

HB

74

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: February 3, 1999

FURTHER REFERRALS:

Finance

Date of Committee Action: 4/13/99

The STATE AFFAIRS Committee considered:

HB 74

HOUSE BILL NO. 74

SALARIES FOR CERTAIN STATE OFFICIALS

"An Act relating to salary caps and to the power to transfer certain positions to the classified service and entitlement to longevity increments for certain state officials."

recommends it be replaced the same title
 with the following committee substitute _____ a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) GOV

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP?	DNP	NR	AM
<i>Deannette James</i>			✓	
<i>Hal Smalley</i>		✓		
<i>John Collett</i>			✓	
<i>Scott Ogan</i>	✓			

CHAIR'S SIGNATURE *Deannette James*

Questions for the Administration via Rep. Ogan

1. What is the total value in dollars for salary plus all benefits, including the accumulation of air miles for a Range 28 Step F employee. (Airline miles should be calculated by using the average for executives in the range 28 position of authority.)
2. How many state employees make more money than the Governor? How many of those are exempt or partially exempt? How many partially exempt or exempt administrators make more money than their supervisors?
3. How many persons listed in HB 74 previously held legislative positions?
4. What is the annual salary and benefit total, including airline miles accumulated, for all partially exempt or exempt persons in the state?
5. What are the total travel expenses for all the persons included in HB 74 for the last two fiscal years?

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Wage and Benefit Study

January 1999

- FINAL REPORT -

Executive Summary (cont.)

- Based upon an analysis of private salary survey results using the market weighted average, a significant number of State jobs are above market as follows:
 - 38% of the benchmark jobs (31 out of 82) are considered above the market range
 - 61% of the benchmark jobs (50 out of 82) are considered within the market range
 - 1% of the benchmark jobs (1 out of 82) are considered below the market range
- Based upon an analysis of published national data for certain positions for which private survey data is unavailable, 3 of 10 positions were compensated above the market range and 7 were compensated within the market range
- An analysis by pay range stratification (pay range 12 and below, ranges 13-18, ranges 19-22 and range 23 above) reveals that the aggregate compensation for positions within a particular segment are within a market range when compared with the survey median, however ranges 13 through 18 are above the market range based upon the survey market weighted average (see page 18)
- The cost of benefits for State employees are substantially higher than the survey participants as follows:
 - State benefits as a percentage of State salaries are 46%
 - Survey participant benefits as a percentage of both market median and market weighted average participant salaries are 39%
- State contributions toward medical benefits are 31% higher than the average contribution for other survey participants
- State contributions for SBS and PERS are 25% higher than retirement and social security contributions for survey participants overall, but similar to retirement contributions for public employers in the survey
- Paid time off benefits for State employees are approximately 48% higher than the average for all survey participants, and 24% higher than the average of all public employers in the survey

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



January 21, 1998

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Members of the Legislative Budget and Audit Committee:

This informational report is in response to a request by the Committee on the compensation paid and travels expenses for executive management positions in the Executive Branch during fiscal year 1997. This report contains the results of our survey of the governor, lieutenant governor, chief of staff, commissioner and deputy commissioners of each department, University of Alaska president, vice presidents and chancellors, and the executive director for each state corporation. (Compensation paid to the President/CEO of the Alaska Railroad Corporation is not available for public disclosure.)

Schedule A reports compensation paid to the individuals in the positions listed above. Compensation has been defined to include salary, benefits, housing or vehicle allowances, and other¹ reportable income. Schedule B is a summary schedule of travel costs. Travel costs include conference fees, travel costs, meal and incidentals, lodging, and other costs. Finally, Schedule C is the detail schedule of travel costs.

This report is not limited to any specific funding source.

Salaries established in Statute

Title 39 of the Alaska Statutes establishes the salaries for the governor, lieutenant governor, and the head and deputy head of each principal executive department. The governor and lieutenant governor's salary are defined as \$81,648 and \$76,188 respectively. The salaries for the head of each principal executive department is defined as range 28, step E.

The salary for the deputy department head is addressed in a variety of statutes. AS 39.20.080 establishes the salary as not less than step A nor more than step F, range 28. AS 39.27.011 provides an exception for the salary of deputy department head.

"If a state officer or employee is appointed a deputy department head or a division director, and at the time of the appointment, the officer or employee is receiving a salary higher than that set for the position to which appointment has been made, the officer or employee is entitled to continue receiving the higher salary."

¹ This category is primarily payments received from leave cash-in.

AS 39.27.022 provides for pay increases for longevity in state service, according to the Department of Administration, Division of Personnel, longevity steps are increments of step F, and therefore deputy commissioners are eligible for longevity salary increases.

Some observations and explanations on the compensation schedule:

- The highest paid executive management position in state is the president of the University of Alaska.
- The deputy attorneys general were overpaid in FY 97, but the Department of Law has taken corrective action during the current fiscal year. The overpayment correction is shown in the "Other" column on Schedule A.
- Deputy Commissioner Ewing's position in the Department of Environmental Conservation is covered by an intergovernmental personal act agreement between the state and the Environmental Protection Agency. Benefits are paid at the federal benefit rate.
- Deputy Commissioner Parker, Department of Corrections is a member of the Elected Public Officers Retirement System (EPORS). While employee contributions are made each year, annual employer contributions are not paid. Rather EPORS benefit payments are funded by a combination of employee contributions and an annual appropriation from the State General Fund.

Travel rules are established in Alaska Statutes and the Alaska Administrative Manual

AS 39.20.110 provides that officials of state agencies while traveling on official business and away from their designated post of duty, shall be allowed, instead of their actual expenses for subsistence for all fees or tips, a per diem allowance. The Alaska Administrative Manual 60.190 provides that an employee shall be allowed reimbursement for lodging expenses when traveling on official state business and overnight lodging is obtained. In addition, the employee shall be reimbursed for meal and incidental expenses (M&IE). Together, the reimbursement for lodging and the M&IE allowance are considered the per diem allowance. An employee is not entitled to any per diem or M&IE allowance if they do not incur expenses for either meals or lodging.

Some observations on the travel schedule:

- Governor Knowles has the highest travel costs for executive positions.
- When on national guard business Adjutant General Lestenkof may use military or National Guard transport rather than commercial airlines for part or all of the trip.

SCHEDULE A

COMPENSATION FOR EXECUTIVE POSITIONS FOR FY 97

Organization/Position	Annual Salary	Annual Benefits	Housing Use or Allowance	Vehicle Use or Allowance	Other **	Total Compensation
Office of the Governor						
Governor Knowles	81,648	24,597	Yes	Yes	-	106,245
Lt. Governor Ulmer	76,188	20,761	No	No	-	96,949
Chief of Staff Ayers	95,099	27,184	No	No	17,516	139,799
Department of Administration						
Commissioner Boyer	85,020	24,099	No	No	-	109,119
Deputy Commissioner Elgee	81,900	24,012	No	No	3,150	109,062
Department of Law						
Attorney General Botelho	85,020	24,935	No	No	-	109,955
Deputy Attorney General Ritchie	96,120	27,526	No	No	(10,178)	113,468
Deputy Attorney General Cooper	96,120	27,526	No	No	(9,949)	113,697
Department of Revenue						
Commissioner Condon	85,020	24,548	No	No	-	109,568
Deputy Commissioner Vogt	87,972	24,123	No	No	-	112,095
Deputy Commissioner Kinney	83,850	24,458	No	No	-	108,308
Department of Education						
Commissioner Holloway	85,020	23,505	No	No	-	108,525
Deputy Commissioner Cross	87,972	24,134	No	No	-	112,106
Department of Health and Social Services						
Commissioner Perdue	85,020	23,901	No	No	-	108,921
Deputy Commissioner Lively	85,020	24,544	No	No	-	109,564
Deputy Commissioner Webb	76,200	21,982	No	No	-	98,182
Department of Labor						
Commissioner Cashen	85,020	22,957	No	No	-	107,977
Deputy Commissioner Flanagan	83,070	23,133	No	No	-	106,203
Department of Commerce and Economic Development						
Commissioner Hensley	85,020	23,009	No	No	-	108,029
Deputy Commissioner Bush	81,900	23,009	No	No	-	104,909
Department of Military and Veterans Affairs						
Adjutant General Lestenkof	85,020	26,800	No	No	-	111,820
Deputy Commissioner Schnell	82,290	26,500	No	No	-	108,790
Department of Natural Resources						
Commissioner Shively	85,020	25,323	No	No	-	110,343
Deputy Commissioner Rutherford	90,859	25,644	No	No	7,568	124,071

** Includes leave cash-in paid during the fiscal year

SCHEDULE A

COMPENSATION FOR EXECUTIVE POSITIONS FOR FY 97

Organization/Position	Annual Salary	Annual Benefits	Housing Use or Allowance	Vehicle Use or Allowance	Other **	Total Compensation
Department of Fish and Game						
Commissioner Rue	85,020	25,402	No	No	1,635	112,057
Deputy Commissioner Benton	85,062	27,458	No	No	10,464	122,984
Deputy Commissioner Bosworth	84,713	25,584	No	No	4,200	114,497
Department of Public Safety						
Commissioner Otte	85,020	28,100	No	Yes	-	113,120
Deputy Commissioner Smith	83,330	27,679	No	Yes	-	111,009
Department of Environmental Conservation						
Commissioner Brown	85,020	24,823	No	No	5,232	115,075
Deputy Commissioner Ewing	106,837	-	No	No	-	106,837
Department of Corrections						
Commissioner Pugh (vehicle in Anch only)	85,020	27,846	No	Yes	-	112,866
Deputy Commissioner Parker	73,488	15,447	No	No	-	88,935
Department of Community and Regional Affairs						
Commissioner Irwin	85,020	23,927	No	No	-	108,947
Deputy Commissioner Cotten	82,810	23,628	No	No	-	106,438
Department of Transportation and Public Facilities						
Commissioner Perkins	85,020	28,172	No	No	-	113,192
Deputy Commissioner Brownfield	87,972	28,827	No	No	-	116,799
Deputy Commissioner Parkan	78,824	26,942	No	No	-	105,766
University of Alaska						
President Komisar	148,000	31,935	Yes	Yes	-	179,935
Vice President Creamer	119,000	27,264	No	No	-	146,264
Vice President Redman	105,000	23,486	No	No	-	128,486
Chancellor Gorsuch	118,758	26,817	31,850	Yes	375	177,800
Chancellor Wadlow	126,884	28,523	Yes	Yes	-	155,407
Chancellor Lind	106,475	23,413	14,404	Yes	-	144,292
Alaska Aerospace Development Corporation						
Executive Director Ladner	103,000	26,608	No	8,870	31,723	170,201
Alaska Housing Finance Corporation						
Executive Director Fauske	122,579	42,184	No	No	-	164,763
Alaska Industrial Development and Export Authority						
Executive Director Simmons (started 11/96)	62,870	18,342	No	No	-	81,212

** Includes leave cash-in paid during the fiscal year

SCHEDULE A

COMPENSATION FOR EXECUTIVE POSITIONS FOR FY 97

Organization/Position	Annual Salary	Annual Benefits	Housing Use or Allowance	Vehicle Use or Allowance	Other **	Total Compensation
Former Executive Director Snell (term. 10/96)	30,770	8,569	No	No	24,885	64,224
Alaska Mental Health Trust Authority Executive Director Jessee	83,100	22,100	No	No	-	105,200
Alaska Permanent Fund Corporation Executive Director Mallott	129,502	31,130	No	No	-	160,632
Alaska Public Utilities Commission						
Chairman Cotten	74,590	21,707	No	No	-	96,297
Commissioner Cook (current)	68,374	19,898	No	No	-	88,272
Commissioner Thompson (former)	6,216	1,809	No	No	-	8,025
Commissioner Posey (current)	31,079	9,045	No	No	-	40,124
Commissioner Schroer (former)	43,511	12,662	No	No	-	56,173
Commissioner Ornquist	74,590	21,707	No	No	-	96,297
Commissioner Hanley	74,590	21,707	No	No	-	96,297
Executive Director Lohr	83,129	23,114	No	No	-	106,243
Alaska Railroad Corporation President and CEO Sheffield	Information not available for public disclosure per AS. 42.40.220					
Alaska Science and Technology Foundation Executive Director Kenworthy	98,500	25,166	No	4,800	-	128,466
Alaska Seafood Marketing Institute Former Executive Director Scheunemann	92,844	26,526	No	No	-	119,370
Alaska Student Loan Corporation Executive Director Barrans	95,712	28,763	No	No	-	124,475
Alaska Tourism Marketing Council Executive Director Karp	74,592	21,537	No	No	-	96,129

** Includes leave cash-in paid during the fiscal year

SCHEDULE B

SUMMARY SCHEDULE OF TRAVEL FOR EXECUTIVE POSITIONS IN FY 97

Organization/Position	Conference Fees	Travel Expenses	Meals and Incidental	Lodging Expense	Other Expense	Total
Office of the Governor						
Governor Knowles	600	54,968	3,717	14,895	435	74,615
Lt. Governor Ulmer	800	28,244	3,685	11,069	2,798	46,596
Chief of Staff Avers	-	20,358	1,998	5,856	1,500	29,712
Department of Administration						
Commissioner Boyer	5,255	9,072	1,485	3,139	2,106	21,057
Deputy Commissioner Alqee	-	4,434	973	1,651	471	7,529
Department of Law						
Attorney General Botelho	-	20,342	4,183	8,783	700	34,008
Deputy Attorney General Ritchie	-	3,683	890	1,709	9	6,291
Deputy Attorney General Cooper	-	6,376	1,496	2,420	3	10,295
Department of Revenue						
Commissioner Condon	-	19,737	159	5,862	1,384	27,142
Deputy Commissioner Vogt	-	4,222	737	1,348	95	6,402
Deputy Commissioner Kinney	350	12,543	1,764	4,013	114	18,784
Department of Education						
Commissioner Holloway	370	19,284	6,175	9,331	4,298	39,458
Deputy Commissioner Cross	-	4,068	946	1,658	544	7,216
Department of Health and Social Services						
Commissioner Perdue	1,065	23,646	2,844	5,264	366	33,185
Deputy Commissioner Livey	725	13,719	1,914	3,197	64	19,619
Deputy Commissioner Webb	-	1,954	147	102	12	2,215
Department of Labor						
Commissioner Cashen	925	9,750	2,208	5,379	-	18,262
Deputy Commissioner Flanagan	1,950	4,341	1,044	638	39	8,012
Department of Commerce and Economic Development						
Commissioner Hensley	3,170	33,952	2,323	6,038	342	45,825
Deputy Commissioner Bush	-	7,713	2,032	3,062	6	12,813
Department of Military and Veterans Affairs						
Adjutant General Lestenkof	175	3,391	1,843	3,477	348	9,234
Deputy Commissioner Schnell	100	1,386	466	902	38	2,892
Department of Natural Resources						
Commissioner Shively	-	18,263	1,289	3,531	393	23,476
Deputy Commissioner Rutherford	-	6,548	790	70	145	7,553

SCHEDULE B

SUMMARY SCHEDULE OF TRAVEL FOR EXECUTIVE POSITIONS IN FY 97

Organization/Position	Conference Fees	Travel Expenses	Meals and Incidental	Lodging Expense	Other Expense	Total
Department of Fish and Game						
Commissioner Rue	-	13,881	2,455	3,399	215	19,950
Deputy Commissioner Benton	-	22,589	5,679	9,654	1,907	39,829
Deputy Commissioner Bosworth	-	11,975	2,490	4,176	515	19,156
Department of Public Safety						
Commissioner Olte	-	5,562	2,270	5,606	290	13,728
Deputy Commissioner Smith	-	4,647	1,706	1,626	108	8,087
Department of Environmental Conservation						
Commissioner Brown	-	19,680	2,968	4,922	363	27,933
Deputy Commissioner Ewing	-	11,809	1,683	3,032	261	16,785
Department of Corrections						
Commissioner Pugh	-	16,299	3,179	2,070	120	21,668
Deputy Commissioner Parker	280	5,976	2,224	1,386	482	10,348
Department of Community and Regional Affairs						
Commissioner Irwin	50	13,297	2,038	3,146	-	18,531
Deputy Commissioner Colton	90	12,934	5,571	487	12	19,094
Department of Transportation and Public Facilities						
Commissioner Perkins	725	19,133	3,135	6,198	1,870	31,061
Deputy Commissioner Brownfield	535	10,793	1,390	2,621	698	16,037
Deputy Commissioner Parkan	2,095	13,248	3,093	3,323	2,735	24,494
University of Alaska						
President Komisar	415	14,105	3,440	6,708	2,389	27,057
Vice President Creamer	-	7,809	830	1,979	1,041	11,659
Vice President Redman	370	13,687	4,112	2,794	2,815	23,778
Chancellor Gorsuch	445	6,895	1,335	2,617	911	12,203
Chancellor Wadlow	375	6,496	995	3,203	1,269	12,338
Chancellor Lind	-	6,798	1,187	2,410	1,432	11,827
Alaska Aerospace Development Corporation						
Executive Director Ladner	3,100	15,185	1,591	2,844	1,526	24,246
Alaska Housing Finance Corporation						
Executive Director Fauske	445	6,406	880	1,172	463	9,366
Alaska Industrial Development and Export Authority						
Executive Director Simmons	-	4,957	727	1,483	1	7,168
Former Executive Director Snell	-	2,684	341	452	359	3,836
Alaska Mental Health Trust Authority						
Executive Director Jessee	150	8,742	1,276	2,514	331	13,013

SCHEDULE B

SUMMARY SCHEDULE OF TRAVEL FOR EXECUTIVE POSITIONS IN FY 97

Organization/Position	Conference Fees	Travel Expenses	Meals and Incidental	Lodging Expense	Other Expense	Total
Alaska Permanent Fund Corporation						
Executive Director Mallott	-	16,255	1,914	5,375	106	23,650
Alaska Public Utilities Commission						
Chairman Cotton	-	1,798	648	1,285	313	4,044
Commissioner Thompson	-	70	21	-	19	110
Commissioner Schroer	500	1,009	432	1,836	81	3,858
Commissioner Posey	700	2,346	581	1,780	277	5,684
Commissioner Ornquist	1,545	1,980	1,028	3,857	850	9,260
Commissioner Hanley	-	465	272	436	65	1,238
Commissioner Cook	750	1,650	608	2,093	323	5,424
Executive Director Lohr	150	541	126	306	22	1,145
Alaska Railroad Corporation						
President and CEO Sheffield	-	8,362	1,780	4,580	145	14,867
Alaska Science and Technology Foundation						
Executive Director Kenworthy	75	3,926	864	974	621	6,460
Alaska Seafood Marketing Institute						
Prior Executive Director Scheunemann	675	18,803	1,949	4,174	2,615	28,216
Alaska Student Loan Corporation						
Executive Director Barrans	750	8,285	1,309	4,393	48	14,785
Alaska Tourism Marketing Council						
Executive Director Karp	325	9,234	2,315	5,061	435	17,370

Legislative Affairs Agency Staff Cost Savings Analysis 1993 – 1999

The Legislature has consistently worked to cut costs and maintain the efficiency of the Legislative Affairs Agency operation. We have acted on recommendations contained in the 1993 'Review of Legislative Agencies' prepared by Jay Hogan for LB&A and on a 1994 salary study of agency positions. We continue to look for ways to sustain this trend. It is not always an easy task, especially with recent budget reductions, to provide the same level of service to the 60 legislators, legislative staff and the public.

In Fiscal Year 1994 the Legislative Affairs Agency consisted of 5 divisions employing 83 people year round and 37 seasonal employees. The Legislative Research Agency employed 9 full-time employees and 5 seasonal employees. The total number of positions for the two agencies was 134.

Since that time the Agency has undergone a significant organizational change, which has resulted in fewer divisions and employees. Legislative Council dissolved the Legislative Research Agency and the Senate research arm and the Legislative Affairs Agency's Legal Services Division assumed its functions.

The total number of positions in the Fiscal Year 1999 Budget is 121 positions, which is a net reduction of 13 positions since Fiscal Year 1994. These consolidations and reductions have resulted in both organizational efficiency and savings in personal services.

During 1993 and 1994 a position and salary analysis of all Agency positions was conducted. An independent analyst was hired to determine the appropriateness of Agency salary levels. While most positions were found to be correctly classified, a few were shown to need adjustment up or down. This study was used in

conjunction with the organizational restructure in determining staff changes over the next several years.

In Fiscal Year 1995 the first major change in the Agency was to restructure all Agency Divisions except the Legal Services Division within a single Administrative Services Division. Executive Operations, Public Services and General Services Divisions were eliminated. The Director of Administrative Services (range 24) position was eliminated along with the Special Assistant (range 18) position. The duties of the Executive Director and the Director of Administrative Services were combined. The Accounting Supervisor's position (range 19) was re-classified to Deputy Director (range 23). The result was a more efficient management structure and net savings of over \$155,000. As part of the re-structure process the Public Services Division was re-organized into the Information and Teleconferencing Section of the Administrative Services Division. The Director position was eliminated and the Juneau Information Officer's position re-classified to the Manager of Information and Teleconferencing. The duties of the director and information officer were combined. The result was a \$26,000 saving in personal services costs. Divisions became sections – for example Maintenance, Supply, Data Processing, Executive Director's Office and Information and Teleconference.

Also in Fiscal Year 1995 one full-time Attorney (range 23) position was reduced to a seasonal 9-month position for net savings of \$22,000.

In Fiscal Year 1996 the Legislative Research Agency was dissolved and its functions assumed by the Legislative Legal and Research Division of the Legislative Affairs Agency. In the process, positions associated with the research function were reduced by two ranges and made seasonal positions. The result was a net saving of \$370,000.

Also beginning with Fiscal Year 1996 the Legislative Affairs Agency assumed all accounting and payroll functions for the Legislative Finance Division, House and Senate Finance Committees, and the Office of the Ombudsman. Because these components received budget cuts and personnel reductions this shifting of duties was a way of solving this shortage. It also streamlined lists and information on legislative employees. Although this represented a significant increase in workload, it was accomplished with no increase in staff for the Agency.

In Fiscal Year 1997 the Print Shop manager's duties were re-structured and the position re-classified from a range 22 to range 18. Resulting in net savings of \$35,335. And as part of the Agency's overall re-structure and re-classification process, the year round staff of the print shop has been reduced from 5 positions at range 17 to 2 positions at range 15. Some positions were eliminated others changed to seasonal. The budgetary impact in the Print Shop (not including the session Documents Office or session copy machine operators) has been an annual savings in personal services of approximately \$164,000.

Other position re-classifications have been to reduce the Building Manager's position to range 19 from a range 21 and the Data Processing Manager's position from a range 24 to a range 23.

Fiscal Years 1998 and 1999 have not included major changes to the staffing structure of the Agency except for Legal Services. In Fiscal Year 1998 nearly all Attorney positions were reduced to 11-month positions. The result was a savings in personal services costs, but a significant loss of attorney time and availability. In Fiscal Year 1999 the positions were returned to 12-month status.

The re-structure and re-classification process spread over the past six years has resulted in a more efficient Agency operation and a significant reduction in personal services costs.

Legislators have not received a salary increase for over 9 years. Their salary is \$24,012 per year.

Session staff working for the individual legislator's pay has remained at the same level for many years. The Session Expenses personal services budget for 1993 included 212 positions. The number of positions has dropped to 202 in Fiscal Year 1998.

The Office of the Ombudsman has been reduced from a budget of \$1,620.8 with 22 positions in FY94 to a budget of \$503.2 with 7 positions in FY99.

Future cost saving includes moving the LAA administrative offices into Capital School in July of 1999. This will save the Legislature over \$200,000 each year in rent.

As you can see from the information provided above, the Legislature is committed to reducing it's own budget while maintaining organizational efficiency with fewer resources. The examples show that the Legislative Affairs Agency has been successful in achieving this goal.



REPRESENTATIVE SCOTT OGAN

Alaska State Legislature

House District 27 • Palmer • Greater Palmer • Sutton • Chickaloon • Sheep Mountain

House Bill 74

SPONSOR STATEMENT

HB 74 was introduced to begin discussions on reducing costs in the upper levels of the administration. It uses the general salary cap that applies to our administrative staff as a place for the discussion to commence.

The legislation contains exemptions for positions within the administration that require a specific educational background, or involve a wide range of oversight responsibilities. If members of the administration have alternative suggestions for reducing costs at upper levels of management I remain open to their ideas and am most anxious to hear them.

These are tough times. It may be difficult for some of us to suggest changes in the salaries of persons that lobby before us daily on behalf of government. Many have worked as legislative staff before finding the greener pastures of administrative appointment.

As we recommend budget cuts, and the Governor pushes taxes, I remain committed to conveying the message that no administrator's salary or job in the public sector is more sacred than their counterparts in the private sector. When the final balance is struck to address overspending, and slumping revenue, it must be as fair and equitable as possible.

Alaska is facing a new economic challenge. If we are to overcome it, those who have built the towers of government on the shifting sands of oil should realize the tower must be reduced in size or it will topple. Until we can honestly look our constituents in the eye and tell them we have done all we can do to reduce all of state government to an affordable level, then and only then should Alaskans be asked to consider other options.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 9, 1999

SUBJECT: Sectional Summary of HB 74 (Salary caps for certain state officials)

TO: Representative Scott Ogan
Attn: Dave Stancliff

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional 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.

Section 1 amends AS 39.20.080(b) to set the monthly salary of deputy commissioners and assistant commissioners in principal departments of the executive branch of state government at between Steps A and F of Range 21 of the state salary schedule for Juneau. The direction that the salary be for Juneau means that these employees will not be entitled to a geographic salary differential even if they are stationed in a location in which they would otherwise be entitled to receive one.

Section 2 amends AS 39.20.080 by adding new subsections. Subsection (d) sets the monthly salary of a division director within a principal executive department of the executive branch of state government at between Steps A and F or Range 21 of the state salary schedule for Juneau.

Subsection (e) sets the monthly salary for employees in the Office of the Governor and Lieutenant Governor or the office of a commissioner who are members of the exempt or partially exempt service at no more than Step F, Range 21 of the state salary schedule for Juneau. There are a number of exceptions listed in the subsection.

Section 3 amends AS 39.25.130(c) to limit the authority of the personnel board to move positions from the partially exempt service to the classified service by excluding the positions listed in new AS 39.20.080(e)(1) and (2), enacted by bill section 2. Those positions are in the Office of the Governor and the Office of the Lieutenant Governor.

Section 4 adds a new subsection to AS 39.27.022, which is the statute that sets out the longevity pay raises for state employees. The new language excludes deputy commissioners, assistant commissioners, and division directors in principal departments of the executive branch of state government from eligibility for longevity pay raises.

Representative Scott Ogan
February 9, 1999
Page 2

Section 5 specifies that work performed by a state official named in the bill on or after the effective date of the Act is subject to the limitations of the Act.

TC:jdr
99-057.jdr

State of Alaska

Legislative Affairs Agency

Administrative Services

130 Seward Street, Suite 313 ~ Juneau, Alaska 99801-2197 ~ Phone (907)465-3852 ~ Fax (907) 465-3234



TO: Representative Scott Ogan
Alaska House of Representatives

FROM: *Karla Schofield*
Karla Schofield, Deputy Director
Administrative Services

SUBJ: Legislative Employees

DATE: February 4, 1999

The following information is provided per your request:

Number of legislative employees compensated above Range 21	33
Number of legislative employees compensated at Range 21F or below	422
Number of legislative employees compensated at Range 19A through Range 21F	130

These employee numbers are current for this session as of February 4, 1999. The Legislature employs fewer people during the interim. If you have any questions about this information please contact me at 465-6626 or Pam Varni at 465-3800.

cc: Pamela Varni, Executive Director



REPRESENTATIVE SCOTT OGAN

Alaska State Legislature

House District 27 • Palmer • Greater Palmer • Sutton • Chickaloon • Sheep Mountain

***** **FOR IMMEDIATE RELEASE** *****

2/3/99

For more info: 465-3878

LEGISLATOR URGES SALARY ADJUSTMENTS

Representative Scott Ogan (R-Palmer) has introduced legislation (HB-74) to bring the salaries of certain state administrators within long-standing legislative guidelines. Ogan's bill would affect deputy and assistant commissioners, special assistants, and directors of agencies throughout the state, including the office of the Governor and Lt. Governor. The legislation would cap salaries at the same level as top paid legislative staff. Under current statute, the administration's top level is a range 28, step F or \$ 7,486 per month. Ogan's bill would apply the legislature's guideline that sets a cap at a range 21, step F or \$ 5,095 per month. *"Years ago, the legislature set their salary caps and standards for administrative staff. It is a policy that has saved money and we encourage the administration to follow the legislature's salary guidelines to meet our tighter budgets,"* said Ogan.

When asked about cost of living differentials, Ogan again cited legislative policy. *"Our professional assistants come from all over the state, in many cases maintain two homes, and do not receive travel reimbursement or per diem for their journey to Juneau, or expenses while they are here."*

There may be more than just salaries discussed. Ogan has not looked specifically at administrative travel budgets, and accumulated airline miles, but he feels it will probably come out in the testimony. *"If legislators want to see all the differences in budget between administrative assistants and legislative assistants, travel will likely be discussed as will area salary differentials. Our (legislative) staff travel very little. They serve our districts through phones, faxes, and e-mail, even though some are larger than many states and most have at least 12,000 constituents,"* said Ogan.

Ogan's bill is the first to attempt salary parity between the legislature and the administration. The measure as introduced applies only to those administrative positions not protected by collective bargaining agreements. *"Our ship of state is in rough waters. We need to ask all who sail upon her to reef their sails and batten down the hatches. I would encourage those affected by my bill to come to the table and give us alternatives if they are unhappy with legislative salary guidelines."*

THE
FOLLOWING
DOCUMENT(S)
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Existing Statutes Affected

Sec. 39.20.020. Date of entitlement of governor's salary. The governor is entitled to receive the salary established for the office effective from the date on which the oath of office is taken by the governor. (§ 2 ch 39 SLA 1959)

Sec. 39.20.030. Annual salary of lieutenant governor. The annual salary of the lieutenant governor is \$76,188. (§ 1 ch 40 SLA 1959; am § 2 ch 115 SLA 1965; am § 1 ch 123 SLA 1967; am § 5 ch 101 SLA 1969; am § 5 ch 193 SLA 1970; am § 6 ch 34 SLA 1974; am § 8 ch 148 SLA 1976; am § 10 ch 263 SLA 1976; am § 7 ch 3 SLA 1980; am § 22 ch 3 SLA 1980; am § 3 ch 87 SLA 1985)

Sec. 39.20.040. Date of entitlement of lieutenant governor's salary. The lieutenant governor is entitled to receive the salary established for the office effective from the date on which the oath of office is taken by the lieutenant governor. (§ 2 ch 40 SLA 1959)

Sec. 39.20.050. Exclusive compensation. The compensation fixed by law for the governor and lieutenant governor is in full for all services rendered by each of them in any official capacity or employment whatsoever during their respective terms of office, and shall be paid throughout their respective terms of office unless the office becomes vacant. (§ 1 ch 160 SLA 1960)

Sec. 39.20.060. Exclusion of governor and lieutenant governor from personnel laws. Notwithstanding the provisions of any other law, the governor and lieutenant governor are not considered employees of the state for the purpose of state personnel laws relating to hours of employment, annual leave, sick leave, overtime, compensatory time, and travel allowances. This section does not deprive the governor and lieutenant governor of the right to participate in the state retirement system or in state group insurance plans. (§ 2 ch 160 SLA 1960)

Sec. 39.20.070. Subsequent legislation relating to AS 39.20.050 and 39.20.060. AS 39.20.050 and 39.20.060 are not superseded or modified by any subsequent legislation except to the extent that the legislation does so expressly. (§ 3 ch 160 SLA 1960)

*

Sec. 39.20.080. Salary of executive department head and deputy. (a) The monthly salary of the head of each principal executive department of the state is equal to Step E, Range 28 of the salary schedule in AS 39.27.011(a) for Juneau, Alaska.

(b) The monthly salary of a deputy head of a principal executive department of the state is not less than Step A nor more than Step F, Range 28 of the salary schedule in AS 39.27.011(a) for Juneau, Alaska. *amended*

(c) Except as provided by a general law applicable to all officers of the state, the compensation of the head of each principal executive department of the state may not be reduced during the executive's tenure in office. (§ 1 ch 105 SLA 1959; am § 1 ch 128 SLA 1962; am § 3 ch 115 SLA 1965; am § 1 ch 156 SLA 1966; am § 2 ch 123 SLA 1967; am § 6 ch 101 SLA 1969; am § 6 ch 193 SLA 1970; am § 37 ch 71 SLA 1972; am § 7 ch 84 SLA 1974; am § 5 ch 205 SLA 1975; am § 9 ch 148 SLA 1976; am § 11 ch 263 SLA 1976; am §§ 8, 9, 15, 23, 24 ch 3 SLA 1980)

dfe added

Editor's notes. — Chapter 205, SLA 1975, which amended this section, was submitted to the voters by referendum and was rejected.

Sec. 39.20.090. Salaries and expenses. The salaries and expenses of officers, boards, commissions, and bureaus established by the laws of the state shall be paid

law

SLA 1988; am E.O. No. 69 § 22 (1988); am E.O. No. 79 § 2 (1991); am § 13 ch 66 SLA 1991; am § 28 ch 89 SLA 1991; am § 21 ch 6 SLA 1993; am E.O. No. 83 § 20 (1993); am § 18 ch 5 FSSLA 1994; am § 3 ch 92 SLA 1995; am ch 30 § 43; am E.O. No. 94 § 2 (1996)

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Revisor's notes. — Paragraph (c)(17), formerly (c)(18), was renumbered in 1984. Paragraph (c)(18), enacted as (c)(19), was renumbered in 1984. Paragraph (c)(20), enacted as (c)(19), was renumbered in 1996.

The second 1993 amendment, effective July 1, 1993, repealed subparagraph (c)(9)(G).

ons:

In 1992, under § 6, ch. 13, SLA 1992, and AS 05.031, "Governor's Council on Disabilities and Special Education" was substituted for "Governor's Council for the Handicapped and Gifted."

The 1994 amendment, effective June 24, 1994, added paragraph (c)(23).

The 1995 amendment, effective July 1, 1995, added paragraph (c)(24).

Paragraph (24) was enacted as (19). Renumbered in 1996.

The first 1996 amendment, effective May 16, 1996, substituted "Alaska Commission on Aging" for "Older Alaskans Commission" in subparagraph (c)(9)(J).

The second 1996 amendment, effective July 1, 1996, in paragraph (c)(21), substituted "assigned to" for "of the division of," inserted "functions," and added a section reference at the end.

Effect of amendments. — The first 1991 amendment, effective March 23, 1991, added paragraph (c)(21).

The second 1991 amendment, effective July 2, 1991, added paragraph (c)(22).

The first 1993 amendment, effective April 14, 1993, repealed paragraph (c)(20).

Effective dates. — Under § 58(a), ch. 66, SLA 1991, as amended by § 37, ch. 5, FSSLA 1994 and § 2, ch. 1, SSSLA 1994, this section, as set out above, took effect December 16, 1994.

NOTES TO DECISIONS

Cited in *Sheffield v. Alaska Pub. Employees' Ass'n*, 5 P2d 1083 (Alaska 1987).

Facilities

Sec. 39.25.130. Extension of partially exempt and classified services. (a) The personnel board, upon written recommendation of the commissioner of administration, may extend the partially exempt service to include any position in the classified service in the judgment of the board,

er of the
ent;

- (1) involves principal responsibility for the determination of policy;
- (2) involves principal responsibility for the way in which policies are carried out; or
- (3) involves responsibilities and duties of a type not susceptible to the ordinary recruiting and examining procedures.

ons in the

(b) Positions may not be included in the partially exempt service under this section if the inclusion is inconsistent with federal requirements for state agencies supported in whole or in part by federal funds.

(c) The personnel board, upon written recommendation of the commissioner of administration, may extend the classified service to include any position in the partially exempt service. (§ 7 ch 144 SLA 1960; am §§ 9, 10 ch 112 SLA 1982) *amended*

NOTES TO DECISIONS

Cited in *Hafing v. Inland Hostmen's Union*, 585 P2d 1083 (Alaska 1978).

Article 3. Personnel Rules.

Section	
158.	Reemployment rights for injured state employees
159.	Employment preference for veterans and prisoners of war

ate correc-
ions under
SLA 1961;
§ 4 ch 78
SLA 1975;
77); am § 11
E.O. No. 42
No. 45 § 3
A 1981; am
§ 26 ch 93
am § 106 ch
No. 58 § 18
A 1986; am
§ 33 ch 14

- Amendment of personnel rules
- Scope of the rules
- Departmental personnel officers
- Positional substitution program
- Position descriptions

§ 39.25.140. Amendment of personnel rules. (a) The director of personnel shall prepare and submit to the commissioner of administration any proposed amendment to the personnel rules for all positions and employees subject to this chapter.

Election District

Pay Steps Above Basic Salary Schedule

19

8

In other states

minus 6

(b) For purposes of (a) of this section, "election district" means an election district designated in the governor's proclamation of reapportionment and redistricting December 7, 1961.

(c) The director of the division of personnel shall establish salary differentials for positions in foreign countries. The differentials shall be adjusted annually, effective June 1, to maintain equitable relationships between salaries for positions in foreign countries and salaries for positions in Alaska. (§ 1 ch 158 SLA 1966; am § 8 ch 101 SLA 1969; am § 2 ch 87 SLA 1971; am § 3 ch 47 SLA 1974; am § 3 ch 138 SLA 1975; am § 13 ch 1 SLA 1976; am §§ 32, 33 ch 3 SLA 1980; am § 45 ch 30 SLA 1996)

Revisor's notes. — Section 6, ch. 138, SLA 1975, provided that this section would be repealed on the effective date of a pay schedule adopted under a section enacted by a particular bill. However, that bill did not become law.

Effect of amendments. — The 1996 amendment effective May 16, 1996, inserted "of the division of personnel" in the first sentence of subsection (c).

Sec. 39.27.022. Pay increments for longevity in state service. (a) Pay increments, computed at the rate of 3.75 per cent of the employee's base salary, shall be provided after an employee has remained in the final step within a given range for ten years, provided that the employee has worked continuously for the state for seven years and provided that the current annual rating by the employee's supervisors is designated as "good" or higher.

(b) Additional increments, each computed at the rate of 3.75 per cent of the employee's base salary, shall be provided under the same restrictions as provided in (a) of this section when the employee has remained in the final step for four, nine and thirteen years.

(c) Longevity pay increments provided for in (a) and (b) of this section are approved under AS 39.25.150(2) as an amendment to the pay plan for employees of the state.

(d) This section applies to employees of the legislature only if the committee responsible for adopting employment policies concerning the employee adopts a written policy that the section applies. This section applies to the employees of the office of ombudsman only if the ombudsman adopts a policy that the section applies. (§ 1 ch 1 SLA 1972; am § 8 ch 21 SLA 1987)

* (e) added

Editor's notes. — Section 10, ch. 21, SLA 1987 provides: "Notwithstanding the amendments made to AS 39.27.022 by sec. 8 of this Act, an employee of the legislature who has received a longevity pay increment under AS 39.27.022 before June 16, 1987 shall continue to receive the increment until the committee responsible for adopting employment policies concerning the employee adopts a policy on the question of longevity pay increments."

Opinions of attorney general. — Interpreting the longevity pay increments provided for by this

section, so as to suggest that these increments are not be salary steps and therefore employees receive these longevity increments who are promoted to higher job series are not entitled to the salary increases required by Personnel Rule 9.02.13 and art. 7 of the agreement between the state of Alaska and the Alaska Public Employees Association covering general government unit would be at variance with the legislative intent expressed in this section. September 11, 1974 Op. Att'y Gen.

NOTES TO DECISIONS

The purposes of this section are twofold, namely: To provide a reward for longevity in state employ, and to reestablish an incentive for employees who have attained the final step within a given range to continue in their employment. Alaska Pub. Employees Ass'n v. State, 525 P.2d 12 (Alaska 1974).

Legislative history. — See Alaska Pub. Employees Ass'n v. State, 525 P.2d 12 (Alaska 1974).

The language of this section is not clear and

unambiguous as to when the pay increment under either subsection (a) or (b) should be granted. Alaska Pub. Employees Ass'n v. State, 525 P.2d 12 (Alaska 1974).

But at least some increment intended for immediate implementation. — The language of this section is not clear and unambiguous as to when pay increments should be implemented. However, Free Conference Committee Report indicates

tion that at least some increment be implemented immediately. *Alaska Pub. Employees Ass'n v. State*, 525 P.2d 12 (Alaska 1974).

No basis for assigning different implementation times to increments of subsections (a) and (b). — Since the wording of subsections (a) and (b) is nearly identical, there would seem to be no basis for assigning different implementation times to the increments, unless an indication of such legislative intent is to be found elsewhere. The supreme court has discovered no such expression of contrary legislative intent. *Alaska Pub. Employees Ass'n v. State*, 525 P.2d 12 (Alaska 1974).

Thus, employees entitled retroactively to pay increments in subsection (b). — As of July 1, 1972, state employees who otherwise met the statutory

eligibility requirements and had been in the last step of their pay range for four, nine, or 13 years should have immediately received the pay increments provided by subsection (b) of this section. *Alaska Pub. Employees Ass'n v. State*, 525 P.2d 12 (Alaska 1974).

Given an indication of retroactivity in the Free Conference Committee Report on the original bill and the similarity in the phrasing of subsections (a) and (b), the most intrinsically reasonable interpretation of the bill would seem to be that, in the absence of any indications of legislative intent to the contrary, if eligibility for the initial pay increase was to become effective on July 1, 1972, then eligibility for all the incremental increases should become effective on that date. *Alaska Pub. Employees Ass'n v. State*, 525 P.2d 12 (Alaska 1974).

Sec. 39.27.025. Swing and graveyard shift differentials. (a) Classified and partially exempt state employees who regularly work a "swing" shift beginning between 12:00 noon and 7:59 p.m. are entitled to a one-step increase over their normal pay established by this chapter.

(b) Classified and partially exempt state employees who regularly work a "graveyard" shift beginning between 8:00 p.m. and 3:59 a.m. are entitled to a two-step increase over their normal pay established by this chapter. (§ 3 ch 87 SLA 1971)

Sec. 39.27.030. Cost-of-living survey. Subject to an appropriation for this purpose, the director shall conduct a survey, at least every five years, to review the pay differentials established in AS 39.27.020. The survey may address factors, as determined by the director, that are also relevant in review of state salary schedules, entitlement for beneficiaries of state programs, and payments for state service providers. The survey must reflect the costs of living in various election districts of the state, and Seattle, Washington, by using the cost of living in Anchorage as a base. (§ 1 ch 226 SLA 1970; am §§ 1, 2, 4 ch 42 SLA 1971; am § 12 ch 4 FSSLA 1996)

Cross references. — For gathering data reflecting the cost of living in various election districts, see AS 44.31.020(4).

Effect of amendments. — The 1996 amendment,

effective July 1, 1996, rewrote this section.

Editor's notes. — Under § 45, ch. 4, FSSLA 1996, the provisions of that act, which amended this section, are not severable, notwithstanding AS 01.10.030.

Sec. 39.27.035. Preparation and submission of pay schedules. [Repealed, § 20 ch 4 FSSLA 1996.]

Sec. 39.27.040. University salary survey. [Repealed, § 20 ch 4 FSSLA 1996.]

Sec. 39.27.045. Definition. In AS 39.27.020 — 39.27.030, "director" means the director of the division of personnel. (§ 1 ch 226 SLA 1970; am § 13 ch 4 FSSLA 1996)

Effect of amendments. — The 1996 amendment, effective July 1, 1996, made section reference substitutions.

Chapter 30. Insurance and Supplemental Employee Benefits.

Article

1. Old Age and Survivors Insurance (§§ 39.30.010 — 39.30.080)
2. Group Life and Health Insurance (§§ 39.30.090 — 39.30.095)
3. Special Hazard Insurance (§ 39.30.130)
4. Supplemental Employee Benefits on Withdrawal from Social Security (§§ 39.30.150 — 39.30.180)

Subject: ~~fiscal notes~~

Date: Wed, 03 Feb 1999 16:33:51 -0900

From: Barbara Cotting <Barbara_Cotting@legis.state.ak.us>

Organization: Alaska State Legislature

To: shari_kochman@gov.state.ak.us

Hi Shari,

I have scheduled the following bill for hearing in House State Affairs next week, February 11, and need fiscal notes:

HB 74 by Rep. Ogan: Salaries for Certain State Officials

This should affect ALL departments, so there will be lot of fiscal notes!

Barbara

*none received
as of Wed.
Feb 10 -
10:45 a.m.
lcc*

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 74

Revision Date/Time (Note if correction) _____ Dept. Affected All
 Title An Act relating to salary caps, . . . longevity BRU All
 increments _____ Component: _____
 Sponsor Ogan
 Requester House State Affairs Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services	(3,177.4)	(3,177.4)	(3,177.4)	(3,177.4)	(3,177.4)	(3,177.4)
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	(3,177.4)	(3,177.4)	(3,177.4)	(3,177.4)	(3,177.4)	(3,177.4)

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(1,930.0)	(1,930.0)	(1,930.0)	(1,930.0)	(1,930.0)	(1,930.0)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)	(1,247.4)	(1,247.4)	(1,247.4)	(1,247.4)	(1,247.4)	(1,247.4)
TOTAL	(3,177.4)	(3,177.4)	(3,177.4)	(3,177.4)	(3,177.4)	(3,177.4)

Estimate of any current year (FY99) cost: 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)

House Bill 74 contains several provisions that will lower the salary of certain positions in the Executive Branch: Section 1 would change the range of deputy commissioners and assistant commissioners from Range 28 and 27 respectively to Range 21, and Section 4 would exempt them from coverage under the longevity increments provisions; Section 2 would limit the salary of division directors (currently paid throughout the steps and longevity increments of Ranges 24 through 29) to not more than Step F, Range 21, and Section 4 would exempt them from coverage under the longevity increments provisions; Section 2 would also limit the salary of all employees in the Office of the Governor, in the office of the lieutenant governor, and in commissioners' offices (with certain exceptions) to not more than Step F, Range 21.

Prepared by David Koivuniemi Phone 465-5663
 Division Personnel Date/Time _____
 Approved by Commissioner [Signature] Date 2/10/98
 Agency Administration

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

FISCAL Note HB 74

Analysis (cont.):

Assumptions:

1. Act will have an effective date of July 1, 1999. (Note: potential conflict with another statute may delay impact on partially exempt positions for two years.)
2. Assume new AS 39.20.080(e) also does not apply to heads of principal departments whose salary is set in AS 39.20.080(a).
3. Assume employees of boards, commissions, trusts, authorities, etc., organizationally attached to the office of a commissioner are considered employees of the board, commission, trust, authority, etc., and not covered by this bill.
4. Assumes positions in the Office of the Governor are fully funded by General Funds. Assumes office of the commissioner positions are funded 50% General Funds and 50% Other. Assumes Division Directors are funded 60% General Funds and 40% Other. Funding sources subject to refinement in future updates of this fiscal note.
5. Variable benefits are at 22%.
6. Assumes savings based on current employees at current rates, with no turnover and no pay increases in future years. No assumptions are made on the effect of the State's ability to recruit and retain employees in leadership positions at the lower rates.
7. Assumes cap of Step F, Range 21 applies as cap to geographic pay differentials (AS 39.27.020) and to longevity increments to lower ranges.

Estimate:

There are 22 employees in the Office of the Governor (including the office of the lieutenant governor) whose salary will be reduced by this bill. The net reduction in salary is \$191.7 thousand annually.

There are 28 employees in commissioners' offices whose salary will be reduced by this bill. The net reduction in salary is \$573.5 annually.

There are 85 division directors whose salary will be reduced by this bill. The net reduction in salary is \$1,839.1 annually.

Based on the funding assumptions above the funding impact is as follows:

	Governor's Office	Commissioners' Offices	Division Directors
Salary Total	-\$ 191.7	-\$ 573.5	-\$ 1,839.1
Salary GF	-\$ 191.7	-\$ 286.8	-\$ 1,103.5
Salary Other	\$ 0.0	-\$ 286.8	-\$ 735.6
Salary and Benefits Total	-\$ 233.9	-\$ 699.7	-\$ 2,243.7
Salary and Benefits GF	-\$ 233.9	-\$ 349.9	-\$ 1,346.2
Salary and Benefits Other	\$ 0.0	-\$ 349.9	-\$ 897.5

Details of affected positions are attached.

Employees in the Office of the Governor or Lieutenant Governor
potentially affected by House Bill No. 74

Name	PCN	Class code	Title	Work Location	Range	Step	Dept	Reg	Div	Sec	Semi-monthly Rate
ABBOTT, MICHAEL K	01003X	X0172	ECONOMIC DEVELOPMENT ASST.	Juneau	26	B	01	01	01	02	\$3,024.00
ANDREWS, MICHAEL C.	01332X	X1952	EXECUTIVE DIRECTOR	Anchorage	23	F	01	01	33	02	\$2,925.00
CLARKE, RONALD G	01004X	X0080	SPECIAL STAFF ASSISTANT	Juneau	24	B	01	01	01	01	\$2,728.50
FARGNOLI, JOHN E	01802X	X1154	SENIOR ANALYST	Juneau	23	K	01	01	80	01	\$3,148.50
GIANG, MONICA	01523X	X0824	ELECTION SUPERVISOR	Anchorage	21	A	01	01	50	04	\$2,925.00
GROWDEN, SHELLY L.	01519X	X0824	ELECTION SUPERVISOR	Fairbanks	21	J	01	01	50	03	\$3,034.50
HEIMAN, MARILYN R	01019X	X0080	SPECIAL STAFF ASSISTANT	Juneau	24	D	01	01	01	01	\$2,925.00
HOOVER, JEFF J	01615X	X0837	PROGRAM BUDGET ANALYST V	Juneau	22	F	01	01	80	01	\$2,728.50
HOWARD, KERRY M	01904X	X0158	PROJECT ANALYST	Juneau	23	J	01	01	90	04	\$3,034.50
HUNT, SARA L	01903X	X1201	DISTRICT PROGRAM COORDINATOR	Juneau	21	J	01	01	90	01	\$2,643.00
KOTEFF, STEPHEN	019025	P7145	ATTORNEY IV	Anchorage	24	A	01	01	37	02	\$2,631.50
KREINHEDER, JACK R	01805X	X0102	CHIEF ANALYST	Juneau	23	K	01	01	80	01	\$3,148.50
LAROCHE, GABRIELLE	01906X	X0162	COASTAL PROGRAM COORDINATOR	Juneau	23	F	01	01	90	01	\$2,925.00
PEACOCK, SARA J	01122X	X0505	FINANCE OFFICER	Juneau	20	K	01	01	10	01	\$2,565.50
PEREZ, LINDA J	01102X	X0023	ASST ADMINISTRATIVE DIR	Juneau	22	E	01	01	10	01	\$2,631.50
PIERCE, BRADLEY S	01803X	X0485	SENIOR ECONOMIST	Juneau	23	J	01	01	80	01	\$3,034.50
PUSICH, MICHAEL G.	01136X	X1225	LAN ADMINISTRATOR	Juneau	24	D	01	01	10	01	\$2,925.00
RAMOS, EVELYN A	019002	P4208	HUMAN RIGHTS FLD REP IV	Anchorage	20	K	01	01	37	02	\$2,565.50
RAMSEUR, DAVID S	01017X	X1156	DEPUTY CHIEF OF STAFF	Juneau	27	F	01	01	01	01	\$3,617.00
SCANDLING, BRUCE W	01071X	X0080	SPECIAL STAFF ASSISTANT	Juneau	24	D	01	01	01	01	\$2,925.00
SPENCER, DANIAL R.	01601X	X0713	CHIEF BUDGET ANALYST	Juneau	24	E	01	01	80	01	\$3,024.00
VEZINA, JOHN B	01072X	X0080	SPECIAL STAFF ASSISTANT	Juneau	24	D	01	01	01	01	\$2,925.00

Total Number of Employees	22
Current Total Annual Salary	\$1,536,828.00
Annual Salary at Range 21 Step F	\$1,345,080.00
Annual Difference	\$191,748.00

Executive Branch Division Directors
potentially affected by House Bill No. 74

Name	PCN	Class code	Title	Work location	Range	Step	Dept	Reg	Div	Sec	Semi-monthly Rate
ADAIR-SIMMONS, JANICE	187056	P1901	DIVISION DIRECTOR	Anchorage	26	J	18	01	01	01	\$3,615.00
ANGVIK, JANE R	101001	P1901	DIVISION DIRECTOR	Anchorage	26	C	10	20	04	99	\$3,126.50
BADGER, MARK O	023001	P1846	DIRECTOR, INFO TECHNOLOGY	Juneau	27	F	02	01	30	01	\$3,617.00
BARTON, SHARON L	021030	P1901	DIVISION DIRECTOR	Juneau	26	K	02	01	02	10	\$3,750.50
BELL, GUY B	028001	P1901	DIVISION DIRECTOR	Juneau	26	K	02	01	80	01	\$3,750.50
BISCHOFF, KENNETH E	124200	P1901	DIVISION DIRECTOR	Juneau	26	K	12	37	81	01	\$3,750.50
BOWERS, PAUL D	250153	P1900	DIVISION DIRECTOR	Anchorage	24	F	25	06	03	01	\$3,126.50
BOYD, KENNETH A	104100	P1901	DIVISION DIRECTOR	Anchorage	26	K	10	40	04	99	\$3,750.50
BRIGHAM, THOMAS B	250124	P1901	DIVISION DIRECTOR	Juneau	26	F	25	06	02	01	\$3,484.50
BRIMNER, KARL R	062001	P1901	DIVISION DIRECTOR	Juneau	26	B	06	01	02	01	\$3,024.00
BROOKS, KEVIN A	110201	P1901	DIVISION DIRECTOR	Juneau	26	F	11	01	84	01	\$3,484.50
BURKE, MARIANNE K	084001	P1901	DIVISION DIRECTOR	Juneau	26	F	08	01	40	01	\$3,484.50
BURROWS, KAY L	027001	P1901	DIVISION DIRECTOR	Anchorage	26	A	02	01	15	01	\$2,925.00
CALDWELL, ELLIS	252953	P1975	AIRPORT MANAGER ANCH	Anchorage	25	F	25	08	05	01	\$3,363.00
CARROLL, CAROL B	90020	P1901	DIVISION DIRECTOR	Juneau	26	C	09	02	02	01	\$3,126.50
CHASE, YVONNE M	213111	P1901	DIVISION DIRECTOR	Anchorage	26	F	21	01	03	01	\$3,484.50
CLARKEKENNEDY, JANET E	060500	P1901	DIVISION DIRECTOR	Juneau	26	K	06	01	05	01	\$3,750.50
CONWAY, MICHAEL A	187051	P1901	DIVISION DIRECTOR	Juneau	26	B	18	01	05	06	\$3,161.00
COOPER, ALLEN J	206001	P1901	DIVISION DIRECTOR	Anchorage	26	F	20	01	03	01	\$3,484.50
CRANE, KAREN R	053001	P1901	DIVISION DIRECTOR	Juneau	26	L	05	00	08	01	\$3,891.00
DELANEY, KEVIN J	114001	P1901	DIVISION DIRECTOR	Juneau	26	E	11	01	40	01	\$3,363.50
DICKINSON, DAN E	043047	P1901	DIVISION DIRECTOR	Anchorage	26	C	04	30	08	01	\$3,126.50
DIETRICK, LARRY V	187161	P1901	DIVISION DIRECTOR	Juneau	26	A	18	01	06	02	\$3,058.50
DOLL, ROBERT	252342	P1901	DIVISION DIRECTOR	Juneau	26	C	25	07	01	01	\$3,126.50
DWYER, ALAN W	074014	P1901	DIVISION DIRECTOR	Juneau	26	F	07	01	04	42	\$3,484.50
EASTON, DAN	187002	P1901	DIVISION DIRECTOR	Juneau	26	D	18	01	04	01	\$3,242.00
EBERLE, DAVID R	250373	P1901	DIVISION DIRECTOR	Anchorage	26	M	25	01	04	01	\$4,037.00
ELDER, FRANKLIN T	083021	P1901	DIVISION DIRECTOR	Juneau	26	A	08	01	30	01	\$3,015.50
ESPOSITO, FRED W	058001	P1901	DIVISION DIRECTOR	Seward	26	B	05	00	05	01	\$3,242.00
ESSARY, DAVID L	024001	P1901	DIVISION DIRECTOR	Juneau	26	F	02	01	40	04	\$3,484.50
FRANK, BARBARA A	187035	P1901	DIVISION DIRECTOR	Juneau	26	D	18	01	03	03	\$3,242.00
FREDRIKSSON, KURT A	187435	P1901	DIVISION DIRECTOR	Juneau	26	D	18	01	06	00	\$3,242.00
FRENCH, DUANE	052001	P1901	DIVISION DIRECTOR	Juneau	26	F	05	02	07	00	\$3,484.50
FRISBY, PERCY E	080401	P1901	DIVISION DIRECTOR	Anchorage	26	D	21	01	07	01	\$3,242.00

Exempt or Partially Exempt Employees in the Offices of Commissioners of Executive Branch Departments
potentially affected by House Bill No. 74

Name	PCN	Class code	Title	Work Location	Range	Step	Dept	Region	Div	Sec	Semi- monthly Rat
BENTON, DAVID	110169	P1951	DEP COMMISSIONER	Juneau	28	F	11	01	80	01	\$3,743.00
BOSWORTH, ROBERT G	110102	P1951	DEP COMMISSIONER	Juneau	28	F	11	01	80	01	\$3,743.00
BROWNFIELD, BOYD J	250005	P1951	DEP COMMISSIONER	Juneau	28	J	25	06	00	01	\$3,883.50
BRUCE, HERBERT G	110196	P1918	SPEC ASST TO THE COMM II	Juneau	23	F	11	01	80	01	\$2,925.00
BUSH, JEFFREY W	081031	P1951	DEP COMMISSIONER	Juneau	28	F	08	01	10	01	\$3,743.00
CHASE, JAMES H	090004	P1951	DEP COMMISSIONER	Juneau	28	A	09	01	05	01	\$3,126.50
COTTEN, LAMAR J	211003	P1951	DEP COMMISSIONER	Juneau	28	F	21	01	01	01	\$3,743.00
CROSS, RICHARD S	051004	P1951	DEP COMMISSIONER	Juneau	28	F	05	00	03	01	\$3,743.00
ELGEE, ALISON M	021011	P1951	DEP COMMISSIONER	Juneau	28	F	02	01	01	01	\$3,743.00
FAY, VIRGINIA F	081029	P1918	SPEC ASST TO THE COMM II	Juneau	23	C	08	01	10	01	\$2,631.50
KINNEY, ROSS A	045001	P1951	DEP COMMISSIONER	Juneau	28	F	04	01	03	01	\$3,743.00
KOIVUNIEMI, DAVID G	021147	P1980	ASST COMMISSIONER	Juneau	27	F	02	01	01	01	\$3,617.00
LINDSTROM, ELMER A	060289	P1918	SPEC ASST TO THE COMM II	Juneau	23	K	06	01	10	01	\$3,148.50
LIVEY, JAY A	060061	P1951	DEP COMMISSIONER	Juneau	28	J	06	01	10	01	\$3,883.50
LOWELL, DON	250007	P1918	SPEC ASST TO THE COMM II	Juneau	23	F	25	06	00	01	\$3,363.50
METCALFE-HELMAR, KIMBERLY L	21516X	X0211	SPECIAL ASSISTANT	Juneau	23	F	21	01	01	01	\$2,925.00
PARKAN, KURT	250008	P1951	DEP COMMISSIONER	Juneau	28	F	25	06	00	01	\$3,743.00
PARKER, WILLIAM K	200008	P1951	DEP COMMISSIONER	Anchorage	28	D	20	01	01	01	\$3,484.50
PENCE, GRETCHEN A	120108	P1918	SPEC ASST TO THE COMM II	Juneau	23	J	12	31	72	01	\$3,034.50
PERKINS, DWIGHT L	071002	P1951	DEP COMMISSIONER	Juneau	28	C	07	01	01	10	\$3,363.50
POSHARD, DENNIS R	252557	P1918	SPEC ASST TO THE COMM II	Juneau	23	F	25	06	00	01	\$2,925.00
RUTHERFORD, MARTY K	100081	P1951	DEP COMMISSIONER	Anchorage	28	K	10	02	04	99	\$4,029.00
SISK, JOHN B	110077	X0937	FED MGMT RESEARCH COORD	Juneau	23	B	11	01	80	01	\$2,631.50
SLAJER, VERONICA A	21318X	X0403	STAFF ASSISTANT	Juneau	21	M	21	01	01	01	\$2,951.50
SMITH, DELBERT W	120008	P1951	DEP COMMISSIONER	Juneau	28	F	12	31	72	01	\$3,743.00
SPIVEY, GEORGE R	200011	P1918	SPEC ASST TO THE COMM II	Juneau	23	C	20	01	01	01	\$2,631.50
VOGT, DEBORAH	043050	P1951	DEP COMMISSIONER	Juneau	28	F	04	01	02	01	\$3,743.00
WEBB, RUSSELL E	060268	P1951	DEP COMMISSIONER	Juneau	28	B	06	01	10	01	\$3,242.00

Executive Branch Division Directors
potentially affected by House Bill No. 74

GAMEZ, REBECCA N	075001	P1901	DIVISION DIRECTOR	Juneau	26	F	07	01	05	09	\$3,484.50
GARRETT, THOMAS C	082201	P1901	DIVISION DIRECTOR	Juneau	26	D	08	01	22	01	\$3,242.00
GLASS, JOHN D	123001	P1901	DIVISION DIRECTOR	Anchorage	26	F	12	02	07	01	\$3,484.50
GODFREY, GLENN G	121158	P1901	DIVISION DIRECTOR	Anchorage	26	K	12	14	51	01	\$3,750.50
GOODRICH, CRAIG P	122001	P1900	DIVISION DIRECTOR	Anchorage	24	D	12	06	16	01	\$2,925.00
GRIFFIN, DOUGLAS B	049001	P1901	DIVISION DIRECTOR	Anchorage	26	D	04	30	09	01	\$3,242.00
GROSSI, PAUL L	073001	P1901	DIVISION DIRECTOR	Juneau	26	F	07	01	03	31	\$3,484.50
HAYDEN, GARY L	253192	P1901	DIVISION DIRECTOR	Juneau	26	J	25	03	04	01	\$3,617.00
HENDERSON, REMOND	212001	P1901	DIVISION DIRECTOR	Juneau	26	L	21	01	02	01	\$3,891.00
HUBBARD, MARSHA A.	025001	P1901	DIVISION DIRECTOR	Juneau	26	A	02	01	50	01	\$2,925.00
JAHNKE, JEFFREY J	109001	P1901	DIVISION DIRECTOR	Juneau	26	B	10	30	48	99	\$3,024.00
JOHNSON, BRUCE F	056001	P1901	DIVISION DIRECTOR	Sitka	26	F	05	00	06	01	\$3,617.00
JONES, LOREN A	060274	P1901	DIVISION DIRECTOR	Juneau	26	J	06	01	07	01	\$3,615.00
JONES, NANJI A	046001	P1901	DIVISION DIRECTOR	Juneau	26	C	04	01	06	01	\$3,126.50
KOHN, JAMES L	027005	P1901	DIVISION DIRECTOR	Juneau	26	F	02	01	70	01	\$3,484.50
KORENEK, STEPHEN D	090123	P1901	DIVISION DIRECTOR	Anchorage	26	F	09	02	01	01	\$3,484.50
KOWALSKI, JANET L	116001	P1901	DIVISION DIRECTOR	Juneau	26	F	11	01	90	01	\$3,484.50
KULAWIK, EUGENE L	251212	P1901	DIVISION DIRECTOR	Anchorage	26	F	25	01	01	01	\$3,484.50
LABBE, ROBERT B	064001	P1901	DIVISION DIRECTOR	Juneau	26	F	06	01	06	01	\$3,484.50
LAWSON, THOMAS W	081101	P1901	DIVISION DIRECTOR	Juneau	26	E	08	01	11	01	\$3,363.50
LEFEBVRE, RICHARD A	101472	P1901	DIVISION DIRECTOR	Anchorage	26	F	10	20	04	99	\$3,638.00
LICCIOLI, DENISE L	071201	P1901	DIVISION DIRECTOR	Juneau	26	A	07	01	06	67	\$3,058.50
LIEBERSBACH, DAVID E	090050	P1901	DIVISION DIRECTOR	Fl. Richardson	26	A	09	01	04	88	\$3,058.50
LOEFFLER, ROBERT M	108251	P1901	DIVISION DIRECTOR	Anchorage	26	B	10	50	04	99	\$3,024.00
MARSHBURN, MARY C	04N21X	P1901	DIVISION DIRECTOR	Anchorage	26	A	04	30	02	02	\$2,925.00
MECUM, ROBERT D	115001	P1901	DIVISION DIRECTOR	Anchorage	26	C	11	01	10	01	\$3,126.50
MEYERS, LARRY E	043001	P1901	DIVISION DIRECTOR	Anchorage	26	K	04	30	05	05	\$3,750.50
MIKLOS, BARBARA J	047001	P1901	DIVISION DIRECTOR	Anchorage	26	F	04	30	07	15	\$3,484.50
MOSES, EDWARD	085055	P1901	DIVISION DIRECTOR	Anchorage	26	K	25	06	09	20	\$3,750.50
NAKAMURA, PETER	61001	P5268	DIRECTOR OF PUBLIC HEALTH	Juneau	29	F	06	01	01	30	\$3,875.00
NORDLUND, JAMES R	068158	P1901	DIVISION DIRECTOR	Juneau	26	D	06	01	04	01	\$3,242.00
PEEPLES, DWAYNE B	201001	P1901	DIVISION DIRECTOR	Juneau	26	D	20	01	01	04	\$3,242.00
PERKINS, LAURIE P	041001	P1901	DIVISION DIRECTOR	Juneau	26	B	04	01	01	05	\$3,024.00
PETE, MARY	110400	P1901	DIVISION DIRECTOR	Juneau	26	D	11	01	88	01	\$3,242.00
PILKINTON, JOHN E	043047	P1901	DIVISION DIRECTOR	Anchorage	26	F	04	30	08	01	\$3,484.50
PLUMB JR., MARTIN V	252554	P1980	ASSISTANT COMMISSIONER	Anch. Intl. Airport	27	F	25	08	05	01	\$3,617.00
POLAND, PATRICK K	216001	P1901	DIVISION DIRECTOR	Anchorage	26	F	21	01	06	01	\$3,484.50

