

COMMITTEE REPORT

SENATE

FURTHER:

3/14/86

Date 4/10/86

Mr. President

The Committee on FINANCE considered SB 100

prohibiting salaries for certain employees from exceeding the governor's salary; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 100 (SA)
- new title
- same title and recommends Do Pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
DOA 3/31/86
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING

DO PASS

Rich Halford
Paul Grede
Jensen

MEMBERS HAVING

OTHER RECOMMENDATIONS

Co-Chairman Jan Fair
do pass
Chairman recommendation

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 4/1/86

REQUEST

Bill/Resolution No.: CSSB 100(SA)
 Title: Prohibiting salaries for certain employees from exceeding the governor's salary
 Sponsor: P. Fischer, Coghill, et al.
 Requestor: P. Fischer
 Date of Request: March 27, 1986

FISCAL DETAIL

Agency Affected: A11
 BRU: A11
 Components: A11

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES	(23.9)	(143.4)	(143.4)	(143.4)	(143.4)	(143.4)
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	(23.9)	(143.4)	(143.4)	(143.4)	(143.4)	(143.4)
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	(23.9)	(143.4)	(143.4)	(143.4)	(143.4)	(143.4)
FEDERAL FUNDS						
OTHER						
TOTAL	(23.9)	(143.4)	(143.4)	(143.4)	(143.4)	(143.4)

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

See continuation.

Prepared By: *Richard P. McMullen* Phone: 465-2200
 Division: Commissioner's Office Date: _____
 Approved by Commissioner: *Eleanor Andrews* Date: 3/31/86
 Agency: Department of Administration

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 CSSB 100(SA)

CSSB 100(SA) would limit basic salaries of employees to not more than the salary of the Governor. The Fiscal Note assumes that the effective date will be May 1, 1986. It reflects 29 employees in the Executive Branch who are currently paid more than the Governor, i.e., more than \$81,648 per year. No assumptions are made for future years, so the amount is shown as a constant savings.

The full year savings are currently distributed as follows:

Department of Administration:	\$ 1.5
" " Law	68.8
" " Revenue	3.1
" " Education	2.9
" " Health and Social Services	13.0
" " Commerce and Economic Develp.	1.2
" " Natural Resources	8.6
" " Public Safety	.9
" " Transportation and Public Facilities	43.5
	<u>\$143.4</u>

We note that there are no employees of the Legislature who would be affected by this bill. The effect on the Court System would not be realized until there are vacancies on the bench due to prohibitions on reducing judges' salaries during their tenure, unless the reduction is applied generally to all employees.

We do not have information available to estimate the impact on other entities affected by the bill:

University of Alaska
Alaska Railroad
Other quasi-public corporations that process
their own payroll
Grantees

83

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____ Page 1 of 1

REQUEST

Bill/Resolution No.: SB 100
 Title: Prohibiting salaries from exceeding Governor's salary.
 Sponsor: P. Fischer, et al
 Requestor: Senate State Affairs
 Date of Request: January 31, 1985

FISCAL DETAIL

Agency Affected: Administration
 Program Category Affected: Centralized Administrative Services
 BRU, Program or Subprogram(s) Affected: Personnel

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 SUPPLIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS	0	0	0	0	0	0
800 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	0	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)

There are no positions in this division that would be subject to this bill.

Prepared By: Frank Raye *Frank Raye FR*
 Division: Personnel

Phone: 465-4430

Date: 2/1/85

Approved by Commissioner: Lisa Rudd *LR*
 Agency: Department of Administration

Date: 2/1/85

Distribution (by Agency preparing fiscal note):

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

Rev. 7/1/84

Offered: 3/14/86
Referred: Finance

Original sponsors: P.Fischer, Coghill,
Bennett, et al

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SENATE BILL NO. 100 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND 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 primary office
14 assignment, equal to 3.5 percent of the [HIS] annual salary times the
15 number of pay step increases provided under AS 39.27.020 for a state
16 employee working in the same election district in those districts for
17 which AS 39.27.020 specified zero-to-five pay step increases. In an
18 election district for which AS 39.27.020 specifies more than five pay
19 steps, the number of pay step increases under this section is limited
20 to five. Any retirement benefits to which a justice may be entitled
21 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 judge's
4 [HIS] annual salary times the number of pay step increases provided
5 under AS 39.27.020 for a state employee working in the same election
6 district in those districts for which AS 39.27.020 specifies zero-to-
7 five pay step increases. In an election district for which AS 39.27.-
8 020 specifies more than five pay steps, the number of pay step in-
9 creases under this section is limited to five. Any retirement bene-
10 fits to which a superior court judge may be entitled shall be computed
11 only on the 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 provided
18 under AS 39.27.020 for a state employee working in the same election
19 district in those districts for which AS 39.27.020 specifies zero-to-
20 five pay step increases. In an election district for which AS 39.27.-
21 020 specifies more than five pay steps, the number of pay step in-
22 creases 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. 37.05.330. 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 life 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 person or entity named as
13 recipient of the requirements of this section. The department shall
14 request the person, organization, or entity to file its agreement to
15 comply with AS 39.20.095 if the person, organization, or entity meets
16 the requirements of (b) of this section. If the department is re-
17 questing proposals from other qualified persons, organizations, or
18 entities under AS 37.05.316 or 37.05.317, the department shall also
19 notify them of the requirements of this section. The department shall
20 request them to file an agreement to comply with AS 39.20.095 if they
21 meet the requirements of (b) of this section.

22 (d) In this section "state" has the meaning given in AS 39.20.-
23 095.

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

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

1 (b) For purposes of this section,

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

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

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

16 Sec. 39.27.027. SALARY LIMIT. Notwithstanding AS 39.27.020 and
17 39.27.022, the state may not pay an officer or employee a salary that
18 exceeds the salary limit under AS 39.20.095.

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

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

27 * Sec. 9. Nothing in this Act terminates or modifies a collective
28 bargaining agreement or other contract if the agreement or contract is in
29 effect on the effective date of this Act. However, the state may not renew

1 or extend a contract after the effective date of this Act unless the con-
2 tract complies with this Act.

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

7 * Sec. 11. This Act takes effect immediately in accordance with AS 01.-
8 10.070(c).

Position Paper
SB 100

Senate Bill 100 would limit salaries to not more than the salary of the Governor. The limit would apply to all employees of the State; all political subdivisions; other instrumentalities, boards, commissions, and authorities that receive at least 50 percent of their annual budget from the State treasury; grant recipients that receive 50 percent of their annual budget from the State treasury; and the Alaska Railroad Corporation if it receives at least 50 percent of its budget by direct appropriation or grant from the State treasury. Current collective bargaining agreements are not affected, but any new agreement or extension must comply with the provisions of this bill.

There is a technical drafting problem with SB 100. The "notwithstanding" provisions on page 2, lines 10-14, cite collective bargaining statutes. It fails to also cite the geographic differential and longevity provisions (AS 39.27.020 and AS 39.27.022) that place some executive branch salaries above the Governor's salary. It also fails to cite provisions that place the salaries of some judges above the Governor's salary. See AS 22.05.140(c) and AS 22.10.190(c). We believe these citations should be added to avoid any confusion of the bill's applicability to a given situation.

This bill would reverse long standing public policy in this State. Geographic differentials have been a matter of law since at least 1966. Longevity increments have been a matter of law since 1972. This bill would limit each of these when they operate to provide a salary greater than the Governor's salary.

The Governor's salary is set on a different basis than those subject to the State's classification and pay plans created under AS 39.250.150(a) and (b). Setting of the Governor's salary is essentially a political decision for political office. In addition to the salary, the Governor receives housing through the budget for the Executive Mansion. The salary of jobs subject to the classification plan are based on a "fair and reasonable compensation for services rendered, and reflect the principle of like pay for like work" (AS 39.25.150(b)). Geographic differentials and longevity increments have been enacted as legitimate amendments to the basic pay plan to recognize legitimate public purposes in the career service. This bill would override these provisions.

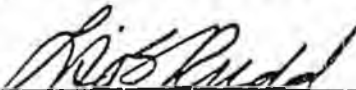
The Division of Personnel urges that serious consideration be given to the questions of geographic differentials and longevity increments before these public policies are reversed by this bill.



Frank Kaye, Director
Division of Personnel

2/1/85

Date



Commissioner Lisa Rudd
Department of Administration

2/6/85

Date

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF PERSONNEL

BILL SHEFFIELD, GOVERNOR

POUCH C (MS 0201)
JUNEAU, ALASKA 99811
PHONE: (907) 465-4430

February 21, 1985

Honorable Mitchell F. Abood, Jr.
Chairman
Senate State Affairs Committee
Pouch V (MS 3100)
Juneau, AK 99811

Dear Mr. Chairman:

Senate Bill 100 was heard before your Committee on February 6. During my testimony, Committee members asked me to provide additional specific information on salaries of certain employees. I have now gathered the information and am pleased to transmit it to you.

Senator Vic Fischer requested a list of the Executive Branch employees whose "basic salary" (as defined in SB 100) exceeded the salary of the Governor. Attachment 1 lists the eleven (11) employees who fall into this category.

Senator Bill Kay requested a similar list of the Judges and Justices whose "basic salary" exceeded the salary of the Governor. Edna Caldwell, the State Payroll Supervisor, had informed Senator Paul Fischer that 14 Judges and Justices fell into this category. However, there are only ten (10) whose salary exceeds the Governor. There are also four (4) Justices whose salary equals the Governor's. These are Justices who receive no geographic cost-of-living adjustment. See AS 22.05.140(a) and (c). Attachment 2 lists the nine (9) Judges and a Justice whose basic salary exceeds the Governor's.

Senator Vic Fischer requested a listing of all employees whose total compensation exceeded the Governor's. Attachment 3 is such a listing of all employees paid through the Division of Finance, Department of Administration for calendar year 1984. It does not include the University of Alaska, the Alaska Railroad Corporation, nor any other quasi-public corporation that processes its own payroll. I have also excluded those employees in Attachments 1 and 2 to avoid duplication. I have indicated in the Comment column the reason for several employees' salaries to exceed the Governor's on a one-time basis. The salaries of the other employees may be expected to repeatedly exceed the Governor's due to overtime, stand-by, shifts differential, sea duty and other forms of premium pay.

RECEIVED
FEB 25 1985

RECEIVED
FEB 25 1985

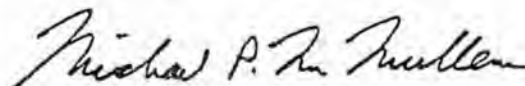
Honorable Mitchell F. Abcod, Jr.

-2-

February 21, 1985

I would be happy to answer any questions you may have about this data. I will make every effort to attend your Committee meeting when SB 100 is next scheduled for hearing to answer any questions from other members of the Committee.

Sincerely,



Michael P. McMullen
Deputy Director

MPM/cfm

1/4D1/0219-04

Enclosures

cc: Honorable Paul Fischer
Alaska State Senator
Pouch V (MS 3100)
Juneau, AK 99811

ATTACHMENT 1

Executive Branch Employees Whose Base Salary Exceeds the Governor's

<u>LAST NAME</u>	<u>FIRST NAME</u>	<u>PCN</u>	<u>PAY RATE</u> ¹	<u>SCHEDULE</u>	<u>RANGE</u>	<u>STEP</u>	<u>CLASS TITLE</u>	<u>LOCATION</u>
Davis	Harry L.	031003	7,074.00	E	25	K	Attorney V	Fairbanks
Merriner	Charles M.	031191	8,169.00	F	25	L	Attorney V	Dillingham
Wood	Larry D.	030006	6,818.00	E	25	J	Attorney V	Fairbanks
Wardell	Thomas M.	031044	6,852.00	D	25	L	Attorney V	Kenai
Gould	James V.	031005	7,870.00	H	25	F	Attorney V	Nome
Doogan	James P.	031057	6,818.00	E	25	J	Attorney V	Fairbanks
Romesburg	Kerry D.		6,834.00	A	28	K	*	Juneau
Fraser	Robert	061001	7,339.00	A	29	L	Dir Public Health	Juneau
Conrad	Harold T.	065285	6,900.00	9	29	F	Medical Supt., API	Anchorage
Springer	Heinrich K.	258701	7,870.00	H	26	E	Division Director	Nome
Glenzer	Hubert	255634	7,055.00	E	28	E	Deputy Commissioner	Fairbanks

*Executive Director, Alaska Commission on Post-secondary Education

¹The Governor's monthly pay rate is \$6,804.00.

ATTACHMENT 2

Judges and Justices Whose Base Salary Exceeds the Governor's

<u>LAST NAME</u>	<u>FIRST NAME</u>	<u>LOCATION</u>	<u>MONTHLY SALARY</u>
Blair	James	Fairbanks	6,994.00
Bosshard	John	Valdez	7,209.00
Cooke	Christopher	Bethel	7,209.00
Hodges	Jay	Fairbanks	6,994.00
Jeffrey	Michael I.	Barrow	7,209.00
Jones	Paul B.	Kotzebue	7,209.00
Rabinowitz	Jay A. (Justice)	Fairbanks	7,757.00
Taylor	Warren W.	Fairbanks	6,994.00
Tunley	Charles R.	Nome	7,209.00
VanHoomissen	Gerald	Fairbanks	6,994.00

ATTACHMENT 3

Employees whose Total Compensation Exceeded the Governor's During 1984

<u>LAST NAME</u>	<u>FIRST NAME</u>	<u>PCN</u>	<u>TOTAL EARNINGS</u>	<u>LOCATION</u>	<u>RANGE/STEP</u>	<u>CLASS TITLE</u>	<u>COMMENT</u>
Davis	Ronald J.	245708	83,472.33			Civil Engineer I	Terminal leave payoff
Moy	Victor S.	060259	119,626.62	Juneau	17/D	Internal Aud II	Arbitration award (prior year pay reinstated)
Veuthey	Pierre L.	065315	89,700.39	Anchorage	Exempt	Staff Psychiatrist	
Eakins	Gilbert R.	102007	82,123.84	Fairbanks	24/K	Geologist VI	
Hickey	Daniel W.	031058	81,686.40	Juneau	27/K	Chf Pros & Crim Aff	Leave cash-in
South	Herman H.	065287	84,704.00	Anchorage	Exempt	Staff Psychiatrist	
Overstreet	William D.	081238	84,999.96	Tokyo	26/D	Office Director	
Bodine	Jack T.	260403	95,588.16			Right-of-Way Agnt VI	Terminal leave payoff
Nygren	Lyle E.	123025	103,509.76	Kodiak	78/K	Sergeant, P.S.	
Reilly	Douglas K.	065282	87,704.00	Anchorage	Exempt	Staff Psychiatrist	
Marshall MD	Robert W.	065002	89,192.00	Anchorage	Exempt	Asst Supt, API	
Livingstone	Bruce L.	062223	82,504.00	Anchorage	Exempt	Staff Psychiatrist	
Mix	Larry A.	121638	94,931.12			Spec Asst to the Comm. II	Terminal leave payoff
Lochman	Robert A.	123107	106,255.92	Kodiak	22/K	Capt., Marine Enf., P.S.	
Dattan	Christop H.	065286	83,418.94	Anchorage	Exempt	Staff Psychiatrist	
Bundy	Robert C.	031008	91,771.70			Attorney V	Terminal leave payoff
Detemple	Joseph F.	121001	86,039.76	Bethel	22/K	Capt., P.S.	
Thatcher	John F.		82,335.34	Marine Trans.		Master	
Borchick	Freda M.	063075	87,843.52			Admin Off III	Terminal leave payoff
Grimes	James V.	121357	82,504.41	Anchorage	78/J	Sergeant, P.S.	
Hamill	James E.	065283	86,904.00	Anchorage	Exempt	Staff Psychiatrist	



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

To: Senate Finance Committee Members

From: Senator Paul Fischer

Date: April 2, 1986

Subject: Backup material for CSSB 100 (SA).

Attached is the backup material for CSSB 100 (SA). Included for your consideration is the following.

- (1) A summary of the effects of CSSB 100 (SA).
- (2) A copy of CSSB 100 (SA).
- (3) A new fiscal note from the Department of Administration reflecting the savings which the state will realize as a result of this bill.
- (4) A sectional analysis of the bill.
- (5) An article from the Juneau Empire listing the fifty highest paid state employees, with Governor Sheffield being the fiftieth.
- (6) Documents from the Department of Administration showing the employees whose salaries exceeded the Governors.
- (7) A listing of the highest paid employees within the University of Alaska system.
- (8) Pay scale information from the Alaska Railroad.



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

To: Senate Finance Committee Members

From: Senator Paul Fischer

Date: April 2, 1986

Subject: Summary of the effects of CSSB 100 (SA).

If CSSB 100 (SA) becomes law it will have these effects.

- (1) Makes no salary changes in present collective bargaining agreements or other contracts presently in effect.
- (2) Limits other public official's pay to the salary in effect for the Governor, which is now \$81,646.
- (3) Mandates that new, renewed or extended agreements and contracts must conform with the salary cap.
- (4) The ceiling effects any entity receiving at least 50% of its yearly budget from the state treasury.
- (5) This salary limit includes local municipalities, school boards and state grant money recipients, as well as, the University of Alaska, Alaska Railroad, and the AHFC, if they meet the 50% funding criterion.
- (6) The salary limit would take effect immediately.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 4/1/86

REQUEST
Bill/Resolution No.: CSSB 100(SA)
Title: Prohibiting salaries for certain employees from exceeding the governor's salary
Sponsor: P. Fischer, Coghill, et al.
Requestor: P. Fischer
Date of Request: March 27, 1986

FISCAL DETAIL
Agency Affected: A11
BRU: A11
Components: A11

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES	(23.9)	(143.4)	(143.4)	(143.4)	(143.4)	(143.4)
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
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GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	(23.9)	(143.4)	(143.4)	(143.4)	(143.4)	(143.4)
CAPITAL						
REVENUE						

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GENERAL FUND	(23.9)	(143.4)	(143.4)	(143.4)	(143.4)	(143.4)
FEDERAL FUNDS						
OTHER						
TOTAL	(23.9)	(143.4)	(143.4)	(143.4)	(143.4)	(143.4)

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

See continuation.

Prepared By: *Michael P. McMurley* Phone: 465-2200
 Division: Commissioner's Office Date: _____
 Approved by Commissioner: *Eleanor Andrews* Date: 3/31/86
 Agency: Department of Administration

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 CSSB 100(SA)

CSSB 100(SA) would limit basic salaries of employees to not more than the salary of the Governor. The Fiscal Note assumes that the effective date will be May 1, 1986. It reflects 29 employees in the Executive Branch who are currently paid more than the Governor, i.e., more than \$81,648 per year. No assumptions are made for future years, so the amount is shown as a constant savings.

The full year savings are currently distributed as follows:

Department of Administration:	\$ 1.5
" " Law	68.8
" " Revenue	3.1
" " Education	2.9
" " Health and Social Services	13.0
" " Commerce and Economic Develp.	1.2
" " Natural Resources	8.6
" " Public Safety	.9
" " Transportation and Public Facilities	43.5
	<u>\$143.4</u>

We note that there are no employees of the Legislature who would be affected by this bill. The effect on the Court System would not be realized until there are vacancies on the bench due to prohibitions on reducing judges' salaries during their tenure, unless the reduction is applied generally to all employees.

We do not have information available to estimate the impact on other entities affected by the bill:

- University of Alaska
- Alaska Railroad
- Other quasi-public corporations that process
their own payroll
- Grantees



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

Sectional Analysis for CSSB 100

Section 1-4 makes it clear that the salary limit applies, respectively, to justices of the supreme court, judges of the court of appeals, judges of the superior courts and district court judges.

Section 5 adds a new section to the Fiscal Procedures Act (AS 37.05) to provide that a state agency may not grant money to an organization or entity unless the organization or entity agrees that none of its employees will be paid a salary greater than the governor's. Subsection (b) defines the organizations and entities to which the limit applies. Subsection (c) gives the department administering the grant responsibility for insuring that the organization or entity is notified of the salary limit requirement and that it agrees to comply with the limit before it receives a grant. Subsection (d) incorporates the expansive definition of "state" contained in AS 39.20.095, enacted in section 6 of the bill, into this section.

Section 6 adds a new section which prohibits the state from paying its employees a salary greater than the governor's salary. The section applies to employees regardless of whether salaries are set in the collective bargaining process. Subsection (b) defines "basic salary" and contains an expansive definition of "state".

Section 7 clarifies the effect of the salary limit on statutes that regulate pay step differentials, pay increments for longevity in state service, and swing and graveyard shift differentials.

Section 8 requires the Alaska Railroad Corporation to abide by the salary limit imposed by section 2 if the corporation receives at least 50 percent of its yearly budget from the state.

Section 9 contains language required by state and federal constitutional prohibitions against impairing the obligations of existing contracts.

Section 10 affirms the independence of the University of Alaska, except as to the salary limit created by the bill.

Section 11 is an immediate effective date.

Top 50 state employee salaries listed

The following is a list of the 50 highest paid state employees' base salaries for 1985. Where readily obtainable, job titles are included. The list comes from the Department of Administration.

1. Charles Merriner, prosecuting attorney, Dillingham, \$102,936; 2. Heinrich Springer, Department of Transportation maintenance and operations director, Nome, \$99,189; 3. Jay Rabinowitz, Supreme Court justice, Fairbanks, \$97,728; 4. Harry Davis, prosecuting attorney, Fairbanks, \$95,736; 5. John Bosshard III, superior court judge, Valdez, \$90,828;

6. Christopher Cooke, superior court judge, Bethel, \$90,828; 7. Michael Jeffery, superior court judge, Barrow, \$90,828; 8. Paul Jones, superior court judge, Kotzebue, \$90,828; 9. Charles Tunley, superior court judge, Nome, \$90,828; 10. Thomas Wardell, prosecuting attorney, Kenai, \$89,580.

11. Hubert Glenzer, deputy commissioner Department of Transportation, Fairbanks, \$88,998; 12. Robert Fraser, chief of communicable disease control, Department of Health and Social Services, Anchorage, \$88,428; 13. James Blair, superior court judge, Fairbanks, \$88,128; 14. Mary Greens, superior court judge, Fairbanks, \$88,128; 15. Jay Hodges, superior court judge, Fairbanks, \$88,128;

16. Gerald VanHoomissen, superior court judge,

Fairbanks, \$88,128; 17. Bruce Livingstone, Department of Health and Social Services, Anchorage, \$88,952; 18. James Doogan, Department of Law, Fairbanks, \$85,920; 19. Ted Bond, Department of Natural Resources, Fairbanks, \$85,728; 20. Edmond Burke, supreme court justice, Anchorage, \$85,728.

21. Allen Compton, supreme court justice, Anchorage, \$85,728; 22. John Horn, director of maintenance and operations Interior district, Department of Transportation and Public Facilities, Fairbanks, \$85,728; 23. Warren Matthews, supreme court justice, Anchorage, \$85,728; 24. Daniel Moore, Jr., supreme court justice, Anchorage, \$85,728; 25. Jack Morrow, director of maintenance and operations for Department of Transportation and Public Facilities, Valdez, \$85,728;

26. Marlin Smith, Department of Law, Barrow, \$85,728; 27. John Vecak, prosecuting attorney, Nome, \$85,728; 28. Stephen Sisk, Department of Transportation, Fairbanks, \$85,452; 29. Robert Venusti, Department of Transportation, Fairbanks, \$85,452; 30. Roy Madsen, superior court judge, Kodiak, \$85,416.

31. Garnett Pessel, Department of Natural Resources, Fairbanks, \$85,308; 32. David Rose, director Alaska Permanent Fund Board, Juneau, \$84,732; 33. Robert Marshall, M.D., director Alaska Psychiatric Institute, Anchorage, \$83,988; 34. Arthur Snowden, director Alaska

court system, Anchorage, \$83,724; 35. Richard Engen, director Division of State Libraries and Museums, Juneau, \$83,172;

36. Melvin Hoversten, director Division of Telecommunications, Department of Administration, Anchorage, \$83,172; 37. Richard Karna, assistant attorney general, Anchorage, \$83,172; 38. Arthur Peterson, assistant attorney general, Juneau, \$83,172; 39. Kerry Romesburg, director Alaska Postsecondary Education Commission, Juneau, \$82,992; 40. Sharon Emley, assistant prosecuting attorney, Nome, \$82,812.

41. Robert Heath, director Alaska Power Authority, Anchorage, \$82,812; 42. John Sims, director Office of Minerals Development, Department of Commerce and Economic Development, Fairbanks, \$82,812; 43. Charles Cranston, superior court judge, Kenai, \$82,716; 44. James A. Hanson, superior court judge, Kenai, \$82,716; 45. Ronald Davena, Nome, \$82,548;

46. Joseph DeTemple, Bethel, \$82,548; 47. Gilbert Eakins, regional coordinator for the Division of Geological and Geophysical Surveys, Department of Natural Resources, College, \$82,548; 48. James Lane, Department of Transportation, Nome, \$82,548; 49. David A. Spence, M.D., medical officer, Division of Public Health, Juneau, \$82,548; 50. William Sheffield, governor, Juneau, \$81,048.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF PERSONNEL

POUCH C (MS 0201)
JUNEAU, ALASKA 99811
PHONE: (907) 465-4430

February 21, 1985

Honorable Mitchell F. Abood, Jr.
Chairman
Senate State Affairs Committee
Pouch V (MS 3100)
Juneau, AK 99811

Dear Mr. Chairman:

Senate Bill 100 was heard before your Committee on February 6. During my testimony, Committee members asked me to provide additional specific information on salaries of certain employees. I have now gathered the information and am pleased to transmit it to you.

Senator Vic Fischer requested a list of the Executive Branch employees whose "basic salary" (as defined in SB 100) exceeded the salary of the Governor. Attachment 1 lists the eleven (11) employees who fall into this category.

Senator Bill Ray requested a similar list of the Judges and Justices whose "basic salary" exceeded the salary of the Governor. Edna Caldwell, the State Payroll Supervisor, had informed Senator Paul Fischer that 14 Judges and Justices fell into this category. However, there are only ten (10) whose salary exceeds the Governor. There are also four (4) Justices whose salary equals the Governor's. These are Justices who receive no geographic cost-of-living adjustment. See AS 22.05.140(a) and (c). Attachment 2 lists the nine (9) Judges and a Justice whose basic salary exceeds the Governor's.

Senator Vic Fischer requested a listing of all employees whose total compensation exceeded the Governor's. Attachment 3 is such a listing of all employees paid through the Division of Finance, Department of Administration for calendar year 1984. It does not include the University of Alaska, the Alaska Railroad Corporation, nor any other quasi-public corporation that processes its own payroll. I have also excluded those employees in Attachments 1 and 2 to avoid duplication. I have indicated in the Comment column the reason for several employees' salaries to exceed the Governor's on a one-time basis. The salaries of the other employees may be expected to repeatedly exceed the Governor's due to overtime, stand-by, shifts differential, sea duty and other forms of premium pay.

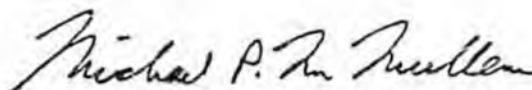
Honorable Mitchell F. Abood, Jr.

-2-

February 21, 1985

I would be happy to answer any questions you may have about this data. I will make every effort to attend your Committee meeting when SB 100 is next scheduled for hearing to answer any questions from other members of the Committee.

Sincerely,



Michael P. McMullen
Deputy Director

MPM/cfm
1/401/0219-04
Enclosures

cc: Honorable Paul Fischer
Alaska State Senator
Pouch V (MS 3100)
Juneau, AK 99811

ATTACHMENT 1

Executive Branch Employees Whose Base Salary Exceeds the Governor's

<u>LAST NAME</u>	<u>FIRST NAME</u>	<u>PCN</u>	<u>PAY RATE</u> ¹	<u>SCHEDULE</u>	<u>RANGE</u>	<u>STEP</u>	<u>CLASS TITLE</u>	<u>LOCATION</u>
Davis	Harry L.	031007	7,074.00	E	25	K	Attorney V	Fairbanks
Merriner	Charles M.	031191	8,169.00	F	25	L	Attorney V	Dillingham
Wood	Larry D.	030006	6,818.00	E	25	J	Attorney V	Fairbanks
Wardell	Thomas M.	031044	6,852.00	D	25	L	Attorney V	Kenai
Gould	James V.	031005	7,870.00	H	25	F	Attorney V	Nome
Doogan	James P.	031057	6,818.00	E	25	J	Attorney V	Fairbanks
Romesburg	Kerry D.		6,834.00	A	28	K	*	Juneau
Fraser	Robert	061001	7,339.00	A	29	L	Dir Public Health	Juneau
Conrad	Harold T.	065285	6,900.00	9	29	F	Medical Supt., API	Anchorage
Springer	Heinrich K.	258701	7,870.00	H	26	E	Division Director	Nome
Glenzer	Hubert	255634	7,055.00	E	28	E	Deputy Commissioner	Fairbanks

*Executive Director, Alaska Commission on Post-secondary Education

6,900
 12
 13,800
 6,900
 20,700

¹The Governor's monthly pay rate is \$6,804.00.

ATTACHMENT 2

Judges and Justices Whose Base Salary Exceeds the Governor's

<u>LAST NAME</u>	<u>FIRST NAME</u>	<u>LOCATION</u>	<u>MONTHLY SALARY</u>
Blair	James	Fairbanks	6,994.00
Bosshard	John	Valdez	7,209.00
Cooke	Christopher	Bethel	7,209.00
Hodges	Jay	Fairbanks	6,994.00
Jeffrey	Michael I.	Barrow	7,209.00
Jones	Paul B.	Kotzebue	7,209.00
Rabinowitz	Jay A. (Justice)	Fairbanks	7,757.00
Taylor	Warren W.	Fairbanks	6,994.00
Tunley	Charles R.	Nome	7,209.00
VanHoomissen	Gerald	Fairbanks	6,994.00

ATTACHMENT 3

Employees Whose Total Compensation Exceeded the Governor's During 1984

<u>LAST NAME</u>	<u>FIRST NAME</u>	<u>PCN</u>	<u>TOTAL EARNINGS</u>	<u>LOCATION</u>	<u>RANGE/STEP</u>	<u>CLASS TITLE</u>	<u>COMMENT</u>
Davis	Ronald J.	245708	83,472.33			Civil Engineer I	Terminal leave payoff
Moy	Victor S.	060259	119,626.62	Juneau	17/D	Internal Aud II	Arbitration award (prior year pay reinstated)
Veuthey	Pierre L.	065315	89,780.39	Anchorage	Exempt	Staff Psychiatrist	
Eakins	Gilbert R.	102007	82,123.84	Fairbanks	24/K	Geologist VI	
Hickey	Daniel W.	031058	81,686.40	Juneau	27/K	Chf Pros & Crim Aff	Leave cash-in
South	Herman H.	065287	84,704.00	Anchorage	Exempt	Staff Psychiatrist	
Overstreet	William D.	081238	84,999.96	Tokyo	26/D	Office Director	
Bodine	Jack T.	260403	95,588.16			Right-of-Way Agnt VI	Terminal leave payoff
Nygren	Lyle E.	123025	103,509.76	Kodiak	78/K	Sergeant, P.S.	
Reilly	Douglas K.	065282	87,704.00	Anchorage	Exempt	Staff Psychiatrist	
Marshall MD	Robert W.	065002	89,192.00	Anchorage	Exempt	Asst Supt, API	
Livingstone	Bruce L.	062223	82,504.00	Anchorage	Exempt	Staff Psychiatrist	
Mix	Larry A.	121638	94,931.12			Spec Asst to the Comm. II	Terminal leave payoff
Lochman	Robert A.	123107	106,255.92	Kodiak	22/K	Capt., Marine Enf., P.S.	
Dattan	Christop H.	065286	83,418.94	Anchorage	Exempt	Staff Psychiatrist	
Bundy	Robert C.	031008	91,771.70			Attorney V	Terminal leave payoff
Detemple	Joseph F.	121001	86,039.76	Bethel	22/K	Capt., P.S.	
Thatcher	John F.		82,335.34	Marine Trans.		Master	
Borchick	Freda M.	063075	87,843.52			Admin Off III	Terminal leave payoff
Grimes	James V.	121357	82,504.41	Anchorage	78/J	Sergeant, P.S.	
Hamill	James E.	065283	86,904.00	Anchorage	Exempt	Staff Psychiatrist	

PCN NUMBER	NAME	TITLE	LOCATION	BASE SALARY	AREA DIFF.	HOUSING	TOTAL
10000	O'Dowd	President	Fbks	90,938	1.10	*	100,032
40000	O'Rourke	Chancellor	Fbks	88,067	1.10	*	96,865
29678	Akasoru	Professor (Res)	Fbks	88,020	1.10	--	96,822
10300	Carter	Exec. Vice Pr.	Fbks	87,185	1.10	--	95,904
65615	Okeson	Chancellor	Anch	86,448	1.00	7,199	93,647
80500	Paradise	Chancellor	Jun	85,488	1.00	7,199	92,647
60000	Outcalt	Chancellor	Anch	85,488	1.00	7,199	92,647
29675	Roederer	Director	Fbks	82,953	1.10	--	91,248
40019	Phillips	Vice Chancellor	Fbks	82,745	1.10	--	91,020
10200	Mather	Vice Chancellor	Fbks	82,613	1.10	--	90,874
33000	Bligh	Director	Fbks	82,160	1.10	--	90,376
32200	Drew	Director	Fbks	81,743	1.10	--	89,917
30000	Alexander	Director	Fbks	81,286	1.10	--	89,414
29687	Weller	Assoc. Director	Fbks	80,912	1.10	--	89,032
29686	Swift	Professor (Res)	Fbks	80,911	1.10	--	89,002
53053	Ray	Professor	Fbks	80,534	1.10	--	88,587
30005	Goering	Professor (Res)	Fbks	80,118	1.10	--	88,130
79200	Floyd	Campus Pres.	Kod	76,216	1.15	--	87,648
22161	Wilson	Professor (Res)	Fbks	78,999	1.10	--	86,999
29617	Rees	Professor (Res)	Fbks	78,244	1.10	--	86,068
51530	Neiland	Professor	Fbks	78,208	1.10	--	86,028
65228	Krauss	Professor	Fbks	77,043	1.10	--	84,747
33012	Dean	Professor	Fbks	76,714	1.10	--	84,385
22000	Matthews	Director	Fbks	76,713	1.10	--	84,384
50662	Merritt	Professor	Fbks	76,676	1.10	--	84,544
29681	Benson	Professor	Fbks	76,675	1.10	--	84,542
32842	Weeden	Professor	Fbks	75,918	1.10	--	83,510
72561	Lyon	Chancellor	Anch	76,003	1.00	7,199	83,202
29689	Wescott	Professor (Res)	Fbks	75,579	1.10	--	83,137
50500	Haneman	Dean	Fbks	75,503	1.10	--	83,053
50660	Roberts	Professor	Fbks	74,805	1.10	--	82,285
35589	Sharma	Professor	Fbks	74,381	1.10	--	81,827

* University owned homes are provided for the UAF Chancellor and the System President. These individuals are required to live in these residences per their contract.

February 1, 1985

PRESS RELEASEALASKA RAILROAD PAY PLANS

GSE: The General Schedule Equivalent (GSE) pay plan parallels pay rates and practices of the Federal General Schedule. Approximately 1.4 million federal white-collar employees are paid under the General Schedule nationally. In Alaska, federal employees currently receive a tax-free cost-of-living allowance to compensate for the higher cost of living in Alaska. Alaska Railroad employees in the GSE pay plan continue to receive a cost-of-living allowance which is no longer tax free.

<u>Position</u>	<u>Number of Positions</u>	<u>Pay Ranges (Rounded)</u>
President and Chief Executive Officer	1	\$125,000
Vice President, Controller	1	\$93,000
Vice President, Operations	1	\$91,700
Department Manager	1	\$87,000
	3	\$80,000 - \$85,000
	0	\$75,000 - \$80,000
	1	\$70,000 - \$75,000
Mid Level Manager	1	\$78,000
	6	\$70,000 - \$75,000
	8	\$65,000 - \$70,000
	1	\$60,000 - \$65,000
First Level Managers and Professional Staff	13	\$60,000 - \$66,000
	9	\$55,000 - \$60,000
	11	\$50,000 - \$55,000
	9	\$45,000 - \$50,000
	6	\$40,000 - \$45,000
	2	\$35,000 - \$40,000
	3	\$28,000 - \$35,000

T&E

The pay practices of train and engine employees were negotiated under the collective bargaining process and reflect current industry pay practices. The rates of pay earned vary dependent upon which position is worked and how often an employee works. Pay is determined based upon basic daily rate, mileage, and penalties, with positions worked being allotted by seniority.

<u>Position</u>	<u>Baggageman</u>	<u>Brakeman</u>	<u>Conductor</u>	<u>Fireman</u>	<u>Engineer</u>	<u>Pay Ranges (Rounded)</u>
<u>Number of Positions</u>	0	0	2	1	2	\$85,000 - \$90,000
	1	0	3	0	1	\$80,000 - \$85,000
	2	0	3	2	2	\$75,000 - \$80,000
	1	0	2	0	1	\$70,000 - \$75,000
	7	0	2	3	2	\$65,000 - \$70,000
	3	2	3	3	4	\$60,000 - \$65,000
	6	3	7	4	5	\$55,000 - \$60,000
	2	2	3	7	0	\$50,000 - \$55,000
	2	2	1	2	2	\$45,000 - \$50,000
	0	1	1	0	4	\$40,000 - \$45,000
	0	3	1	0	4	\$35,000 - \$40,000
	0	0	0	0	1	\$30,000 - \$35,000
	0	0	1	0	0	\$25,000 - \$30,000
	0	0	1	0	0	\$20,000 - \$25,000

10

Train and Enginemen yearly totals as of December 31, 1984.

WC: The White Collar (WC) pay plan covers employees in the American Federation of Government Employees (AFGE) Local 183 bargaining unit which consists of administrative, clerical and technical employees. The rates of pay were negotiated through the collective bargaining process and are part of the overall labor agreement. This labor agreement is protected under the terms of the Alaska Railroad Transfer Act (PL 97-468). The WC-A wage schedule applies only to permanent employees who were employed on the ARR prior to July 21, 1978, and have worked on a continuous basis to date. No new employee may enter into the WC-A wage schedule. Any WC employees hired after July 22, 1978, have been paid in accordance with the WC-B pay plan which now covers the majority of WC employees.

<u>Position</u>	<u>Number of Positions</u>	<u>Pay Ranges (Rounded)</u>
Administrative Assistant, Secretary, Clerk Typist, etc.	4	\$40,000 - \$45,000*
	10	\$35,000 - \$40,000*
	4	\$30,000 - \$35,000*
	8	\$25,000 - \$30,000
	11	\$20,000 - \$25,000
	3	\$15,000 - \$20,000
Customer Service Representative, Transportation Control Technician, Freight Rate Specialist, Technicians	1	\$45,000 - \$52,000*
	6	\$40,000 - \$45,000*
	1	\$35,000 - \$40,000*
	2	\$30,000 - \$35,000
	1	\$25,000 - \$30,000
Accounting Technician, General Clerk, Computer Clerk, Personnel Clerk	8	\$40,000 - \$45,000*
	3	\$35,000 - \$40,000*
	1	\$30,000 - \$35,000*
	2	\$25,000 - \$30,000
	4	\$20,000 - \$25,000*
Procurement Assistant, Procurement Clerk, Sales Store Clerk	1	\$40,000 - \$42,000*
	1	\$30,000 - \$35,000
	1	\$25,000 - \$30,000
	6	\$20,000 - \$25,000
	2	\$15,000 - \$25,000

*Denotes special rates under WC-A wage schedule. No new employee may enter this pay plan.

WG/WS The Wage Grade (WG/WS) pay plan covers employees in several ARR bargaining units as a result of collective bargaining procedures. Blue collar supervisors are also covered. This plan is the same as that used for federal wage employees and is developed under the auspices of the Office of Personnel Management through an annual comprehensive review of comparable positions in both public and private sectors in Alaska. Thousands of wage grade Alaska federal workers are paid at these identical rates.

<u>Position</u>	<u>Number of Positions</u>	<u>Pay Ranges (Rounded)</u>
Electronic Mechanic, Signal Maintainer,	2	\$45,000 - \$46,000
Bridgeman, Pipefitter, Boiler Plant	19	\$40,000 - \$45,000
Operator, Carpenter, Cabinetmaker,	10	\$35,000 - \$40,000
Track Welder, Welder, Electrician		
Maintenance Mechanic/Worker, Equipment	19	\$40,000 - \$45,000
Operator	10	\$35,000 - \$40,000
Locomotive Electrician, Locomotive Mechanic,	6	\$45,000 - \$51,000
Steel Fabricator/Boilermaker, Carman,	55	\$40,000 - \$45,000
Heavy Equipment Mechanic	14	\$35,000 - \$40,000
	5	\$30,000 - \$35,000
Locomotive/Mobile Equipment Servicer,	1	\$40,000 - \$42,000
Freight Handler/Forklift Operator,	9	\$35,000 - \$40,000
Warehouse/Yard Worker, Motor Vehicle	8	\$30,000 - \$35,000
Operator/Truck Driver, Cook		
Track Repairer, Laborer, Janitor	58	\$30,000 - \$37,000
	10	\$25,000 - \$30,000
Foreman, Section Foreman, Extra Gang Foreman,	14	\$55,000 - \$60,000
Leaders, Assistant Chief Dispatcher,	26	\$50,000 - \$55,000
Yardmaster, Slipmaster	20	\$45,000 - \$50,000
	20	\$40,000 - \$45,000

AT

The AT pay plan covers employees in the American Train Dispatchers' Association, consists of two parts and is negotiated under the collective bargaining process. Wage schedule AT-A applies to one remaining permanent employee who was on the ARR rolls prior to May 1, 1979. The AT-B wage schedule covers all employees hired since that date.

<u>Position</u>	<u>Number of Positions</u>	<u>Pay Ranges (Rounded)</u>
Train Order Clerk	1	\$30,000 - \$35,000*
	3	\$25,000 - \$30,000
	2	\$20,000 - \$25,000
Station/Passenger Agent	1	\$35,000 - \$43,000*
	1	\$30,000 - \$32,000
	2	\$25,000 - \$30,000

*Denotes special rate AT-A wage schedule. No new employee may enter this pay plan.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

Jus - COPY
Sen Fairs

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

MEMORANDUM

March 6, 1985

SUBJECT: Comparison between SB 100 and CSSB 100 (SA)
(Prohibiting salaries for certain
employees from exceeding the governor's
salary)

TO:

FROM: Teresa B. Cramer
Legislative Counsel

You have asked for a comparison between SB 100 and CSSB 100 (SA) drafted 2/28/85.

Sections 1 - 4 of CSSB 100 are added to make clear that the salary limit applies, respectively, to justices of the supreme court, judges of the court of appeals, judges of the superior courts and district court judges.

Section 5 of the CS is identical to section 1 of SB 100.

Section 6 of the CS is identical to section 2 of SB 100 except for the definition of "basic salary." The CS changes the treatment of overtime compensation and hazardous duty pay to include them in basic salary. The CS also includes in the definition forms of pay that are not addressed in the SB 100:

sea duty pay, shift differentials,
acting-in-a-higher-status pay, stand-by pay, other
adjustments in the nature of premium pay, and honoraria
for members of boards, commissions and authorities.

Section 7 of the CS is added to clarify the effect of the salary limit on statutes that regulate pay step differentials, pay increments for longevity in state service, and swing and graveyard shift differentials.

Senator Paul Fischer
March 6, 1985
Page 2

Sections 8 and 9 of the CS are identical to sections 3 and 4 of SB 100.

Section 10 of the CS is identical to section 5 of SB 100 except that it includes reference to the amendments made by section 7.

Section 11 of the CS is identical to section 6 of SB 100.

If I may be of further assistance, please advise.

TBC:ojb
J12/061

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 1800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 2, 1985

SUBJECT: Sectional Analysis of SB 100
(Prohibiting salaries for certain employees
from exceeding the governor's salary)

TO: Senator Paul Fischer

FROM: Teresa B. Cramer *Jerry Cramer*
Legislative Counsel

You have asked for a sectional analysis of SB 100.

Section 1 adds a new section to the Fiscal Procedures Act (AS 37.05) to provide that a state agency may not grant money to an organization or entity unless the organization or entity agrees that none of its employees will be paid a salary greater than the governor's. Subsection (b) defines the organizations and entities to which the limit applies. Subsection (c) gives the department administering the grant responsibility for insuring that the organization or entity is notified of the salary limit requirement and that it agrees to comply with the limit before it receives a grant. Subsection (d) incorporates the expansive definition of "state" contained in AS 39.20.095, enacted in section 2 of the bill, into this section.

Section 2 adds a new section which prohibits the state from paying its employees a salary greater than the governor's salary. The section applies to employees regardless of whether their salaries are set in the collective bargaining process. Subsection (b) defines "basic salary" and contains an expansive definition of "state."

Section 3 requires the Alaska Railroad corporation to abide by the salary limit imposed by section 2 if the corporation receives at least 50 percent of its yearly budget from the state.

Section 4 contains language required by state and federal constitutional prohibitions against impairing the obligations of existing contracts.

Senator Paul Fischer
Page 2
February 2, 1985

Section 5 affirms the independence of the University of Alaska, except as to the salary limit created by the bill.

Section 6 is an immediate effective date.

If I may be of further assistance, please advise.

TBC:mkr
027:M1



Alaska Public
Employees Association **APEA**

State Headquarters: 340 N. Franklin, Juneau, AK 99801 (907) 586-2334

MEMORANDUM

TO: Senator Mitch Abood, Chairman
State Affairs Committee

FROM: Cherie Shelley *CS*
Executive Director

SUBJECT: SB 100 - Limiting Salaries of Public Employees

DATE: February 6, 1985

The Alaska Public Employees Association opposes this bill as a shortsighted effort to gain political points at the expense of the efficient operation of state government. While we recognize the political advantages attached to such legislation, careful review of the issue reveals that this measure is severely flawed.

There is a fundamental difference between a popularly elected governor and a career civil servant. Governors traditionally have considerable personal wealth and seek the office as the culmination of their political careers. While in office, the governor receives subsidized housing, a considerable expense account, and is free from the mundane concerns of the average citizen. If the generous perquisites attached to the office were considered, the real value of the governor's salary would be considerably greater than Step F, Range 30 of the salary schedule in AS 39.27.011(a).

This bill ignores the education, experience and responsibility which many classified positions require. The state will be unable to attract qualified people to fill highly technical and demanding positions. Due to the specific requirements of some positions, the number of qualified applicants is especially low. To impose an artificial ceiling on salary will further limit the state's ability to recruit and retain the best individuals. The end result will be a mediocrity which the state can ill afford.

The concept of this legislation is diametrically opposite that of the collective bargaining process which the legislature has created. The Public Employment Relations Act (AS 23.40) declares that the state can ensure the orderly operation of government by negotiating with and entering into written agreements with employee organizations on matters of wages, hours, and other terms and conditions of employment. This legislation would limit the ability

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of the parties to conduct comprehensive negotiations and destroys the principles of the merit system. State government would not be well served by enactment of this legislation.

The inclusion of "geographical differentials" in the definition of "basic salary" totally ignores the economic reality of life in Alaska. People receive geographical differentials because the cost of living in particular areas has been determined to be higher than the cost of living in Anchorage or Juneau. The Department of Administration is currently conducting a statewide geographical differential study to verify the accuracy of the system. It makes little sense to establish the appropriateness of a cost-of-living differential and then deny the same to public employees because of an arbitrary act of the legislature.

The Cooperative Extension Service of the U.S. Department of Agriculture at the University of Alaska in Fairbanks reported in a recent survey that the cost of a standard market basket of goods in Nome was priced at 180% of the price of similar items in Anchorage. The geographical differentials exist to compensate for this disparity. Until such time as the governor is required to live in Nome, or any other bush community, the inclusion of the geographical differential as a component in any salary comparison is inappropriate.

Sfc 3/14/86

Introduced: 1/25/85
Referred: State Affairs
and Finance

BY P.FISCHER, COGHILL,
BENNETT, ABOOD, FERGUSON,
RODEY AND DEVRIES

1 IN THE SENATE

2 SENATE BILL NO. 100

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH 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 37.05 is amended by adding a new section to read:

11 Sec. 37.05.330. LIMITATIONS ON CERTAIN GRANTS. (a) A state
12 agency may not grant state money to an organization or entity to which
13 this section applies unless the organization or entity agrees to
14 comply with the salary limit established in AS 39.20.095 during the
15 life of the grant. If an organization or entity violates an agreement
16 to comply with AS 39.20.095, it shall return any state money it has
17 received for that year and shall be ineligible to receive further
18 funding under the grant.

19 (b) This section applies to grants to a person, organization, or
20 entity that received at least 50 percent of its annual budget from the
21 state treasury during the previous fiscal year or that projects that
22 it will receive at least 50 percent of its budget from the state
23 treasury during the current fiscal year.

24 (c) When an amount is appropriated or allocated as a grant under
25 AS 37.05.316, 37.05.317, or 37.05.318, the department responsible for
26 administering the grant shall notify the person or entity named as
27 recipient of the requirements of this section. The department shall
28 request the person, organization, or entity to file its agreement to
29 comply with AS 39.20.095 if the person, organization, or entity meets

1 the requirements of (b) of this section. If the department is re-
2 questing proposals from other qualified persons, organizations, or
3 entities under AS 37.05.316 or 37.05.317, the department shall also
4 notify them of the requirements of this section. The department shall
5 request them to file an agreement to comply with AS 39.20.095 if they
6 meet the requirements of (b) of this section.

7 (d) In this section "state" has the meaning given in AS 39.20.-
8 095.

9 * Sec. 2. AS 39.20 is amended by adding a new section to read:

10 Sec. 39.20.095. SALARY LIMIT FOR CERTAIN PUBLIC EMPLOYEES. (a)
11 Notwithstanding the provisions of the Public Employment Relations Act
12 (AS 23.40) and AS 14.20.550 - 14.20.610, the state may not pay an
13 officer or employee a basic salary that is greater than the salary of
14 the governor set out in AS 39.20.010.

15 (b) For purposes of this section,

16 (1) "basic salary" is a person's salary including cost-of-
17 living adjustments, geographical differentials, length-of-service
18 increases, and adjustments in the nature of incentive, performance,
19 and year-end bonuses, but not including overtime compensation, hazard-
20 ous duty pay, travel per diem, or travel allowances;

21 (2) "state" includes the executive, legislative, and judi-
22 cial branches of state government; the University of Alaska; school
23 boards; political subdivisions of the state, including municipalities;
24 and state instrumentalities, boards, commissions, and authorities if
25 the instrumentality, board, commission, or authority receives at least
26 50 percent of its yearly budget from the state treasury.

27 * Sec. 3. AS 42.40.110 is amended by adding a new subsection to read:

28 (c) If the corporation receives at least 50 percent of its
29 yearly budget by direct appropriation or grant from the state

1 treasury, the board may not fix a basic salary for the chief executive
2 officer or approve basic salaries for other executive officers that
3 exceed the basic salary of the governor set out in AS 39.20.010. For
4 purposes of this subsection, "basic salary" has the meaning given in
5 AS 39.20.095.

6 * Sec. 4. Nothing in this Act terminates or modifies a collective
7 bargaining agreement or other contract if the agreement or contract is in
8 effect on the effective date of this Act. However, the state may not renew
9 or extend a contract after the effective date of this Act unless the con-
10 tract complies with this Act.

11 * Sec. 5. Nothing in this Act infringes on the independence of the
12 University of Alaska except the provisions of secs. 1 and 2 that impose a
13 salary limit on employees of certain state grant recipients and on certain
14 public employees.

15 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
16 10.070(c).