

**S B**

**28**

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 28

SPONSOR Fischer

BILL TITLE Limit state employee salaries to  
Governor's level

DATE REFERRED 1-9-89

HEARING SCHEDULED 3-22-89

FISCAL NOTE PREPARED requested

SPONSOR CONTACTED 3791 Sandy

INTERESTED PARTIES CONTACTED

YES Dave Otto 220 ✓ Dean Gottheimer, DOA

left message Jnu 586-2660, ext. 824  
Anch 278-5433

Suzi Tryck, Univ <sup>accident</sup>

X Wendy Redman out of state  
474-7582  
X Brian Rogers  
474-7448

NO 265-2461 ✓ Larry Wood, Railroad  
Jim Blasingame 265-2414

✓ 264-8228 1:30-2:30 Jan Strandberg, Courts  
Stephanie Cole or Art Snowden

264-8230

OTHER

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 3-16-89  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER FINANCE

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 3-22-89

1/9/89

Mr. President:

STATE AFFAIRS Committee considered SB 28

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

and recommended:

replace with CS \_\_\_\_\_  same title  
 attached amendment(s) and  new title

\_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

FISCAL NOTE(S) attached  zero  
 appropriation no FN attached

fiscal impact  
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

Al Adams  
Tim Kelly  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS

Just needs to be  
amended to  
exclude that of Alaska  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Not needed no rec- needs and it  
Chairman signature and recommendation

Committee backup attached

POSITION PAPER

SB 28

SB 28 would limit basic salaries of all State officers and employees to not more than the basic salary of the Governor.

The bill defines basic salary to include base pay, cost-of-living adjustments, geographic differentials, length-of-service increases (longevity increments), and adjustments in the nature of incentive, performance, and year-end bonuses. Excluded from the definition of basic salary are overtime compensation, shift differentials, hazardous duty pay, travel per diem, or travel allowances.

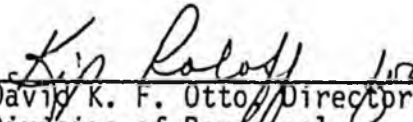
The salary limit proposed by SB 28 would apply to all political subdivisions, other instrumentalities, boards, commissions, and authorities that receive at least 50 percent of their annual budget from the State treasury; grant recipients that receive 50 percent of their annual budget from the State treasury; and the Alaska Railroad Corporation if it receives at least 50 percent of its budget by direct appropriation or grant from the State treasury. Sections 1 through 4 also apply the proposed salary limit to justices of the supreme court, judges of the appeals, superior and district courts.

This bill would have limited impact on the Executive Branch. There are currently 35 employees whose basic salary, as defined by SB 28, exceed the salary of the Governor.


SB 28 would reverse longstanding 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.

In several specific cases this bill may make it difficult to attract or retain qualified candidates to positions that, in the private sector, receive greater compensation than that offered by the State of Alaska. Examples of these positions are Psychiatrists employed by the Department of Health and Social Services.

A final consideration that should be kept in mind is that 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 a 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 expressed in AS 39.25.150(b).

  
\_\_\_\_\_  
David K. F. Otto, Director  
Division of Personnel

03/21/89  
Date

  
\_\_\_\_\_  
Commissioner John M. Andrews  
Department of Administration

3/21/89  
Date

STATE OF ALASKA 1989 LEGISLATIVE SESSION  
FISCAL NOTE (REVISED)

Bill Version: SB 28  
Publish Date: \_\_\_\_\_

REQUEST \_\_\_\_\_

Revision Date: \_\_\_\_\_ Agency Affected: Department of Administration  
Title: An act prohibiting salaries for BRU: Personnel  
certain employees from exceeding Gov.'s salary  
Sponsor: Fischer and Coahill Components: Centralized Administrative Services  
Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	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	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
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

This bill will not have a fiscal impact on the Division of Personnel. The fiscal impact on the executive branch will be minimal.

Prepared By: David K. F. Otto *KFO* Phone: 465-4430  
Division: Personnel Date: 03/21/89

Approved by Commissioner: John M. Andrews *JMA* Date: 3/21/89  
Agency: Department of Administration

Distribution (by preparer):

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

CONTINUATION OF FISCAL NOTE ANALYSIS  
FOR SB 28

SB 28 would limit basic salaries of officers and employees to not more than the salary of the Governor. The fiscal note analysis assumes that the salaries paid to officers and employees during 1988 will be reflective of those paid in future years. It shows that 35 employees in the Executive Branch are currently paid more than the Governor's base salary of \$81,648 per year.

The full year savings are currently distributed as follows:

Department of Law	\$ 90,192
Department of Health and Social Services	56,340
Department of Transportation and Public Facilities	20,964
Department of Revenue (Alaska Permanent Fund Corporation)	30,636
Department of Commerce and Economic Development (Alaska Power Authority)	1,164
Department of Administration	4,644
Department of Natural Resources	5,184
Office of the Governor	4,452
	<u>\$213,576</u>

SB28.TXT  
3/22/89

SB 28        LIMIT EMPLOYEE SALARIES TO GOVERNOR'S LEVEL

TO TESTIFY

SENATOR FISCHER, SPONSOR    (SANDY NUSBAUM)

DAVE OTTO, DIV. PERSONNEL, DEPT. ADMINISTRATION

STEPHANIE COLE, COURT SYSTEM    (TELECONFERENCE)

WENDY REDMAN, UNIVERSITY

F.Y.I.

BILL WOULD APPLY TO RAILROAD: LARRY WOOD SAYS THEY'RE PROBABLY  
O.K. SINCE WOULD ONLY APPLY IF 50% OF THEIR YEARLY BUDGET WERE TO  
COME FROM THE STATE; CURRENTLY NONE OF IT DOES. ARE CONCERNED  
THAT IF THEY RECEIVED A LARGE CAPITAL APPROPRIATION ONE YEAR TO  
EXTEND THE RAILROAD, THIS NOT BE CONSIDERED A PORTION OF THEIR  
"YEARLY" BUDGET. THEY'D BE MORE COMFORTABLE IF THE BILL READ  
"YEARLY OPERATING" BUDGET. (SILLY)

PACKET CONTAINS LIST OF CURRENT SALARIES THAT WOULD BE OUT OF  
COMPLIANCE -- 72 IN FY 90, 53 IN FY 89. BILL WOULDN'T APPLY TO  
ANY CURRENT CONTRACTS, BUT EMPLOYERS WOULD BE PROHIBITED FROM  
RENEWING CONTRACTS AT THOSE RATES.

1 IN THE SENATE

BY FISCHER AND COGHILL

2

SENATE BILL NO. 28

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act prohibiting salaries for certain employees  
from exceeding the governor's salary; and providing  
for an effective date."

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

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

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

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

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

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

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

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

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

26 Sec. 37.05.335. LIMITATIONS ON CERTAIN GRANTS. (a) Notwith-  
27 standing AS 37.05.318, a state agency may not grant state money to an  
28 organization or entity to which this section applies unless the orga-  
29 nization or entity agrees to comply with the salary limit established

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

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

11 (c) When an amount is appropriated or allocated as a grant under  
12 AS 37.05.315, 37.05.316, or 37.05.317, the department responsible for  
13 administering the grant shall notify the named grant recipient of the  
14 requirements of this section. The department shall request the recip-  
15 ient to file its agreement to comply with the limit established in  
16 AS 39.20.095 if required under (b) of this section. If the department  
17 is requesting proposals from other qualified persons, organizations,  
18 or 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 the limit established  
21 in AS 39.20.095 if required under (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 AS 23.40 (the Public Employment  
27 Relations Act) and AS 14.20.550 - 14.20.610, the basic salary of an  
28 officer or employee of the state may not exceed the salary of the  
29 governor under AS 39.20.010.

1 (b) In 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 compen-  
6 sation, shift differentials, hazardous duty pay, travel per diem, or  
7 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 municipal-  
11 ities; and state instrumentalities, boards, commissions, and author-  
12 ities if the instrumentality, board, commission, or authority receives  
13 at least 50 percent of its annual budget from the state treasury.

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

15 Sec. 39.27.027. SALARY LIMIT. Notwithstanding AS 39.27.020 and  
16 39.27.022, the basic salary of an officer or employee of the state may  
17 not exceed the salary limit established under AS 39.20.095.

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

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

26 \* Sec. 9. AS 42.40 is amended by adding a new section to read:

27 Sec. 42.40.715. EMPLOYEE SALARY LIMIT. Notwithstanding other  
28 provisions of this chapter, if the corporation receives at least 50  
29 percent of its yearly budget by direct appropriation or grant from the

1 state treasury, the basic salary of an employee of the corporation may  
2 not exceed the salary of the governor under AS 39.20.010. In this  
3 section, "basic salary" has the meaning given in AS 39.20.095.

4 \* Sec. 10. Nothing in this Act terminates or modifies a collective  
5 bargaining agreement or other contract if the agreement or contract is in  
6 effect on the effective date of this Act. However, an employer subject to  
7 this Act may not renew or extend a contract after the effective date of  
8 this Act unless the contract complies with this Act.

9 \* Sec. 11. Nothing in this Act infringes on the independence of the  
10 University of Alaska or the Alaska Railroad Corporation except the pro-  
11 visions that impose a salary limit on employees.

12 \* Sec. 12. This Act takes effect immediately under AS 01.10.070(c).

# Alaska State Legislature

Senator Paul Fischer  
Senate District D  
Box 784  
Soldotna, Alaska 99669  
(907) 262-9420 W  
262-9269



## State Senate

While in Juneau  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3791

### MEMORANDUM

TO: Senator Pat Pourchot, Chairman  
Senate State Affairs Committee

FROM: Senator Paul Fischer *P.F.*

SUBJECT: Senate Bill 28  
(prohibiting certain salaries from exceeding the  
governor's)

DATE: March 21, 1989

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In the FY 90 Governor's recommended operating budget the following departments have proposed personal services base salaries (no benefits included) which exceed the governor's salary level, as shown in the Expenditure Detail Report:

#### University of Alaska

26 positions (base salaries ranging from \$109,213 to \$81,725)

#### Department of Revenue

6 positions (base salaries ranging from \$97,392 to \$82,992)

Note: 2 of the above positions include a base salary of \$62,508 with premium pay of \$25,000 for a total of \$87,508 and base salary of \$77,304 with premium pay of \$50,000 for a total of \$127,304

#### Department of Fish & Game

1 position with base salary of \$82,992

#### Department of Public Safety

8 positions (base plus premium pay salaries ranging from \$95,804 to \$82,577)

1 position with base salary only of \$82,992

*48,888 base pay  
39,965 premium pay  
Fish & Wildlife*

MEMORANDUM

Senator Pat Pourchot, Chairman  
Senate State Affairs Committee  
Page Two  
March 21, 1989

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Department of Transportation/Public Facilities

7 positions (base salaries ranging from \$88,428 to \$85,452)

Department of Corrections

1 positions with base salary of \$82,812

Department of Administration

3 positions (base salaries ranging from \$95,688 to \$82,812)

Department of Law

14 positions (base salaries ranging from \$106,800 to \$82,812)

Office of the Governor

3 positions (base salaries ranging from \$86,292 to \$82,812)

Department of Commerce

1 position with base salary of \$81,812

Department of Health and Social Services

2 positions (base salaries of \$82,812 and \$82,548)

The Departments of Natural Resources, Environmental Conservation, Military and Veterans Affairs, Education, Labor, and Community and Regional Affairs have no proposed positions where the base salary level exceeds that of the Governor.

PAF/sgn

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman  
Sen. Al Adams  
Sen. Tim Kelly  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

### MEMORANDUM

TO: Senate State Affairs Committee Members  
FROM: Senator Pat Pourchot, Chairman  
RE: March 22 Committee Hearing  
DATE: March 21, 1989

On Wednesday, March 22 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SB 28, An Act prohibiting salaries for certain employees from exceeding the governor's salary

SB 28 would prohibit state employees' salaries, including cost-of-living adjustments, geographical differentials, longevity increments, and bonuses from exceeding the governor's salary. The prohibition would apply to the executive, legislative, and judicial branches and to the University, school districts and political subdivisions.

The prohibition would also apply to the Alaska Railroad Corporation, boards, commissions, authorities, and recipients of state grants if they receive at least 50% of their annual budget from the state.

The governor's salary is set in statute at \$81,648.

SB 111, An Act relating to boating safety, boating accidents, and boat numbering

SB 111 would require the Department of Public Safety to establish a boat registration system and to offer public education programs designed to reduce boating accidents. By doing so, the state would be eligible for \$250,000 to \$300,000 annually in federal boating safety funds, to be matched dollar for dollar with state funds. To be eligible for the federal funds, the department must provide an adequate level of enforcement of boating safety laws.

SB 111 was heard by the committee on March 6. The department was asked to review the projected cost of the program and the ability

Comm. 1170 Nemo  
March 11 1989  
235

of boat registration fees to cover program costs. A revised fiscal note will be presented at the hearing.

The attached committee substitute makes the following changes:

- Changes the penalty for a violation of the boating safety requirements from a misdemeanor (maximum \$500 fine, 6 month imprisonment) to an infraction (maximum \$300 fine). The fine could be paid without a court appearance.
- Increases from \$200 to \$500 the amount of property damage that would need to occur before an accident must be reported. This change conforms SB 111 to federal law.
- Clarifies, at the U.S. Coast Guard's request, the numbering system that would be used in registering boats.
- Deletes, at the department's request, a provision for operating registration fees. The fee structure would be established by regulation.

HB 57 - An Act authorizing the Violent Crime Compensation Board to pay compensation for personal injury or death to the victim of an assault in any degree

HB 57 would broaden the eligibility for compensation for violent crimes to include assault in any degree, rather than only first and second degree as under current statute. This would bring Alaska into compliance with the 1988 reauthorization of the Federal Victims of Crime Act, which requires that states provide compensation to victims of domestic violence (4th degree assault). The federal act provides funds in an amount equal to 35% of what the state pays in compensation to victims.

The Violent Crimes Compensation Board was established in 1972 to alleviate the financial hardships of medical expenses or loss of income sustained by innocent victims of violent crimes. The board consists of three members appointed by the Governor.

HB 57 has a \$20,000 fiscal note. In FY 89 the board received \$399,900 in state funds; the Governor has requested \$198,500 in supplemental funding. The Governor's FY 90 budget requests \$604,500 in state funds, including \$201,500 of Permanent Fund dividends not paid to convicted felons (per AS 43.23.005). In FY 88 the board awarded \$504,489 to victims; \$392,500 was state funds.

# Cowper 54th highest-paid state worker

JUNEAU EMPIRE  
2-7-89

By CHUCK KLEESCHULTE

THE JUNEAU EMPIRE

Gov. Steve Cowper is the 54th highest-paid state employee, having moved up the list from the 116th spot he held when he took office, according to the state Division of Finance.

According to the list, about one-third of the state's highest-paid employees have received some type of pay increase during the past two years. Included among those who have received raises is Cowper. When he first took office Cowper was 116th on the list because the governor's salary had been cut 10 percent by former Gov. Bill Sheffield as part of budget reductions in 1986.

In 1987, Cowper restored full pay to all executive branch employees - including himself. The governor now receives \$81,648, placing him 54th in pay among regular executive, legislative and judicial branch employees.

While state employees haven't received an across-the-board pay increase in four years, some supervisors have seen their salaries rise, either because of merit increases or promotions.

The list doesn't include the cost of fringe benefits, which normally increase total compensation by 42 percent, or overtime costs.

The list also doesn't include the salaries of University of Alaska officials or the top officials of quasi-state agencies such as the Alaska Railroad or Alaska Housing Finance Corp.

Among all employees of state or quasi-state agencies, Frank Turpin is the leader in salary, receiving \$125,000 a year as head of the state-owned Railroad, said a railroad spokeswoman. Dr. Donald O'Dowd, president of the University of Alaska, earns \$103,990 a year, according to a university spokeswoman.

Among regular state employees, Harry Davis, the longtime district attorney in Fairbanks, is the highest paid, earning \$99,324 a year. Davis now makes slightly more than \$13,000 a year more than he made two years ago, thanks to a promotion and a change in geographical pay premiums that went into effect two years ago.

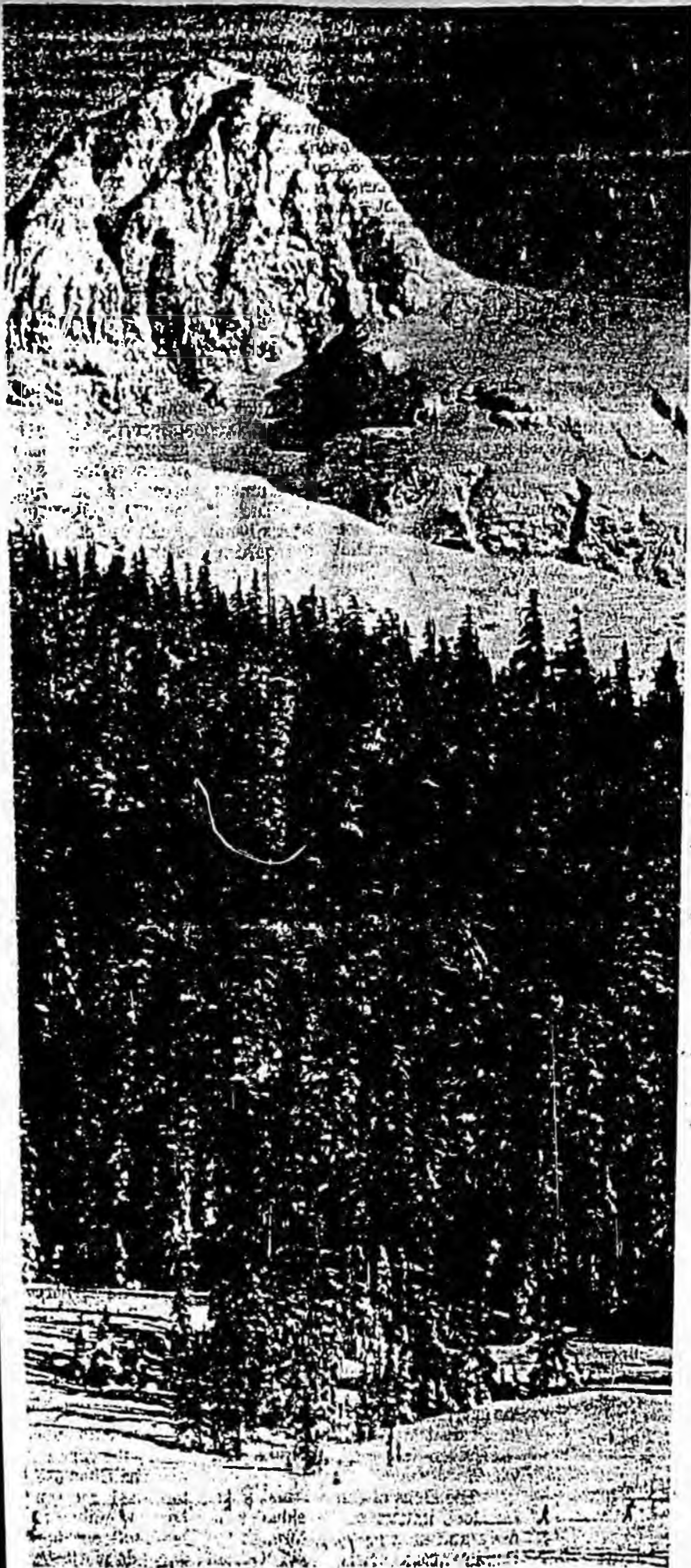
In second place is the Nome district attorney James Gould, who is making \$99,216. Psychiatrist Pierre Veuthey, clinic director of the Alaska Psychiatric Institute in Anchorage, is third with \$98,424. He has received slightly more than a \$17,000 hike during the past two years. Alaska Supreme Court Justice Jay Rabinowitz of Fairbanks is fourth with \$97,728.

Among the incongruities buried in the state's pay schedule is that 12 judges make more than Supreme Court Chief Justice Warren Matthews and that 98 state workers make more than the commissioners of the state's 15 departments. Commissioners all make \$77,304 a year.

Keith Bush, director of the Division of Finance, explained that salaries vary by job, years of state service and location. Salary differentials, designed to help offset the higher costs of living in rural areas, are the driving force in raising many salaries above that of superiors, state officials said.

Don Wanie, finance system manager, also said merit increases boost longtime employees' salaries. Merit increases are 3.75 percent hikes yearly for the first six years followed by similar increases every two to four years based on good job performance ratings.

Please turn to Cowper, Page 8



MARK KELLEY/JUNEAU EMPIRE

Photo: A mountain peak towers above cross-country skiers at Spaulding above Auke Bay last weekend.

# BUDGET/AT A GLANCE

The following is a list of the top 141 state employees paid upon their base pay. No overtime or special duty pay is included.

1. Harry Davis, attorney Fairbanks, \$99,324; James Gould, attorney Nome, \$99,216; Pierre Veuthey, clinic services director API Anchorage, \$98,421; Jay Rabinowitz, Alaska Supreme Court chief justice Fairbanks, \$97,728; Herbert Soll, prosecuting attorney Bethel, \$95,562; John Vacek, prosecuting attorney Nome, \$95,562; David Rose, international relations director Alaska Permanent Fund Juneau, \$94,560; James Hamill, staff psychiatrist Anchorage, \$93,344; Jerry Wessel, staff psychiatrist Anchorage, \$93,344; Charles Townsend, medical officer Anchorage, \$93,183.

11. William Meaus, international relations Juneau, \$91,140; John Bosshard, Superior Court judge Valdez, \$90,828; Gail Fratley, Superior Court judge Bethel, \$90,828; Michael Jeffery, Superior Court judge Barrow, \$90,828; Paul Jones, Superior Court judge Kotzebue, \$90,728; Charles Tunley, Superior Court judge Nome, \$90,828; Peter Bushre, international relations Alaska Permanent Fund Juneau, \$89,890; Dean Ackley, staff psychiatrist API Anchorage, \$89,280; Francis M. Criswell, forensic psychiatrist, Anchorage, \$89,280; Jesus Ortiz, international relations, Anchorage, \$89,280.

21. James P. Doogan, attorney Fairbanks, \$89,148; John Horn, division director, DOT Fairbanks, \$8,944; Mary Greese, Superior Court judge Fairbanks, \$88,128; Jay Hodges, Superior Court judge Fairbanks, \$88,128; Richard Savell, Superior Court judge Fairbanks, \$88,128; Niesje Steinkruger, Superior Court judge Fairbanks, \$88,128; Melvin Hoverson, division director in Dept. of Administration, communications Anchorage, \$86,292; Art Peterson, attorney Dept. of Law Juneau, \$86,292; John Katz, director of state federal relations, Washington, D.C., \$86,100; Ronald Loreasen, deputy attorney general Juneau, \$86,100.

31. Edmund Burke, associate justice Supreme Court Anchorage, \$85,728; Allen Conpton, associate justice Supreme Court Anchorage, \$85,728; Warren Matthews, associate justice Supreme Court Anchorage, \$85,728; Daniel Moore, associate justice Supreme Court Anchorage, \$85,728; Rebecca Snow, attorney Fairbanks, \$85,728; David McCaleb, DOT engineer Fairbanks, \$85,644; Stephen Sisk, DOT engineer Fairbanks, \$85,452; Robert Venusti, DOT engineer Fairbanks, \$85,418; Art Snowden, administrative director Alaska Court system Anchorage, \$83,724.

41. Ronald Davens, DOT engineer Nome, \$83,712; William H. Hawley, attorney Anchorage, \$83,292; Bill Murphree, attorney Fairbanks, \$83,220; Mark Wood, attorney Fairbanks, \$83,220; James Eason, Department of Natural Resources division director oil and gas, Anchorage, \$83,172; David Leblond, attorney Dept. of Law Anchorage, \$83,172; Bruce Abrahamson, attorney Dept. of Law Bethel, \$82,812; Everett Athens, attorney Dept. of Law Fairbanks, \$82,812; John

Hagey, attorney, Fairbanks, \$82,812; Bob LeResche, Alaska Power Authority executive director Juneau, \$82,812.

51. James Ollinger, attorney Dept. of Law, Kotzebue, \$82,812; Charles Cranston, Superior Court judge Kenai, \$82,716; Dr. John Middaugh, medical officer Anchorage, \$82,548; \$4. Gov. Steve Cowper, Juneau, \$81,648; Roy Lynn Harper, sergeant Dept. of Public Safety, Kotzebue, \$81,216; John Coady, Fish and Game regional supervisor Nome, \$80,700; William Mellow, attorney Dept. of Law Juneau, \$80,280; Charles Gibson, area court administrator I, Fairbanks, \$80,208; Charles Mull, petroleum geologist DNR Fairbanks, \$80,208; Randy Olsen, attorney Dept. of Law Fairbanks, \$80,208.

61. Linda Walton, attorney Dept. of Law Fairbanks, \$80,208; Bob Grogan, division director of governmental coordination Juneau, \$80,160; James Hansen, chief petroleum geologist, DNR Anchorage, \$80,160; David Mannheimer, attorney Dept. of Law Anchorage, \$80,160; Charles Northrip, executive director of the Alaska Public Broadcasting Commission Juneau, \$80,160; Patrick Sharrack, division director of the Alaska Beverage Control Board Anchorage, \$80,160; William Van Dyke, petroleum manager Anchorage, \$80,160; Duane Craze, Superior Court judge Sitka, \$80,004; Beverly Culler, Superior Court judge Palmer, \$80,004; Tom Jahnik, Superior Court judge Wrangell, \$80,004.

71. Mill Barker, deputy commissioner Dept. of Revenue Juneau, \$79,992; Robert Booher, division director Seward, \$79,992; Kenneth Brown, division director Fairbanks, \$79,992; Alexander Bryner, associate justice Court of Appeals, Anchorage, \$79,992; Robert G. Coats, associate justice Court of Appeals Anchorage, \$79,992; Stephanie Cole, deputy administrative director Alaska Court system Anchorage, \$79,992; David Cowee, DOT engineer Fairbanks, \$79,992; Gayle Horetski, deputy commissioner of Dept. of Public Safety Juneau, \$79,992; Louis Menendez, prosecuting attorney Dillingham, \$79,992; John Patterson, DOT engineer Fairbanks, \$79,992.

81. Garrey Peaka, chief of staff, Governor's Office Juneau, \$79,992; James Singleton, associate justice of Court of Appeals, Anchorage, \$79,992; Laurence Soden, technical engineer DOT Fairbanks, \$79,788; Timothy Liters, first sergeant Dept. of Public Safety Nome, \$78,128; John Glass, first sergeant Dept. of Public Safety Bethel, \$77,652; Stephen Branchflower, attorney Dept. of Law Anchorage, \$77,376; Donald Bullock, revenue hearing examiner Juneau, \$77,376; Dean Guanell, attorney Dept. of Law Juneau, \$77,376; Mary Henry, attorney Dept. of Law Anchorage, \$77,376; Carolyn Jones, attorney Dept. of Law Anchorage, \$77,376.

91. Tom Koester, attorney Dept. of Law Juneau, \$77,376; Ross Kopperud, attorney Dept. of Law Anchorage, \$77,376; Leonard Linton, attorney Dept. of Law Anchorage, \$77,376; Bob Maynard, attorney Dept. of Law Juneau, \$77,376; Jack McGee, attorney Dept. of Law Juneau, \$77,376; Michael Stark, attorney Dept.

of Law Juneau, \$77,376; Richard Svobodny, prosecuting attorney Juneau, \$77,376; Richard Tennant, attorney Dept. of Law Anchorage, \$77,376; John Andrews, commissioner Dept. of Administration, Juneau, \$77,304; Judy Brady, executive director of the Alaska Bond Bank Juneau, \$77,094.

101. Harold Brown, international relations, Anchorage, \$77,304; Kevin Callahan, attorney Kotzebue, \$77,304; Paul Canarsky, attorney Fairbanks, \$77,304; Victor Carlson, Superior Court judge Anchorage, \$77,304; Walter Carpeneti, Superior Court judge Juneau, \$77,304; Don Collinsworth, commissioner Dept. of Fish and Game Juneau, \$77,304; William Demmert, commissioner Dept. of Education Juneau, \$77,304; Warren Endicott, executive director of Legislative Affairs Juneau, \$77,304; Art English, commissioner Dept. of Public Safety Juneau, \$77,304; Dana Fabe, Superior Court judge Anchorage, \$77,304.

111. Kenneth Goldman, attorney Dept. of Law Fairbanks, \$77,304; Rene Gonzalez, Superior Court judge Anchorage, \$77,304; Lenore Gorasuch, commissioner Department of Natural Resources Juneau, \$77,304; James Hanley, attorney Dept. of Law Kenai, \$77,304; Mark Hickey, commissioner DOTPF Juneau, \$77,304; David Hoffman, commissioner Dept. of Community and Regional Affairs Juneau, \$77,304; Susan Humphrey-Barnett, commissioner of Corrections Juneau, \$77,304; Karen Hunt, Superior Court judge Anchorage, \$77,304; Karl S. Johnston, Superior Court judge Anchorage, \$77,304; Joan Katz, Superior Court judge Anchorage, \$77,304.

121. Dennis Kelso, commissioner Dept. of Environmental Conservation Juneau, \$77,304; Paul Lyle, attorney Dept. of Law Fairbanks, \$77,304; Hugh Maloof, commissioner Dept. of Revenue Juneau, \$77,304; Harion P. Merculieff, commissioner Dept. of Commerce and Economic Development Juneau, \$77,304; Peter Michalski, Superior Court judge Anchorage, \$77,304; Myra Munson, commissioner Dept. of Health and Social Services Juneau, \$77,304; Rodger Pegues, Superior Court judge Juneau, \$77,304; Justin Ripley, Superior Court judge Anchorage, \$77,304; Larrae Rocheleau, division director Mount Edgecumbe school Sitka, \$77,304; Kenneth Roose, attorney Dept. of Law Fairbanks, \$77,304.

131. Mark C. Rowland, Superior Court judge Anchorage, \$77,304; James Sampson, commissioner Dept. of Labor Juneau, \$77,304; John Schaeffer, commissioner Dept. of Military and Veterans Affairs Anchorage, \$77,304; Grace Schaible, outgoing commissioner Dept. of Law Juneau, \$77,304; Thomas Schulz, Superior Court judge Ketchikan, \$77,304; Jon Scribner, assistant commissioner DOTPF Juneau, \$77,304; Douglas Serdahely, Superior Court judge Anchorage, \$77,304; Brian Shortell, Superior Court judge Anchorage, \$77,304; William Snell, assistant commissioner DOTPF Anchorage, \$77,304; Milton Souter, Superior Court judge Anchorage, \$77,304.

141. Bert Wagnon, executive director Alaska Industrial Development and Export Authority Anchorage, \$77,304.

## Cowper...

Continued from Page 1

The list shows that while most commissioners are based in Juneau, the largest group of higher-paid workers is in Anchorage. Just over one-third of the highest-paid employees live in Anchorage, compared to 27 percent in Juneau, 19 percent in Fairbanks and the rest in

such areas as Nome, Bethel, Kotzebue, Barrow and Kodiak.

Most top-paid employees are judicial officials, executive branch supervisors and doctors, engineers and attorneys. Few members of the state's nine collective bargaining groups are on the list. Only a few Alaska State Trooper sergeants in rural areas make the list. The troopers are represented by the Public Safety Employees Association.

## Issues...

Continued from Page 1

consent agenda and tabled.

"The appearance of this resolution is well meant but poorly conceived," Corbus said. "Legislators from around the state must come to know Juneau as a non-aligned place from which to do state business."

He said it is unnecessary for the municipality to become involved in legislative matters. He said that Juneau's role as capital isn't a God-given right and that the debate over ELF is partisan and regional.

laws and caused a sudden plunge in state revenues."

He said that severance taxes account for one-third of the state's revenue. He added that 40 percent of the city-borough's general fund revenue and 65 percent of municipal employment is funded by the state.

After some discussion by the assembly, assembly member Errol Champion moved that the resolution be deferred to the finance committee and the assembly concurred.

A similar fate awaited a resolution supporting the proposed education endowment after it was pulled.

The assembly deferred the resolution for discussion at the school board's meeting this evening.

In other assembly business, city-borough manager Kevin Ritchie announced that a new director for the Health and Social Services Department had been found following a new "assessment center" approach for selecting candidates for key municipal positions. The selection process cost the city-borough \$4,700, Ritchie said.

Kathy Marshall, director of administrative services for the state Department of Commerce and Eco-

of Mrs. Mag-  
ressed in rare  
information

Holy Eucharist  
Lent at 7:30 to-  
Wednesday at  
church at Fourth  
is invited.

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day at Capital  
is invited. For  
105.

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meeting at 7 to-  
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meeting at 8 to-  
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meet at 1 p.m.  
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STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 26, 1989

SUBJECT: Sectional Analysis of SB 28 (Prohibiting certain salaries from exceeding the governor's)

TO: Senator Paul Fischer

FROM: Teresa B. Cramer *TBC*  
Legislative Counsel

You have requested a sectional analysis of SB 28, prohibiting salaries for certain employees from exceeding the governor's salary. As a preliminary matter, note that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Sections 1 - 4 establish that the salary limit set out in section 6 of the bill applies to justices and judges of the state court system.

Section 5 prohibits state agencies from granting state money to an entity unless the entity agrees to comply with the salary limit during the term of the grant. The prohibition applies to entities that received at least 50 percent of their annual budget from the state treasury during the previous fiscal year or that expect to receive that much during the current fiscal year.

Section 6 prohibits the state from paying an officer or employee a basic salary that is greater than the salary of the governor. Definitions for "basic salary" and "state" are contained in subsection (b).

Section 7 prohibits the state from paying step differentials (commonly called geographic differentials) and longevity increments if payment would cause the salary to exceed the limit under AS 39.20.095, enacted in sec. 6 of the bill.

Sections 8 and 9 apply the salary limit to executive officers and employees of the Alaska Railroad if the railroad

Senator Paul Fischer  
Page 2  
January 26, 1989

receives at least 50 percent of its yearly budget by direct appropriation or grant from the state treasury.

Section 10 limits the application of the Act to preserve constitutionally-protected contract rights during the life of the contract but requires compliance with the Act if the contract is renewed or extended.

Section 11 clarifies that although the salary limit applies to the University of Alaska and the Alaska Railroad, the Act does not in other ways infringe on the independence of the university or the railroad.

Section 12 is an immediate effective date clause.

If I may be of further assistance, please advise.

TC:kb  
wkk1:081

EMPLOYEES AS OF 12/31/89 WHO HAD A PAY RATE GREATER THAN GOVERNORS  
(IN PAY RATE ORDER)

DEPT	NAME LAST	FIRST	PAY RATE	SCHD	RANGE	STEP	CLASS	LOC	DIV	BARG UNIT	PAY TYPE	PAY STAT	SEAS IND	TOTAL BASE SALARY
3	MERRINER	CHARLES M	\$8,578.00	F	25	L	P714	DAA	65	X	M	PX	F	102,936
3	DAVIS	HARRY L	\$8,277.00	E	26	M	P714	JBA	65	X	M	PX	F	99,324
2	GOULD	JAMES V	\$8,268.00	H	24	K	P714	HTA	12	X	M	PX	F	99,216
6	VEUTHEY	PIERRE L	\$8,202.00	9	28	F	X067	EBA	2	X	X	PX	F	98,424
41	RABINOWITZ	JAY A	\$8,144.00	9			X001	JBA	1	X	X			97,728
3	VACEK	JOHN R	\$7,966.00	H	25	E	P714	HTA	65	X	M	PX	F	95,592
4	ROSE	DAVID A	\$7,880.00	9	30	K	X009	AWA	11	X	X	PX	F	94,560
6	SMITH	MARJORIE J	\$7,779.00	9	27	F	X067	EBA	2	X	X	PX	F	93,348
6	WESSEL	JERRY L	\$7,779.00	9	27	F	X067	EBA	2	X	X	PX	F	✓
6	HAMILL	JAMES E	\$7,779.00	9	27	F	X067	EBA	2	X	X	PX	F	✓
3	SOLL	HERBERT D	\$7,681.00	G	25	E	P714	DKA	65	X	M	PX	F	92,172
4	MEANS	WILLIAM L	\$7,595.00	9	30	J	X009	AWA	11	X	X	PX	F	91,140
41	BOSSHARD	JOHN	\$7,569.00	9			X001	EAA	4	X	X			90,828
41	JONES	PAUL B	\$7,569.00	9	28	E	X001	CAA	3	X	X			✓
41	JEFFERY	MICHAEL I	\$7,569.00	9			X001	MEA	3	X	X	PX	F	✓
41	FRATIES	GAIL R	\$7,569.00	9			X001	DKA	5	X	X	PX	F	✓
41	TUNLEY	CHARLES R	\$7,569.00	9			X001	HTA	3	X	X			✓
4	BUSHRE	PETER	\$7,490.00	9	30	J	X009	AWA	11	X	X	PX	F	89,880
6	ORTIZ	JESUS	\$7,440.00	9	27	F	X009	EBA	2	X	X	PX	F	89,280
6	CRISWELL	FRANCIS M	\$7,440.00	9	27	F	X067	EBA	2	X	X	PX	F	✓
3	DOOGAN	JAMES P	\$7,429.00	E	25	K	P714	JBA	65	X	M	PX	F	89,148
25	HORN	JOHN D	\$7,412.00	E	26	J	P190	JBA	3	X	M	PX	F	88,944
3	EMLEY	SHARON J	\$7,408.00	H	24	E	P714	HTA	97	X	M	PX	F	88,896
41	SAVELL	RICHARD D	\$7,344.00	9	28	E	X001	JBA	5	X	X	PX	F	88,128
41	HODGES	JAY	\$7,344.00	9			X001	JBA	5	X	X			✓
41	STEINKRUGER	NIEJJE J	\$7,344.00	9			X001	JBA	5	X	X	PX	F	✓
41	GREENE	MARY E	\$7,344.00	9			X001	JBA	5	X	X	PX	F	✓
41	BLAIR	JAMES R	\$7,344.00	9			X001	JBA	5	X	X			✓
3	PETERSON	ARTHUR H	\$7,191.00	A	26	M	P714	AWA	97	X	M	PX	F	86,292
2	HOVERSTEN	MELVIN L	\$7,191.00	A	26	M	P190	EBA	30	X	M	PX	F	✓
3	LORENSEN	RONALD W	\$7,175.00	A	28	K	P714	AWA	97	X	M	PX	F	86,100
1	KATZ	JOHN W	\$7,175.00	A	28	K	X081	MOA	1	X	X	PX	F	✓
4	ALEXANDER	RICHARD E	\$7,175.00	9	24	A	X009	AWA	11	X	X	PX	F	✓
41	MOORE	DANIEL A	\$7,144.00	A	30	F	X001	EBA	1	X	X	PX	F	85,728
41	COMPTON	ALLEN T	\$7,144.00	A	30	F	X001	EBA	1	X	X			✓
41	MATTHEWS	WARREN W	\$7,144.00	A	30	F	X001	EBA	1	X	X	PX	F	✓
3	SNOW	D REBECCA	\$7,144.00	E	26	F	P714	JBA	97	X	M	PX	F	✓
41	BURKE	EDMOND W	\$7,144.00	A	30	F	X001	EBA	1	X	X			✓
25	MCCALED	DAVID L	\$7,137.00	9	25	J	P891	JBA	4	S	M	PR	F	85,644
25	VENUSTI	ROBERT R	\$7,121.00	9	24	K	P891	JBA	4	S	M	PE	F	85,452
25	SI	STEPHEN	\$7,121.00	9	25	K	P891	JBA	4	S	M	PE	F	✓
41	MADSEN	ROY H	\$7,118.00	9			X001	CAA	4	X	X	PX	F	85,416
10	PESEL	GARNETT H	\$7,109.00	9	24	L	P834	JBA	12	G	M	PE	S	85,308
41	SNOWDEN	ARTHUR H	\$6,977.00	9			X000	EBA	6	X	X	PX	F	83,724
25	LANE	JAMES M	\$6,976.00	S	22	K	P891	HTA	4	S	M	PE	F	83,712
25	UNVENA	RONALD S	\$6,976.00	S	22	K	P891	HTA	4	S	M	PR	F	✓
3	HAWLEY	WILLIAM H	\$6,941.00	A	25	M	P714	EBA	65	X	M	PX	F	83,292
3	MURPHREE	BILL D	\$6,935.00	E	24	K	P714	JBA	65	X	M	PX	F	83,220
3	WOOD	MARK I	\$6,935.00	E	24	K	P714	JBA	65	X	M	PX	F	✓
10	EASON	JAMES E	\$6,931.00	A	26	L	P190	EBA	4	X	M	PX	F	83,172
3	LEBLOND	DAVID T	\$6,931.00	A	26	L	P714	EBA	97	X	M	PX	F	✓
5	ROMESBURG	KERRY D	\$6,916.00	A	28	J	X062	AWA	10	X	X			82,992
3	ATHENS	EVERETT J	\$6,901.00	E	25	F	P714	JBA	97	X	M	PX	F	82,812
3	FOSTER	GARY G	\$6,901.00	E	25	F	P714	JBA	97	X	M	PX	F	✓
3	OTTINGER	JAMES H	\$6,901.00	H	24	C	P714	CAA	65	X	M	PX	F	✓
8	LERESCHE	ROBERT E	\$6,901.00	A	29	F	X020	AWA	4	X	X	PX	F	✓
2	HAGEY	JOHN W	\$6,901.00	E	25	F	P714	JBA	12	X	M	PX	F	✓
3	ABRAMSON	BRUCE	\$6,901.00	G	24	D	P714	DKA	97	X	M	PX	F	✓
41	CRANSTON	CHARLES K	\$6,893.00	9			X001	DQA	4	X	X			82,716
6	MIDDAUGH	JOHN P	\$6,879.00	A	27	K	P521	EBA	1	S	M	PE	F	82,548
6	SPENCE	DAVID A	\$6,866.00	D	27	K	P522	AWA	1	G	M	PE	F	82,392
1	COWPER	STEPHEN C	\$6,804.00	9			X000	AWA	1	X	X	PX	F	81,648

DEPT. KEY

- 1 GOV
- 2 ADMIN
- 3 LAW
- 4 REVENUE

- 6 H & S
- 10 DNR
- 25 DOT/PF
- 41 COURTS

- 8 COMMERCE
- EDUCATION

LOCATION KEY

- AWA - JUNEAU
- CAA - KODIAK
- DAA - DILLINGHAM
- DKA - BETHEL
- DQA - KENAI
- EAA - VALDEZ

SCHEDULING REQUESTED 1/10/89

Introduced: 1/9/89  
Referred: State Affairs and Finance

6-0226A

see definition of "state" employee - p. 4, l. 8  
(pretty broad...)  
wouldn't affect current contracts - p. 5, l. 4

1 IN THE SENATE

BY FISCHER AND COGHILL

2

SENATE BILL NO. 28

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act prohibiting salaries for certain employees from exceeding the governor's salary; and providing for an effective date."

7

8

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-of-living adjustment, based on the location of the justice's primary

13

office assignment, equal to 3.5 percent of the justice's annual salary

14

times the number of pay step increases provided under AS 39.27.020 for

15

a state employee working in the same election district in those dis-

16

tricts for which AS 39.27.020 specified zero-to-five pay step in-

17

creases. In an election district for which AS 39.27.020 specifies

18

more than five pay steps, the number of pay step increases under this

19

section is limited to five. Any retirement benefits to which a jus-

20

tice may be entitled shall be computed only on the annual salary.

21

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

RR - Larry Wood - no problem 'cause  
not 50% - get no state \$

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

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

26 Sec. 37.05.335. LIMITATIONS ON CERTAIN GRANTS. (a) Notwith-

standing (AS 37.05.318), a state agency may not grant state money to an  
organization or entity to which this section applies unless the orga-  
nization or entity agrees to comply with the salary limit established

SB 28

SB 28

SB 28

SB 28

SB 28

SB 28

SB 28

SB 28

prohibits  
state agencies  
from  
imposing  
requirements of  
grantees other than  
those specified in  
statute

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

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

11 (c) When an amount is appropriated or allocated as a grant under  
12 AS 37.05.315, 37.05.316, or 37.05.317, the department responsible for  
13 administering the grant shall notify the named grant recipient of the  
14 requirements of this section. The department shall request the recip-  
15 ient to file its agreement to comply with the limit established in  
16 AS 39.20.095 if required under (b) of this section. If the department  
17 is requesting proposals from other qualified persons, organizations,  
18 or 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 the limit established  
21 in AS 39.20.095 if required under (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 AS 23.40 (the Public Employment  
27 Relations Act) and AS 14.20.550 - 14.20.610, the basic salary of an  
28 officer or employee of the state may not exceed the salary of the  
29 governor under AS 39.20.010.

*SB28's new  
definition  
(see  
next  
page)*

*81,648*

1 (b) In 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 compen-  
6 sation, shift differentials, hazardous duty pay, travel per diem, or  
7 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 municipal-  
11 ities; and state instrumentalities, boards, commissions, and author-  
12 ities if the instrumentality, board, commission, or authority receives  
13 at least 50 percent of its annual budget from the state treasury.

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

15 Sec. 39.27.027. SALARY LIMIT. Notwithstanding AS 39.27.020 and  
16 39.27.022, the basic salary of an officer or employee of the state may  
17 not exceed the salary limit established under AS 39.20.095.

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

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

26 \* Sec. 9. AS 42.40 is amended by adding a new section to read:

27 Sec. 42.40.715. EMPLOYEE SALARY LIMIT. Notwithstanding other  
28 provisions of this chapter, if the corporation receives at least 50  
29 percent of its yearly budget by direct appropriation or grant from the

*Railroad*

1 state treasury, the basic salary of an employee of the corporation may  
2 not exceed the salary of the governor under AS 39.20.010. In this  
3 section, "basic salary" has the meaning given in AS 39.20.095.

4 \* Sec. 10. Nothing in this Act terminates or modifies a collective  
5 bargaining agreement or other contract if the agreement or contract is in  
6 effect on the effective date of this Act. However, an employer subject to  
7 this Act may not renew or extend a contract after the effective date of  
8 this Act unless the contract complies with this Act.

9 \* Sec. 11. Nothing in this Act infringes on the independence of the  
10 University of Alaska or the Alaska Railroad Corporation except the pro-  
11 visions that impose a salary limit on employees.

12 \* Sec. 12. This Act takes effect immediately under AS 01.10.070(c).