary. Resource agencies available for this effort would include Legislative Audit, Legislative Finance, OMB, the Division of Personnel, the Division of Retirement & Benefits and others.

Since I would expect staff work to be performed by existing legislative and executive branch employees, I have submitted a zero fiscal note to the committee for your consideration.

Your support for HCR 47 will be appreciated.