

SB

95

<TARGET><BILL>SB 95</BILL><SUBJECT>SB
95</SUBJECT><COMM>SFIN28</COMM></TARGET>

SENATE FINANCE COMMITTEE REPORT First Committee of Referral

DATE: 4/1/13

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 95

SB 95-STATE EMPLOYEE COMPENSATION AND BENEFITS

"An Act relating to the compensation, allowances, geographic differentials in pay, and leave of certain public officials, officers, and employees not covered by collective bargaining agreements; relating to certain petroleum engineers and petroleum geologists employed by the Department of Natural Resources; relating to increased pay for certain partially exempt employees of the state in specific circumstances; making conforming amendments; and providing for an effective date."

and recommends:

- be replaced with CS SB 95 (FIN) Same Title New Title
- adopt previous CS _____ (_____) Same Title New Title
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
LEG	\$			
CRT	\$			

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
GOV	\$			1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Hoffman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Olson	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Anna Fairclough	FAIRCLOUGH	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cluk Bishop	BISHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Dunleavy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CO-CHAIR:	Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CO-CHAIR:	Meyer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

FISCAL NOTE

STATE OF ALASKA
2013 LEGISLATIVE SESSION

Bill Version SB 95
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) SB95-LEG-LEG-04-01-13 Dept. Affected Legislative Branch
Title Compensation of Non-Covered Employees Appropriation Various
Allocation Various
Sponsor Rules by Request of the Governor
Requester Governor OMB Component Number _____

Expenditures/Revenues (Thousands of Dollars)

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

	FY14 Appropriation Requested	Included in Governor's FY14 Request	Out-Year Cost Estimates					
			FY14	FY15	FY16	FY17	FY18	FY19
OPERATING EXPENDITURES								
Personal Services	1,281.2		410.4	1,039.3				
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	1,281.2	0.0	410.4	1,039.3	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF	1,281.2	410.4	1,039.3				
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		1,281.2	0.0	410.4	1,039.3	0.0	0.0	0.0

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

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Estimated SUPPLEMENTAL (FY13) operating costs _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY14) costs _____ (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? _____
If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial Version

Prepared by Skiff Lobaugh, Human Resources Manager
Division Legislative Affairs Agency
Approved by Pamela Varni, Executive Director
Legislative Affairs Agency

Phone 465-6629
Date/Time 4/1/13 4:00 PM
Date 4/1/2013

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. SB 95

Analysis

SB 95 amends AS39.27 in two ways that will have fiscal impact for the Legislative Branch. The first being that the salary schedule in 39.27.011(a) is changed as follows: 1% increases in FY14 and FY15, and a 2.5% increase in FY16. The second is to the geographical differential set out in AS 39.27.020 (a). The geographical differential change will only affect FY14 and will then become part of the normal budgetary process in subsequent years. The overall impact for FY14 will be higher since it will include both the cost of living adjustment and the geographical adjustment as follows:

COLA FY14 = 405.3, Geo Dif FY14 = 875.9, Total for FY14 = 1,281.2

Each following fiscal year will only show the increase for COLA.

These increases do not apply to Legislators, as their salary is recommended by the State Officers Compensation Commission.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: SB 95
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB95-ACS-000-04-02-13
Title: STATE EMPLOYEE COMPENSATION AND BENEFITS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Alaska Court System

Department: Various
Appropriation: Various
Allocation: Court System
OMB Component Number:

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Personal Services	741.9		749.1	1,890.9			
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	741.9	0.0	749.1	1,890.9	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	741.9		749.1	1,890.9			
Total	741.9	0.0	749.1	1,890.9	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial version.

Prepared By: <u>Doug Wooliver for Christine Johnson</u>	Phone: <u>(907)463-4750</u>
Division: <u>Alaska Court System</u>	Date: <u>04/02/2013 11:30 AM</u>
Approved By: <u>Doug Wooliver for Christine Johnson</u>	Date: <u>04/02/13</u>
<u>Alaska Court System</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. SB 95

Analysis

This bill relates to the compensation, allowances, geographic differentials in pay and leave of certain public officials, officers, and employees not covered by collective bargaining agreements. The salary increases apply to all employees and judges in the judicial branch. The fiscal note reflects the cost for a salary increase of 1% beginning in FY14; 1% for FY15; and 2.5% for FY16. This schedule of increases is comparable to increases negotiated for the supervisory and general government units.

Following is a breakdown of the fiscal impacts by RDU:

Budget Unit	FY14	FY15	FY16
Appellate Courts	57.3	57.9	146.1
Trial Courts	589.8	595.5	1,503.0
Administration	79.9	80.6	203.7
Therapeutic Courts	5.4	5.5	13.8
Subtotal Alaska Court System	732.4	739.5	1,866.6
Judicial Council	7.0	7.1	17.9
Judicial Conduct	2.5	2.5	6.4
Total Judicial Branch	741.9	749.1	1,890.9

FISCAL NOTE

STATE OF ALASKA
2013 LEGISLATIVE SESSION

Bill Version SB 95
 Fiscal Note Number 1
 (S) Publish Date 4/1/13

Identifier (file name) 0101-OOG-OMB-3-25-2013 Dept. Affected _____ Executive Branch _____
 Title Compensation of Non-Covered Employees Appropriation Various
 Allocation Various
 Sponsor Rules by Request of the Governor
 Requester Governor OMB Component Number _____

Expenditures/Revenues (Thousands of Dollars)

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

	FY14 Appropriation Requested	Included in Governor's FY14 Request	Out-Year Cost Estimates					
			FY14	FY15	FY16	FY17	FY18	FY19
OPERATING EXPENDITURES								
Personal Services	8,085.9		4,645.6	10,253.2				
Travel								
Services	86.0		176.2	390.8				
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	8,171.9	0.0	4,821.8	10,644.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)						
		FY14	FY15	FY16	FY17	FY18	FY19	
1002	Federal Receipts	745.4	310.1	687.9				
1003	GF Match	48.1	26.4	58.7				
1004	GF	4,623.5	2,220.0	4,873.1				
1005	GF/Prgm (DGF)	106.7	65.4	144.5				
1037	GF/MH (UGF)	48.8	63.0	139.9				
1178	temp code (UGF)	2,599.4	2,136.9	4,739.9				
	TOTAL	8,171.9	0.0	4,821.8	10,644.0	0.0	0.0	

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated **SUPPLEMENTAL (FY13) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY14) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? _____
 If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version.

Prepared by Lena Simmons, Operating Budget Coordinator
 Division Office of Management and Budget
 Approved by Karen Rehfeld, Director
Office of Management and Budget

Phone (907) 465-2697
 Date/Time 3/25/13 9:30 AM
 Date 3/25/2013

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. SB 95

Analysis

This bill relates to the compensation, allowances, geographic differentials in pay, and leave of certain public officials, officers, and employees not covered by collective bargaining agreements, and relates to certain petroleum engineers and petroleum geologists employed by the Department of Natural Resources .

To determine the cost impacts of this bill, we first looked at the impact resulting from the Cost of Living adjustment that would take place for the Non-Covered Executive Branch employees for the years FY2014 through FY2016. Beginning in FY2014, salaries are increased by 1.0%; in FY2015 an additional 1.0%; and in FY2016 an additional 2.5%. This salary schedule matches the recently negotiated agreement that was reached between the state and the supervisory and the general government units.

We then looked at the cost of living geographical pay differential. A study of this was conducted for the state by the McDowell Group in late 2008 in accordance with AS 39.27.030. After the study was completed, the state engaged in collective bargaining with the unions representing state employees and reached agreements updating the geographic differential rates provided in collective bargaining agreements in order to bring them in line with current cost-of-living data obtained through the study. This bill seeks to amend AS 39.27.020 to provide geographic pay differentials for "non-covered" state employees in the classified and partially exempt services and legislative branch employees (excluding employees of the House and Senate) consistent with the rates negotiated for state employees in the majority of collective bargaining agreements.

Many of the geographic pay differential rates found in AS 39.27.020 are inaccurate and no longer reflect the true cost-of-living in many communities throughout the state. Amending the statute brings "non-covered" employees in line with the geographic pay differential rates of employees covered by collective bargaining agreements. In addition, the election districts listed in the current statute are no longer the best practice in terms of implementing geographic pay differential rates in that significant variation in the cost of living exists within election districts.

This bill also provides that any state employee who would otherwise have their geographic pay differential reduced based on the new geographic pay differentials established under AS 39.27.020 will instead have their current pay rate frozen for so long as the employee remains at the employee's current duty station or until salary increases or changes in the employee's position result in a higher salary than that received under the former geographic pay rate. This provision does not apply to employees who are demoted for cause or who accept a voluntary demotion. However, an employee who is demoted for cause or accepts a voluntary demotion will continue to receive the pay differential solely as a result of the location of the employee's duty station as of June 30, 2013 providing it remains unchanged.

The amounts provided are based on FY2014 salaries and includes the 1% COLA increase recently introduced. Note: Although employees in the exempt service are not subject to AS 39.27.011, and therefore AS 39.27.020, it is the pay plan from which many exempt employees are paid. This fiscal note includes the cost of implementation for the exempt service.

Section 5 removes language from AS 39.25.110(14) that makes an exception to exempt petroleum geologists employed by the Division of Geological and Geophysical Surveys (DGGS). The bill would permit DGGS to hire the Energy Resources section chief (Geologist V) at the same pay scale as its DNR counterparts, thus improving the ability to recruit for and retain an experienced senior geologist to perform critical resource evaluation work for the state at the required technical level.

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. SB 95

Analysis Continued

The State has attempted to recruit for this position but has been unable to attract and retain candidates with petroleum industry experience at current pay scales in this non-exempt classification.

The amounts shown in FY2015 and FY2016 include the incremental increases of the COLA.

For FY2014 the amounts include the COLA and the geographical cost differential. The amount breaks down as follows:

Cost of Living Adjustment:	\$2,333.3
Geographical Differential:	\$5,797.4
Dept. of Natural Resources (Petroleum Engineers/Geologists):	<u>\$41.2</u>
Total:	\$8,171.9

All of the electronic transactions have been transmitted to the Legislative Finance Division. A report showing amounts per department for FY2014 is attached.

Operating Budget - UGF/DGF/Other/Fed Summary by Department

LL 0101-OOG-OMB-3-25-2013

Scenario: FY2014 PS 0101-OOG-OMB (10636)

Department	UGF	DGF	Other	Federal	Total	PFT	PPT	NP Positions	Total
Department of Administration	1,425.2	40.1	134.0	1.2	1,600.5	0	0	0	0
Department of Commerce, Community, and Economic Development	99.1	162.6	124.1	0.7	386.5	0	0	0	0
Department of Corrections	55.9	0.0	0.0	0.0	55.9	0	0	0	0
Department of Education and Early Development	101.9	0.0	389.8	51.1	542.8	0	0	0	0
Department of Environmental Conservation	25.5	15.9	1.1	14.7	57.2	0	0	0	0
Department of Fish and Game	66.5	190.4	34.4	8.8	300.1	0	0	0	0
Office of the Governor	682.0	0.0	6.7	0.8	689.5	0	0	0	0
Department of Health and Social Services	132.3	5.2	72.5	50.6	260.6	0	0	0	0
Department of Labor and Workforce Development	46.7	18.3	26.5	35.0	126.5	0	0	0	0
Department of Law	1,442.3	9.0	358.6	1.1	1,811.0	0	0	0	0
Department of Military and Veterans Affairs	293.3	0.0	70.7	2.1	366.1	0	0	0	0
Department of Natural Resources	133.3	0.9	77.3	0.0	211.5	0	0	0	0
Department of Public Safety	42.3	7.5	2.6	0.0	52.4	0	0	0	0
Department of Revenue	123.3	12.1	785.1	588.1	1,508.6	0	0	0	0
Department of Transportation/Public Facilities	50.8	29.0	122.9	0.0	202.7	0	0	0	0
Total:	4,720.4	491.0	2,206.3	754.2	8,171.9	0	0	0	0

CS FOR SENATE BILL NO. 95(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the compensation, allowances, geographic differentials in pay, and**
2 **leave of certain public officials, officers, and employees not covered by collective**
3 **bargaining agreements; relating to the compensation and geographic differentials in pay**
4 **of certain justices and judges; relating to certain petroleum engineers and petroleum**
5 **geologists employed by the Department of Natural Resources; relating to increased pay**
6 **for certain partially exempt employees of the state in specific circumstances; making**
7 **conforming amendments; and providing for an effective date."**

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

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

10 (c) In addition to the monthly salary, each justice is entitled to receive a
11 geographic cost-of-living adjustment each year on \$100,000 of the justice's annual
12 base salary for that year [UNDER AS 22.35.010], based on the location of the
13 primary office assignment. The commissioner of administration shall calculate the

1 geographic cost-of-living adjustment based on the geographic pay differentials
 2 established under AS 39.27.020(a). Retirement contributions and benefits shall be
 3 computed only on the monthly base salary not including the geographic cost-of-living
 4 adjustment.

5 * **Sec. 2.** AS 22.10.190(c) is amended to read:

6 (c) In addition to the monthly salary, each superior court judge is entitled to
 7 receive a geographic cost-of-living adjustment each year on \$100,000 of the judge's
 8 annual base salary for that year [UNDER AS 22.35.010], based on the location of
 9 the primary office assignment. The commissioner of administration shall calculate
 10 the geographic cost-of-living adjustment based on the geographic pay
 11 differentials established under AS 39.27.020(a). Retirement contributions and
 12 benefits shall be computed only on the monthly base salary not including the
 13 geographic cost-of-living adjustment.

14 * **Sec. 3.** AS 22.15.220(d) is amended to read:

15 (d) In addition to the monthly salary, each district court judge is entitled to
 16 receive a geographic cost-of-living adjustment each year on \$100,000 of the judge's
 17 annual base salary for that year [UNDER AS 22.35.010], based on the location of
 18 the primary office assignment. The commissioner of administration shall calculate
 19 the geographic cost-of-living adjustment based on the geographic pay
 20 differentials established under AS 39.27.020(a). Retirement contributions and
 21 benefits shall be computed only on the monthly base salary not including the
 22 geographic cost-of-living adjustment.

23 * **Sec. 4.** AS 39.20.200(a) is amended to read:

24 (a) Officers and employees of the state employed before July 1, 2013, are
 25 entitled to personal leave with pay that accrues as follows:

26 (1) two days for each full monthly pay period in the case of officers
 27 and employees with less than two years of service;

28 (2) two and one-quarter days for each full monthly pay period in the
 29 case of officers and employees with two but less than five years of service;

30 (3) two and one-half days for each full monthly pay period in the case
 31 of officers and employees with five but less than 10 years of service;

1 (4) three days for each full monthly pay period in the case of officers
2 and employees with 10 years or more of service.

3 * **Sec. 5.** AS 39.20.200 is amended by adding a new subsection to read:

4 (c) Officers and employees of the state employed on or after July 1, 2013, are
5 entitled to personal leave with pay that accrues as follows:

6 (1) one and three-quarters days for each full monthly pay period in the
7 case of officers and employees with less than two years of service;

8 (2) two days for each full monthly pay period in the case of officers
9 and employees with two but less than five years of service;

10 (3) two and one-quarter days for each full monthly pay period in the
11 case of officers and employees with five but less than 10 years of service;

12 (4) two and one-half days for each full monthly pay period in the case
13 of officers and employees with 10 but less than 15 years of service;

14 (5) three days for each full monthly pay period in the case of officers
15 and employees with 15 years or more of service.

16 * **Sec. 6.** AS 39.20.225(c) is amended to read:

17 (c) **Except as otherwise provided in this section, each** [EACH] officer **or**
18 [AND] employee shall, during each 12-month period, take at least **10** [FIVE] days of
19 personal leave. If the officer or employee does not take at least **10** [FIVE] days of
20 personal leave during a 12-month period, the difference between **10** [FIVE] days and
21 the amount of personal leave taken shall be canceled without pay unless the
22 department or agency head certifies in writing that the officer or employee was denied
23 the opportunity to take **10** [FIVE] days of personal leave during the 12-month period.

24 * **Sec. 7.** AS 39.20.240 is amended to read:

25 **Sec. 39.20.240. Accumulation of personal leave.** Except as provided in
26 AS 39.20.225(c) **and this section,** personal leave that is not taken by an officer or
27 employee during a 12-month period accumulates for use in succeeding 12-month
28 periods.

29 * **Sec. 8.** AS 39.20.240 is amended by adding new subsections to read:

30 (b) Notwithstanding (a) of this section, an officer or employee may not
31 accumulate more than 1,000 hours of personal leave at the end of each 12-month

1 period for use in succeeding 12-month periods.

2 (c) The personnel board may adopt regulations to allow an exemption from the
 3 requirements of (b) of this section if the department or agency head certifies in writing
 4 that the officer or employee accumulated more than 1,000 hours of leave at the end of
 5 a 12-month period because the officer or employee was denied the opportunity to use
 6 personal leave.

7 (d) Each officer or employee who has a balance of accumulated personal leave
 8 in excess of 400 hours on December 16, 2013, shall, until that balance becomes 400
 9 hours or less,

10 (1) be exempt from the limitation under (b) of this section; or

11 (2) take at least 15 days of personal leave during each 12-month
 12 period.

13 * **Sec. 9.** AS 39.25.110(14) is amended to read:

14 (14) petroleum engineers and petroleum geologists employed in a
 15 professional capacity by the Department of Natural Resources and by the Alaska Oil
 16 and Gas Conservation Commission [, EXCEPT FOR THOSE EMPLOYED IN THE
 17 DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS IN THE
 18 DEPARTMENT OF NATURAL RESOURCES];

19 * **Sec. 10.** AS 39.27.011(a) is repealed and reenacted to read:

20 (a) The following monthly basic salary schedule is approved as the pay plan
 21 for classified and partially exempt employees in the executive branch of the state
 22 government who are not members of a collective bargaining unit established under the
 23 authority of AS 23.40.070 - 23.40.260 (Public Employment Relations Act), and for
 24 employees of the legislature under AS 24:

25 Range	Step	Step	Step	Step	Step	Step
26 No.	A	B	C	D	E	F
27 5	2,151	2,211	2,273	2,339	2,408	2,471
28 6	2,273	2,339	2,408	2,471	2,543	2,619
29 7	2,408	2,471	2,543	2,619	2,698	2,785
30 8	2,543	2,619	2,698	2,785	2,864	2,951
31 9	2,698	2,785	2,864	2,951	3,046	3,133

1	10	2,864	2,951	3,046	3,133	3,229	3,323
2	11	3,046	3,133	3,229	3,323	3,436	3,545
3	12	3,229	3,323	3,436	3,545	3,665	3,790
4	13	3,436	3,545	3,665	3,790	3,922	4,061
5	14	3,665	3,790	3,922	4,061	4,204	4,363
6	15	3,922	4,061	4,204	4,363	4,503	4,672
7	16	4,204	4,363	4,503	4,672	4,841	5,011
8	17	4,503	4,672	4,841	5,011	5,184	5,361
9	18	4,841	5,011	5,184	5,361	5,527	5,737
10	19	5,184	5,361	5,527	5,737	5,917	6,133
11	20	5,527	5,737	5,917	6,133	6,318	6,551
12	21	5,917	6,133	6,318	6,551	6,752	6,997
13	22	6,318	6,551	6,752	6,997	7,225	7,483
14	23	6,752	6,997	7,225	7,483	7,733	8,022
15	24	7,225	7,483	7,733	8,022	8,289	8,569
16	25	7,733	8,022	8,289	8,569	8,879	9,210
17	26	8,022	8,289	8,569	8,879	9,210	9,541
18	27	8,289	8,569	8,879	9,210	9,541	9,900
19	28	8,569	8,879	9,210	9,541	9,900	10,244
20	29	8,879	9,210	9,541	9,900	10,244	10,606
21	30	9,210	9,541	9,900	10,244	10,606	10,979

22 * **Sec. 11.** AS 39.27.011(e) is amended to read:

23 (e) Effective July 1, 2014 [2011], the amounts set out in the salary schedule
24 contained in (a) of this section are increased by one [TWO] percent.

25 * **Sec. 12.** AS 39.27.011(f) is amended to read:

26 (f) Effective July 1, 2015 [2012], the amounts set out in the salary schedule
27 contained in (a) of this section, as increased under (e) of this section, are increased by
28 2.5 [TWO] percent.

29 * **Sec. 13.** AS 39.27.011(h) is amended to read:

30 (h) Pay increments, computed at the rate of 3.25 [3.75] percent of the
31 employee's base salary, shall be provided after an employee has remained in the final

1 step within a given range for two years, and every two years thereafter, if, at the time
 2 the employee becomes eligible for the increment, the employee's current annual rating
 3 by the employee's supervisors is designated as "good" or higher.

4 * **Sec. 14.** AS 39.27.011 is amended by adding a new subsection to read:

5 (k) Notwithstanding (a) - (j) of this section, the governor or a designee of the
 6 governor may, on a case-by-case basis, authorize for a partially exempt employee in
 7 the executive branch a higher pay than Step F. The authorization must be based on a
 8 determination that the action serves a critical governmental interest of the state, the
 9 employee possesses exceptional qualifications, recruitment difficulties exist, or the
 10 action is necessary due to competitive salaries in the relevant labor market. A
 11 determination made under this subsection must be in writing.

12 * **Sec. 15.** AS 39.27.020 is repealed and reenacted to read:

13 **Sec. 39.27.020. Geographic pay differentials.** (a) The following geographic
 14 pay differentials established as a percentage above the basic salary schedule provided
 15 in AS 39.27.011 are approved as an amendment to the basic salary schedule provided
 16 in AS 39.27.011:

	Geographic Pay
Duty Station	Differential
19 Anchor Point	0
20 Anchorage	0
21 Anchorage International Airport	0
22 Aniak	50
23 Anvik	50
24 Auke Bay	5
25 Barrow	50
26 Bethel	50
27 Camp Carroll	0
28 Cantwell	0
29 Chena River	3
30 Chignik	50
31 Chitina	0

1	Cold Bay	50
2	Coldfoot Camp	37
3	Cooper Landing	0
4	Cordova	11
5	Craig	0
6	Crown Point	0
7	Deadhorse	50
8	Delta Junction	0
9	Denali	0
10	Dillingham	37
11	Douglas	5
12	Dutch Harbor	60
13	Eagle	0
14	Eagle River	0
15	Eielson Air Force Base	3
16	Elfin Cove	0
17	Elmendorf Air Force Base	0
18	Emmonak	50
19	Fairbanks	3
20	Finger Lake	0
21	Fort Richardson	0
22	Fort Wainwright	3
23	Fort Yukon	37
24	Gakona	0
25	Galena	37
26	Girdwood	0
27	Glennallen	0
28	Gustavus	0
29	Haines	0
30	Harding Lake	3
31	Healy	0

1	Homer	0
2	Hoonah	0
3	Iliamna	50
4	Juneau	5
5	Kaltag	50
6	Kenai	0
7	Ketchikan	0
8	King Cove	50
9	King Salmon	50
10	Klawock	0
11	Kodiak	11
12	Kotzebue	60
13	Mackenzie Point	0
14	Matanuska	0
15	McGrath	37
16	Mount Edgecumbe	5
17	Nancy	0
18	Nenana	0
19	Nikiski	0
20	Ninilchik	0
21	Nome	37
22	Northway	0
23	Palmer	0
24	Pelican	0
25	Petersburg	0
26	Point Alsworth	50
27	Port Moller	50
28	Saint Mary's	50
29	Sand Point	50
30	Selawik	60
31	Seward	0

1	Sitka	5
2	Skagway	0
3	Soldotna	0
4	Sterling	0
5	Sutton	0
6	Talkeetna	0
7	Tazlina	0
8	Tenakee Springs	0
9	Tok	0
10	Trapper Creek	0
11	Unalakleet	50
12	Unalaska	60
13	Valdez	11
14	Wasilla	0
15	Whittier	0
16	Willow	0
17	Wrangell	0
18	Yakutat	0
19	Other states	0

20 (b) If an employee's duty station is not included in (a) of this section and is not
 21 in a foreign country, the commissioner of administration shall establish by regulation
 22 the appropriate geographic pay differential. The regulations are not subject to
 23 AS 44.62 (Administrative Procedure Act).

24 (c) The commissioner of administration shall establish geographic pay
 25 differentials for positions in foreign countries. The differentials shall be adjusted
 26 annually, effective July 1, to maintain equity between salaries for positions in foreign
 27 countries and salaries for positions in the state.

28 * **Sec. 16.** AS 39.27.030 is repealed and reenacted to read:

29 **Sec. 39.27.030. Geographic pay differential survey.** Subject to appropriation,
 30 the director of the division of personnel shall conduct a survey, at least every five
 31 years, to review the geographic pay differentials under AS 39.27.020. The survey may

1 address factors the director determines are relevant to review state salary schedules,
 2 entitlements for beneficiaries of state programs, and payments for state service
 3 providers. The survey must reflect the cost of living for duty stations in the state or
 4 outside of the state by using the cost of living in Anchorage, Alaska, as a base.

5 * **Sec. 17.** AS 39.35.675(d) is amended to read:

6 (d) In this section, "cost-of-living differential" means an adjustment to salary
 7 based on the cost of living in the geographic region where the employee works and
 8 includes a geographic pay [STEP] differential under AS 39.27.020.

9 * **Sec. 18.** AS 44.31.020 is amended to read:

10 **Sec. 44.31.020. Duties of department.** The Department of Labor and
 11 Workforce Development shall

12 (1) enforce the laws and adopt regulations under them concerning
 13 employer-employee relationships, including the safety, hours of work, wages, and
 14 conditions of workers, including children;

15 (2) accumulate, analyze, and report labor statistics;

16 (3) operate systems of workers' compensation and unemployment
 17 insurance;

18 (4) gather data reflecting the cost of living in [THE] various locations
 19 [ELECTION DISTRICTS] of the state upon request of the director of personnel under
 20 AS 39.27.030 [; IN THIS PARAGRAPH, "ELECTION DISTRICT" HAS THE
 21 MEANING GIVEN IN AS 39.27.020(b)];

22 (5) operate the federally funded employment and training programs
 23 under 29 U.S.C. 2801 - 2945 (Workforce Investment Act of 1998);

24 (6) administer the state's program of adult basic education and adopt
 25 regulations to administer the program; and

26 (7) administer the programs of the Alaska Vocational Technical Center
 27 and adopt regulations to administer the programs, including regulations that set rates
 28 for student tuition and room and board and fees for the programs and services
 29 provided by the department regarding the Alaska Vocational Technical Center.

30 * **Sec. 19.** AS 22.35.010 and AS 39.27.045 are repealed.

31 * **Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 SALARY ADJUSTMENTS FOR CERTAIN EXEMPT OFFICERS AND
3 EMPLOYEES OF THE EXECUTIVE BRANCH. The salary adjustments under
4 AS 39.27.011(a), as repealed and reenacted by sec. 10 of this Act, and under AS 39.27.011(e)
5 and (f), as amended by secs. 11 and 12 of this Act, apply to public officers who are in the
6 exempt service under AS 39.25.110 and who are not members of a collective bargaining unit
7 established under AS 23.40.070 - 23.40.260 (Public Employment Relations Act) or otherwise
8 covered by AS 39.27.011(a). In this section, "public officers" includes the heads of principal
9 departments of the executive branch and permanent and temporary employees in the
10 executive branch, not including the governor and the lieutenant governor.

11 * **Sec. 21.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 SALARY ADJUSTMENTS FOR CERTAIN EMPLOYEES OF THE JUDICIAL
14 BRANCH. (a) The salary adjustments under AS 39.27.011(a), as repealed and reenacted by
15 sec. 10 of this Act, and under AS 39.27.011(e) and (f), as amended by secs. 11 and 12 of this
16 Act, apply to permanent and temporary employees and magistrates in the judicial branch of
17 the state government, other than justices and judges, who are not members of a collective
18 bargaining unit established under AS 23.40.070 - 23.40.260 (Public Employment Relations
19 Act) and who are not otherwise covered by AS 39.27.011(a).

20 (b) Justices of the supreme court and judges of the court of appeals and the superior
21 and district courts are entitled to receive salary adjustments provided for in secs. 10 - 12 of
22 this Act in accordance with AS 22.05.140(d), AS 22.07.090(c), AS 22.10.190(d), and
23 AS 22.15.220(e).

24 * **Sec. 22.** The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 SALARY INCREASES FOR CERTAIN EMPLOYEES OF THE UNIVERSITY OF
27 ALASKA. The employees of the University of Alaska who are not members of a collective
28 bargaining unit are entitled to receive salary increases in accordance with the compensation
29 policy of the Board of Regents of the University of Alaska.

30 * **Sec. 23.** The uncodified law of the State of Alaska is amended by adding a new section to
31 read:

1 APPLICABILITY. Section 14 of this Act applies to a partially exempt employee of
2 the state in the executive branch hired before, on, or after the effective date of sec. 14 of this
3 Act.

4 * **Sec. 24.** The uncodified law of the State of Alaska is amended by adding a new section to
5 read:

6 TRANSITION: GEOGRAPHIC PAY DIFFERENTIAL FOR CERTAIN JUSTICES,
7 JUDGES, AND STATE EMPLOYEES. (a) If a state employee, including a justice or judge,
8 employed on the effective date of sec. 15 of this Act would have the employee's pay lowered
9 as a result of changes to AS 39.27.020, as repealed and reenacted by sec. 16 of this Act, the
10 state may not lower the employee's pay as a result of those changes. However, the pay of a
11 state employee described in this subsection may not be raised as long as the employee remains
12 in the job and duty station that the employee was employed in on the effective date of sec. 15
13 of this Act, unless the employee is entitled to a pay raise irrespective of the changes to
14 AS 39.27.020, as repealed and reenacted by sec. 15 of this Act.

15 (b) The geographic pay differentials under AS 39.27.020, as repealed and reenacted
16 by sec. 15 of this Act, do not apply to the pay of an employee whose pay is reduced because
17 of a demotion for cause or a voluntary demotion, and (a) of this section does not apply, as
18 long as the employee remains at the job and duty station that the employee was employed in
19 on the effective date of sec. 15 of this Act.

20 (c) If the pay for a position of an employee described in (a) of this section is lowered
21 by the reclassification of the position, the employee remains subject to (a) of this section as
22 long as the employee continues to remain at the job and duty station that the employee was
23 employed in on the effective date of sec. 15 of this Act.

24 * **Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 TRANSITION: REGULATIONS. The commissioner of administration or the
27 personnel board may immediately adopt regulations necessary to implement the respective
28 changes made by this Act. The regulations are not subject to AS 44.62 (Administrative
29 Procedure Act). The regulations may take effect after the effective date of the law
30 implementing the regulation.

31 * **Sec. 26.** Sections 6 - 8 of this Act take effect December 16, 2013.

- 1 * **Sec. 27.** Section 13 of this Act takes effect July 1, 2015.
- 2 * **Sec. 28.** Section 25 of this Act takes effect immediately under AS 01.10.070(c).
- 3 * **Sec. 29.** Except as provided in secs. 26 - 28 of this Act, this Act takes effect July 1, 2013.

ADOPTED 9/8/13

28-GS1101U
Wayne
4/7/13

CS FOR SENATE BILL NO. 95()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the compensation, allowances, geographic differentials in pay, and
2 leave of certain public officials, officers, and employees not covered by collective
3 bargaining agreements; relating to the compensation and geographic differentials in pay
4 of certain justices and judges; relating to certain petroleum engineers and petroleum
5 geologists employed by the Department of Natural Resources; relating to increased pay
6 for certain partially exempt employees of the state in specific circumstances; making
7 conforming amendments; and providing for an effective date."

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

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

10 (c) In addition to the monthly salary, each justice is entitled to receive a
11 geographic cost-of-living adjustment each year on \$100,000 of the justice's annual
12 base salary for that year [UNDER AS 22.35.010], based on the location of the
13 primary office assignment. The commissioner of administration shall calculate the

1 geographic cost-of-living adjustment based on the geographic pay differentials
2 established under AS 39.27.020(a). Retirement contributions and benefits shall be
3 computed only on the monthly base salary not including the geographic cost-of-living
4 adjustment.

5 * Sec. 2. AS 22.10.190(c) is amended to read:

6 (c) In addition to the monthly salary, each superior court judge is entitled to
7 receive a geographic cost-of-living adjustment each year on \$100,000 of the judge's
8 annual base salary for that year [UNDER AS 22.35.010], based on the location of
9 the primary office assignment. The commissioner of administration shall calculate
10 the geographic cost-of-living adjustment based on the geographic pay
11 differentials established under AS 39.27.020(a). Retirement contributions and
12 benefits shall be computed only on the monthly base salary not including the
13 geographic cost-of-living adjustment.

14 * Sec. 3. AS 22.15.220(d) is amended to read:

15 (d) In addition to the monthly salary, each district court judge is entitled to
16 receive a geographic cost-of-living adjustment each year on \$100,000 of the judge's
17 annual base salary for that year [UNDER AS 22.35.010], based on the location of
18 the primary office assignment. The commissioner of administration shall calculate
19 the geographic cost-of-living adjustment based on the geographic pay
20 differentials established under AS 39.27.020(a). Retirement contributions and
21 benefits shall be computed only on the monthly base salary not including the
22 geographic cost-of-living adjustment.

23 * Sec. 4. AS 39.20.200(a) is amended to read:

24 (a) Officers and employees of the state employed before July 1, 2013, are
25 entitled to personal leave with pay that accrues as follows:

26 (1) two days for each full monthly pay period in the case of officers
27 and employees with less than two years of service;

28 (2) two and one-quarter days for each full monthly pay period in the
29 case of officers and employees with two but less than five years of service;

30 (3) two and one-half days for each full monthly pay period in the case
31 of officers and employees with five but less than 10 years of service;

1 (4) three days for each full monthly pay period in the case of officers
2 and employees with 10 years or more of service.

3 * **Sec. 5.** AS 39.20.200 is amended by adding a new subsection to read:

4 (c) Officers and employees of the state employed on or after July 1, 2013, are
5 entitled to personal leave with pay that accrues as follows:

6 (1) one and three-quarters days for each full monthly pay period in the
7 case of officers and employees with less than two years of service;

8 (2) two days for each full monthly pay period in the case of officers
9 and employees with two but less than five years of service;

10 (3) two and one-quarter days for each full monthly pay period in the
11 case of officers and employees with five but less than 10 years of service;

12 (4) two and one-half days for each full monthly pay period in the case
13 of officers and employees with 10 but less than 15 years of service;

14 (5) three days for each full monthly pay period in the case of officers
15 and employees with 15 years or more of service.

16 * **Sec. 6.** AS 39.20.225(c) is amended to read:

17 (c) Except as otherwise provided in this section, each [EACH] officer or
18 [AND] employee shall, during each 12-month period, take at least 10 [FIVE] days of
19 personal leave. If the officer or employee does not take at least 10 [FIVE] days of
20 personal leave during a 12-month period, the difference between 10 [FIVE] days and
21 the amount of personal leave taken shall be canceled without pay unless the
22 department or agency head certifies in writing that the officer or employee was denied
23 the opportunity to take 10 [FIVE] days of personal leave during the 12-month period.

24 * **Sec. 7.** AS 39.20.240 is amended to read:

25 **Sec. 39.20.240. Accumulation of personal leave.** Except as provided in AS
26 39.20.225(c) and this section, personal leave that is not taken by an officer or
27 employee during a 12-month period accumulates for use in succeeding 12-month
28 periods.

29 * **Sec. 8.** AS 39.20.240 is amended by adding new subsections to read:

30 (b) Notwithstanding (a) of this section, an officer or employee may not
31 accumulate more than 1,000 hours of personal leave at the end of each 12-month

1 period for use in succeeding 12-month periods.

2 (c) The personnel board may adopt regulations to allow an exemption from the
3 requirements of (b) of this section if the department or agency head certifies in writing
4 that the officer or employee accumulated more than 1,000 hours of leave at the end of
5 a 12-month period because the officer or employee was denied the opportunity to use
6 personal leave.

7 (e) Each officer or employee who has a balance of accumulated personal leave
8 in excess of 400 hours on December 16, 2013, shall, until that balance becomes 400
9 hours or less,

- 10 (1) be exempt from the limitation under (b) of this section; or
- 11 (2) take at least 15 days of personal leave during each 12-month
- 12 period.

13 * **Sec. 9.** AS 39.25.110(14) is amended to read:

14 (14) petroleum engineers and petroleum geologists employed in a
15 professional capacity by the Department of Natural Resources and by the Alaska Oil
16 and Gas Conservation Commission [, EXCEPT FOR THOSE EMPLOYED IN THE
17 DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS IN THE
18 DEPARTMENT OF NATURAL RESOURCES];

19 * **Sec. 10.** AS 39.27.011(a) is repealed and reenacted to read:

20 (a) The following monthly basic salary schedule is approved as the pay plan
21 for classified and partially exempt employees in the executive branch of the state
22 government who are not members of a collective bargaining unit established under the
23 authority of AS 23.40.070 - 23.40.260 (Public Employment Relations Act), and for
24 employees of the legislature under AS 24:

25	Range	Step	Step	Step	Step	Step	Step
26	No.	A	B	C	D	E	F
27	5	2,151	2,211	2,273	2,339	2,408	2,471
28	6	2,273	2,339	2,408	2,471	2,543	2,619
29	7	2,408	2,471	2,543	2,619	2,698	2,785
30	8	2,543	2,619	2,698	2,785	2,864	2,951
31	9	2,698	2,785	2,864	2,951	3,046	3,133

1	10	2,864	2,951	3,046	3,133	3,229	3,323
2	11	3,046	3,133	3,229	3,323	3,436	3,545
3	12	3,229	3,323	3,436	3,545	3,665	3,790
4	13	3,436	3,545	3,665	3,790	3,922	4,061
5	14	3,665	3,790	3,922	4,061	4,204	4,363
6	15	3,922	4,061	4,204	4,363	4,503	4,672
7	16	4,204	4,363	4,503	4,672	4,841	5,011
8	17	4,503	4,672	4,841	5,011	5,184	5,361
9	18	4,841	5,011	5,184	5,361	5,527	5,737
10	19	5,184	5,361	5,527	5,737	5,917	6,133
11	20	5,527	5,737	5,917	6,133	6,318	6,551
12	21	5,917	6,133	6,318	6,551	6,752	6,997
13	22	6,318	6,551	6,752	6,997	7,225	7,483
14	23	6,752	6,997	7,225	7,483	7,733	8,022
15	24	7,225	7,483	7,733	8,022	8,289	8,569
16	25	7,733	8,022	8,289	8,569	8,879	9,210
17	26	8,022	8,289	8,569	8,879	9,210	9,541
18	27	8,289	8,569	8,879	9,210	9,541	9,900
19	28	8,569	8,879	9,210	9,541	9,900	10,244
20	29	8,879	9,210	9,541	9,900	10,244	10,606
21	30	9,210	9,541	9,900	10,244	10,606	10,979

22 * **Sec. 11.** AS 39.27.011(e) is amended to read:

23 (e) Effective July 1, 2014 [2011], the amounts set out in the salary schedule
24 contained in (a) of this section are increased by one [TWO] percent.

25 * **Sec. 12.** AS 39.27.011(f) is amended to read:

26 (f) Effective July 1, 2015 [2012], the amounts set out in the salary schedule
27 contained in (a) of this section, as increased under (e) of this section, are increased by
28 2.5 [TWO] percent.

29 * **Sec. 13.** AS 39.27.011(h) is amended to read:

30 (h) Pay increments, computed at the rate of 3.25 [3.75] percent of the
31 employee's base salary, shall be provided after an employee has remained in the final

1 step within a given range for two years, and every two years thereafter, if, at the time
 2 the employee becomes eligible for the increment, the employee's current annual rating
 3 by the employee's supervisors is designated as "good" or higher.

4 * **Sec. 14.** AS 39.27.011 is amended by adding a new subsection to read:

5 (k) Notwithstanding (a) - (j) of this section, the governor or a designee of the
 6 governor may, on a case-by-case basis, authorize for a partially exempt employee in
 7 the executive branch a higher pay than Step F. The authorization must be based on a
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 9 employee possesses exceptional qualifications, recruitment difficulties exist, or the
 10 action is necessary due to competitive salaries in the relevant labor market. A
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12 * **Sec. 15.** AS 39.27.020 is repealed and reenacted to read:

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 14 pay differentials established as a percentage above the basic salary schedule provided
 15 in AS 39.27.011 are approved as an amendment to the basic salary schedule provided
 16 in AS 39.27.011:

17	Geographic Pay
18	Differential
18	Duty Station
19	Anchor Point 0
20	Anchorage 0
21	Anchorage International Airport 0
22	Aniak 50
23	Anvik 50
24	Auke Bay 5
25	Barrow 50
26	Bethel 50
27	Camp Carroll 0
28	Cantwell 0
29	Chena River 3
30	Chignik 50
31	Chitina 0

	WORK DRAFT	WORK DRAFT	28-GS1101U
1	Cold Bay		50
2	Coldfoot Camp		37
3	Cooper Landing		0
4	Cordova		11
5	Craig		0
6	Crown Point		0
7	Deadhorse		50
8	Delta Junction		0
9	Denali		0
10	Dillingham		37
11	Douglas		5
12	Dutch Harbor		60
13	Eagle		0
14	Eagle River		0
15	Eielson Air Force Base		3
16	Elfin Cove		0
17	Elmendorf Air Force Base		0
18	Emmonak		50
19	Fairbanks		3
20	Finger Lake		0
21	Fort Richardson		0
22	Fort Wainwright		3
23	Fort Yukon		37
24	Gakona		0
25	Galena		37
26	Girdwood		0
27	Glennallen		0
28	Gustavus		0
29	Haines		0
30	Harding Lake		3
31	Healy		0

WORK DRAFT

WORK DRAFT

28-GS1101\U

1	Homer	0
2	Hoonah	0
3	Iliamna	50
4	Juneau	5
5	Kaltag	50
6	Kenai	0
7	Ketchikan	0
8	King Cove	50
9	King Salmon	50
10	Klawock	0
11	Kodiak	11
12	Kotzebue	60
13	Mackenzie Point	0
14	Matanuska	0
15	McGrath	37
16	Mount Edgecumbe	5
17	Nancy	0
18	Nenana	0
19	Nikiski	0
20	Ninilchik	0
21	Nome	37
22	Northway	0
23	Palmer	0
24	Pelican	0
25	Petersburg	0
26	Point Alsworth	50
27	Port Moller	50
28	Saint Mary's	50
29	Sand Point	50
30	Selawik	60
31	Seward	0

CSSB 95()

-8-

New Text Underlined [DELETED TEXT BRACKETED]

L

1	Sitka	5
2	Skagway	0
3	Soldotna	0
4	Sterling	0
5	Sutton	0
6	Talkeetna	0
7	Tazlina	0
8	Tenakee Springs	0
9	Tok	0
10	Trapper Creek	0
11	Unalakleet	50
12	Unalaska	60
13	Valdez	11
14	Wasilla	0
15	Whittier	0
16	Willow	0
17	Wrangell	0
18	Yakutat	0
19	Other states	0

20 (b) If an employee's duty station is not included in (a) of this section and is not
 21 in a foreign country, the commissioner of administration shall establish by regulation
 22 the appropriate geographic pay differential. The regulations are not subject to AS
 23 44.62 (Administrative Procedure Act).

24 (c) The commissioner of administration shall establish geographic pay
 25 differentials for positions in foreign countries. The differentials shall be adjusted
 26 annually, effective July 1, to maintain equity between salaries for positions in foreign
 27 countries and salaries for positions in the state.

28 * **Sec. 16.** AS 39.27.030 is repealed and reenacted to read:

29 **Sec. 39.27.030. Geographic pay differential survey.** Subject to appropriation,
 30 the director of the division of personnel shall conduct a survey, at least every five
 31 years, to review the geographic pay differentials under AS 39.27.020. The survey may

1 address factors the director determines are relevant to review state salary schedules,
2 entitlements for beneficiaries of state programs, and payments for state service
3 providers. The survey must reflect the cost of living for duty stations in the state or
4 outside of the state by using the cost of living in Anchorage, Alaska, as a base.

5 * **Sec. 17.** AS 39.35.675(d) is amended to read:

6 (d) In this section, "cost-of-living differential" means an adjustment to salary
7 based on the cost of living in the geographic region where the employee works and
8 includes a geographic pay [STEP] differential under AS 39.27.020.

9 * **Sec. 18.** AS 44.31.020 is amended to read:

10 **Sec. 44.31.020. Duties of department.** The Department of Labor and
11 Workforce Development shall

12 (1) enforce the laws and adopt regulations under them concerning
13 employer-employee relationships, including the safety, hours of work, wages, and
14 conditions of workers, including children;

15 (2) accumulate, analyze, and report labor statistics;

16 (3) operate systems of workers' compensation and unemployment
17 insurance;

18 (4) gather data reflecting the cost of living in [THE] various locations
19 [ELECTION DISTRICTS] of the state upon request of the director of personnel under
20 AS 39.27.030 [; IN THIS PARAGRAPH, "ELECTION DISTRICT" HAS THE
21 MEANING GIVEN IN AS 39.27.020(b)];

22 (5) operate the federally funded employment and training programs
23 under 29 U.S.C. 2801 - 2945 (Workforce Investment Act of 1998);

24 (6) administer the state's program of adult basic education and adopt
25 regulations to administer the program; and

26 (7) administer the programs of the Alaska Vocational Technical Center
27 and adopt regulations to administer the programs, including regulations that set rates
28 for student tuition and room and board and fees for the programs and services
29 provided by the department regarding the Alaska Vocational Technical Center.

30 * **Sec. 19.** AS 22.35.010 and AS 39.27.045 are repealed.

31 * **Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 SALARY ADJUSTMENTS FOR CERTAIN EXEMPT OFFICERS AND
3 EMPLOYEES OF THE EXECUTIVE BRANCH. The salary adjustments under AS
4 39.27.011(a), as repealed and reenacted by sec. 10 of this Act, and under AS 39.27.011(e) and
5 (f), as amended by secs. 11 and 12 of this Act, apply to public officers who are in the exempt
6 service under AS 39.25.110 and who are not members of a collective bargaining unit
7 established under AS 23.40.070 - 23.40.260 (Public Employment Relations Act) or otherwise
8 covered by AS 39.27.011(a). In this section, "public officers" includes the heads of principal
9 departments of the executive branch and permanent and temporary employees in the
10 executive branch, not including the governor and the lieutenant governor.

11 * **Sec. 21.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 SALARY ADJUSTMENTS FOR CERTAIN EMPLOYEES OF THE JUDICIAL
14 BRANCH. (a) The salary adjustments under AS 39.27.011(a), as repealed and reenacted by
15 sec. 10 of this Act, and under AS 39.27.011(e) and (f), as amended by secs. 11 and 12 of this
16 Act, apply to permanent and temporary employees and magistrates in the judicial branch of
17 the state government, other than justices and judges, who are not members of a collective
18 bargaining unit established under AS 23.40.070 - 23.40.260 (Public Employment Relations
19 Act) and who are not otherwise covered by AS 39.27.011(a).

20 (b) Justices of the supreme court and judges of the court of appeals and the superior
21 and district courts are entitled to receive salary adjustments provided for in secs. 10 - 12 of
22 this Act in accordance with AS 22.05.140(d), AS 22.07.090(c), AS 22.10.190(d), and AS
23 22.15.220(e).

24 * **Sec. 22.** The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 SALARY INCREASES FOR CERTAIN EMPLOYEES OF THE UNIVERSITY OF
27 ALASKA. The employees of the University of Alaska who are not members of a collective
28 bargaining unit are entitled to receive salary increases in accordance with the compensation
29 policy of the Board of Regents of the University of Alaska.

30 * **Sec. 23.** The uncodified law of the State of Alaska is amended by adding a new section to
31 read:

1 APPLICABILITY. Section 14 of this Act applies to a partially exempt employee of
2 the state in the executive branch hired before, on, or after the effective date of sec. 14 of this
3 Act.

4 * **Sec. 24.** The uncodified law of the State of Alaska is amended by adding a new section to
5 read:

6 TRANSITION: GEOGRAPHIC PAY DIFFERENTIAL FOR CERTAIN JUSTICES,
7 JUDGES, AND STATE EMPLOYEES. (a) If a state employee, including a justice or judge,
8 employed on the effective date of sec. 15 of this Act would have the employee's pay lowered
9 as a result of changes to AS 39.27.020, as repealed and reenacted by sec. 16 of this Act, the
10 state may not lower the employee's pay as a result of those changes. However, the pay of a
11 state employee described in this subsection may not be raised as long as the employee remains
12 in the job and duty station that the employee was employed in on the effective date of sec. 15
13 of this Act, unless the employee is entitled to a pay raise irrespective of the changes to AS
14 39.27.020, as repealed and reenacted by sec. 15 of this Act.

15 (b) The geographic pay differentials under AS 39.27.020, as repealed and reenacted
16 by sec. 15 of this Act, do not apply to the pay of an employee whose pay is reduced because
17 of a demotion for cause or a voluntary demotion, and (a) of this section does not apply, as
18 long as the employee remains at the job and duty station that the employee was employed in
19 on the effective date of sec. 15 of this Act.

20 (c) If the pay for a position of an employee described in (a) of this section is lowered
21 by the reclassification of the position, the employee remains subject to (a) of this section as
22 long as the employee continues to remain at the job and duty station that the employee was
23 employed in on the effective date of sec. 15 of this Act.

24 * **Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 TRANSITION: REGULATIONS. The commissioner of administration or the
27 personnel board may immediately adopt regulations necessary to implement the respective
28 changes made by this Act. The regulations are not subject to AS 44.62 (Administrative
29 Procedure Act). The regulations may take effect after the effective date of the law
30 implementing the regulation.

31 * **Sec. 26.** Sections 6 - 8 of this Act take effect December 16, 2013.

- 1 * **Sec. 27.** Section 13 of this Act takes effect July 1, 2015.
- 2 * **Sec. 28.** Section 25 of this Act takes effect immediately under AS 01.10.070(c).
- 3 * **Sec. 29.** Except as provided in secs. 26 - 28 of this Act, this Act takes effect July 1, 2013.

ALASKA DEPARTMENT OF ADMINISTRATION
OVERVIEW OF HB 195 & SB 95
“STATE EMPLOYEE COMPENSATION AND BENEFITS”



More Information:

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WHAT ARE HB 195 AND SB 95 ABOUT?

- Consistency with cost of living, reduction of leave accrual, cap on leave amount and decreases in the pay increment
- Enhance ability to recruit and retain highly-skilled professionals
- Implementation of Geographical Pay Differential for last phase of remaining employees

OVERVIEW OF THE BILL SECTIONS

- Section 1-4: Leave Accrual and Cap
- Section 5: Petroleum Engineers/Geologists
- Section 6-8: Cost of Living Increases
- Section 9: Pay Increments
- Section 10: Partially-Exempt Salaries
- Section 11-14: Geographic Pay Differentials

NEW LEAVE ACCRUAL AND CAP

Sections 1-4

New - Leave Accrual Rates

Years of Service	Employees Hired Prior to 7/1/2013	Employees Hired on or after 7/1/2013
0 - 2 years of service	15 hours (2 days) per month	13.12 hours (1.75 days) per month
2 - 5 years of service	16.88 (2.25 days) per month	15 hours (2 days) per month
5 – 10 years of service	18.76 (2.5 days) per month	16.88 (2.25 days) per month
10 - 15 years of service	-	18.76 (2.5 days) per month
10+ years of service	22.5 (3 days) per month	-
15+ years of service	-	22.5 (3 days) per month

NEW - Mandatory Leave Usage

Current Requirement	Balance of 400 Hours or Less as of 12/16/2013	Balance Over 400 Hours as of 12/16/2013
37.5 hours (5 days) per year	75 hours (10 days) per year	112.5 hours (15 days) per year

NEW - Maximum Accrual Limit

	Current Limit	Limit as of 12/16/2013
Executive, Judicial and Legislative Branch Employees	None	1,000 hours

Employees with a balance that exceeds 400 hours as of 12/16/2013 are exempt from the maximum accrual limit until such time as his/her balance equals 400 hours or less.

PETROLEUM ENGINEERS/GEOLOGISTS

Section 5

- Removes exclusion of positions in Division of Geological & Geophysical Surveys (DGGS)
- Only 1 position – DGGS, Energy Section Manager (currently SU Geologist V) – vacant since March 17, 2012
 - Position requires complete understanding of petroleum systems analysis and exploration that is obtained primarily through industry experience
 - Industry salaries are approximately 50% higher than current authorized salary (data from Assoc of Petroleum Geologists 2011 Survey)
 - Two national searches failed – No qualified applicants after 45 days of recruitment and advertising in national trade publications
- Amendment applicable to DNR, DGGS only

COST OF LIVING INCREASES

Sections 6-8

- Effective 7/1/13 – 1%
- Effective 7/1/14 – 1%
- Effective 7/1/15 – 2.5%
- Consistent with terms of recently negotiated collective bargaining agreements
- Applies to noncovered classified and partially exempt (PX) and many exempt employees of the executive branch, employees of the legislature (AS 24.10.011 and AS 24.10.210), and the judicial branch

PAY INCREMENTS

Section 9

- Effective 7/1/15 the percentage between pay increments (J & above) will decrease from 3.75% to 3.25%
- Consistent with terms of recently negotiated collective bargaining agreements
- Applies to noncovered classified and PX employees – also applies to many exempt employees through policy.
- Applies to legislative branch if a policy has been adopted (AS 39.27.011(j))

PARTIALLY-EXEMPT SALARIES

Section 10

- Partially Exempt (PX) positions are subject to classification and pay plans which limits flexibility
- State often not competitive for top talent – need some flexibility for mission critical positions
- Governor or designee on case-by-case basis:
 - serves critical governmental interest of state
 - employee possesses exceptional qualifications
 - recruitment difficulties exist; or
 - necessary to compete with labor market
- Applies to executive branch Partially Exempt (PX) employees only

GEOGRAPHICAL PAY DIFFERENTIALS

Sections 11-14

HISTORY: Survey conducted by McDowell Group in Fall, 2008 – report completed in 2009

Communities	% above Base
Anchorage, Delta Junction/Tok Region, Glennallen Region, Kenai Peninsula Region, Ketchikan, Mat-su, Parks/Elliott/Steese Highway, SE Mid-Size Communities, SE Small Communities	0
Fairbanks	3
Juneau, Sitka	5
Cordova, Kodiak, Valdez	11
Dillingham, Nome, Roadless Interior	37
Barrow, Bethel, Aleutians (other than Unalaska/Dutch Harbor), SW Small Communities	50
Kotzebue, Unalaska/Dutch Harbor	60

Executive Branch:

483 Increase
 122 No loss in pay (frozen)
 727 No change

Legislative Branch:

145 Increase
 24 No loss in pay (frozen)
 204 No change

The background features a large, faint watermark of the Seal of the State of Alaska Department of Administration. The seal is circular and contains the text "DEPARTMENT OF ADMINISTRATION" at the top, "ALASKA" on the left, and "ALASKANS" on the right. In the center, it depicts a mountain range with a sun rising over it. At the bottom of the seal, the motto "PROUDLY SERVING ALASKANS" is visible.

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Sectional Analysis

SB 95 - STATE EMPLOYEE COMPENSATION AND BENEFITS

An Act relating to the compensation, allowances, geographic differentials in pay, and leave of certain public officials, officers, and employees not covered by collective bargaining agreements; relating to certain petroleum engineers and petroleum geologists employed by the Department of Natural Resources; relating to increased pay for certain partially exempt employees of the state in specific circumstances; making conforming amendments; and providing for an effective date.

Section 1 amends AS 39.20.200(a) providing that the specified leave accrual rates apply to officers and employees of the state employed before July 1, 2013.

Section 2 amends AS 39.20.200 adding a new subsection which provides reduced leave accrual rates for employees hired on or after July 1, 2013.

Section 3 amends AS 39.20.225(c) increasing the mandatory leave usage in a 12-month period from 5 to 10 days.

Section 4 adds a new subsection to AS 39.20.225 placing a maximum accumulation limit of 1,000 hours of personal leave at the conclusion of each 12-month period. The personnel board may adopt regulations to allow for an exemption to this subsection if the department or agency head certifies in writing that the officer or employee was denied the opportunity to use personal leave and required to accumulate more than the 1,000 hour maximum. An exemption to the maximum accumulation limit is provided for officers and employees who, as of December 16, 2013, have a personal leave balance that exceeds 400 hours. Officers and employees who are exempt from the maximum accumulation limit are required to use at least 15 days of personal leave in each 12-month period.

Sections 1 through 4 apply to noncovered executive branch employees and employees of the legislative and judicial branches.

Section 5 amends AS 39.25.110(14). Currently AS 39.25.110(14) places petroleum engineers and petroleum geologists employed in the Department of Natural Resources (DNR) and by the Alaska Oil and Gas Conservation Commission, except for those employed in the Division of Geological and Geophysical Surveys in the Department of Natural Resources in the exempt service. This section removes the exclusion of the Division of Geological and Geophysical Surveys and places all petroleum engineers and petroleum geologists employed in the DNR in the exempt service.

Section 6 repeals and reenacts AS 39.27.011(a) revising the salary schedule to provide for a 1% increase effective July 1, 2013.

Section 7 amends AS 39.27.011(e) providing for a 1% increase to the amounts set out in AS 39.27.011(a) effective July 1, 2014.

Section 8 amends AS 39.27.011(f) providing for a 2.5% increase to the amounts set out in AS 39.27.011(a), as increased by AS 39.27.011(e), effective July 1, 2015.

Sections 6 through 8 apply to noncovered classified and partially exempt employees of the executive branch, employees of the legislature (see AS 24.10.200 and AS 24.100.210), and as a result of section 17, to the judicial branch. Although exempt employees of the executive branch are not subject to AS 39.27.011, it is the pay plan from which many are paid.

Section 9 amends AS 39.27.011(h) reducing the percentage rate between pay increments from 3.75% to 3.25%. Section 9 applies to noncovered classified and partially exempt employees and also applies to many exempt employees of the executive branch through policy. This section applies to the legislative branch only if a policy has been or is adopted (AS 39.27.011(j)).

Section 10 amends AS 39.27.011 by adding a new subsection providing authority to the governor or the governor's designee, on a case-by-case basis, to authorize a higher step than F to a partially exempt employee based upon a written determination that the action serves a critical governmental interest of the state, the employee possesses exceptional qualifications, recruitment difficulties exist, or the action is necessary due to competitive salaries in the relevant labor market.

Section 11 repeals and reenacts AS 39.27.020. Currently statute provides for pay step differentials that are assigned by election district. The proposed legislation assigns geographic differential rates by Geographic Differential Pool (GDP) as recommended in the 2008 study conducted by the McDowell Group. The proposed rates are consistent with those implemented through collective bargaining agreements and change the application from pay steps above the basic salary schedule to a percentage above base.

Section 11 also provides the commissioner of the Department of Administration with the authority to establish rates for locations not included in AS 39.27.020(a), and not in foreign countries, by regulation. The commissioner has the authority, without the adoption of a regulation, to set differentials for positions in foreign countries and to adjust them annually to maintain equitable relationships between salaries for positions in foreign countries and salaries for positions in the state.

Section 12 repeals and reenacts AS 39.27.030 removing reference to election districts and replacing "Seattle, Washington" with "other duty stations outside of the state."

Sections 11 and 12 apply to noncovered classified and partially exempt employees of the executive branch and those exempt employees who are paid from the pay plan (AS 39.27.011). Sections 11 and 12 also apply to the legislative branch with the exception of house and senate employees.

Section 13 amends AS 39.35.675(d) removing reference to "pay step differential" and replacing it with "geographic pay differential" to reflect the change in the application from pay steps above the basic salary schedule to a percentage above base. This section applies to the executive, legislative and judicial branches.

Section 14 amends AS 44.31.020 removing reference to "election districts" and replaces it with "locations."

Section 15 repeals AS 39.20.240 and AS 39.27.045. AS 39.20.240 allowed employees to carry over leave accrued during a 12-month period for use in the succeeding 12-month period. This would be contrary to a maximum accumulation limit (sec. 4). AS 39.27.045 defined "director" in AS 39.27.020 – 030. "Director" is no longer referenced in AS 39.27.020 and "of the division of personnel" is added in AS 39.27.030. Therefore, the definition is no longer necessary.

Sections 16 through 21 amend the uncodified law. Sections 16 and 17 provide that public officers and permanent and temporary employees in the executive branch, other than the governor and lieutenant governor, who are in the exempt service under AS 39.25.110, and permanent and temporary employees and magistrates in the judicial branch, other than justices and judges, are entitled to receive salary adjustments comparable to those received by classified and partially exempt employees of the executive branch under AS 39.27.011 (secs. 6 - 8). Justices and judges are entitled to receive salary adjustments provided for in sections 6 through 8 in accordance with referenced regulations.

Section 18 provides that employees of the University of Alaska who are not members of a collective bargaining unit are entitled to receive salary increases in accordance with the compensation policy of the Board of Regents.

Section 19 specifies that section 10 applies regarding whether a partially exempt employee was hired before, on, or after the effective date of this Act.

Section 20 addresses the salaries of employees that are lowered as a result of the repeal and reenactment of AS 39.27.020. The salary of these employees will continue at the same amount so long as the employee remains in the same job at the same duty station as the employee was employed on the effective date of the Act. Section 20 also provides salary protection for employees who are demoted for cause, voluntarily demote or are reclassified to a lower salary range.

Section 21 authorizes the commissioner of the Department of Administration or the personnel board to immediately adopt regulations necessary to implement changes made by this Act. These regulations are not subject to AS 44.62 (Administrative Procedures Act) and may not take effect before July 1, 2013.

Section 22 provides an effective date of December 16, 2013 for sections 3 and 4.

Section 23 provides an effective date of July 1, 2015 for section 9.

Section 24 provides for an immediate effective date for section 21.

Section 25 provides an effective date of July 1, 2013 for all sections except those addressed in sections 22 through 24.

FISCAL NOTE

STATE OF ALASKA
2013 LEGISLATIVE SESSION

Bill Version CSSB 95(FIN)
 Fiscal Note Number _____
 () Publish Date 4/8/2013

Identifier (file name) CSSB95(FIN)-ACS-000-04-08-13 Dept. Affected Alaska Court System
 Title Compensation of Non-Covered Employees Appropriation Alaska Court System
 Allocation Various
 Sponsor Rules by Request of the Governor
 Requester Alaska Court System OMB Component Number _____

Expenditures/Revenues (Thousands of Dollars)

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

	FY14 Appropriation Requested	Included in Governor's FY14 Request	Out-Year Cost Estimates					
			FY14	FY15	FY16	FY17	FY18	FY19
OPERATING EXPENDITURES								
Personal Services	1,088.7		749.1	1,890.9				
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	1,088.7	0.0	749.1	1,890.9	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF	1,088.7		749.1	1,890.9			
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
	TOTAL	1,088.7	0.0	749.1	1,890.9	0.0	0.0	0.0

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated **SUPPLEMENTAL (FY13) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY14) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS
 Does the bill direct, or will the bill result in, regulation changes adopted by your agency? _____
 If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)
 This version includes a geographic differential for the judges and justices.

Prepared by Doug Wooliver for Christine Johnson
 Division Alaska Court System
 Approved by Doug Wooliver for Christine Johnson
Alaska Court System

Phone 907-463-4750
 Date/Time 4/8/2013 1:30 P.M.
 Date 4/8/2013

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSSB 95(FIN)

Analysis

This bill relates to the compensation, allowances, and geographic differentials in pay and leave of certain public officials, officers, and employees not covered by collective bargaining agreements. The salary increases apply to all employees and judges in the judicial branch. The fiscal note reflects the cost for a salary increase of 1% beginning in FY14; 1% for FY15; and 2.5% for FY16. This schedule of increases is comparable to increases negotiated for the supervisory and general government units. Following is the cost of the salary increase by fiscal year:

Budget Unit	FY14	FY15	FY16
Appellate Courts	57.3	57.9	146.1
Trial Courts	589.8	595.5	1,503.0
Administration	79.9	80.6	203.7
Therapeutic Courts	5.4	5.5	13.8
Subtotal Alaska Court System	732.4	739.5	1,866.6
Judicial Council	7.0	7.1	17.9
Judicial Conduct	2.5	2.5	6.4
Total Judicial Branch	741.9	749.1	1,890.9

The fiscal note for the judicial branch also includes the following amendments relative to the geographic differentials paid to judges:

AS 22.05.140(c) is amended to read:

(c) In addition to the monthly salary, each justice is entitled to receive a geographic cost-of-living adjustment **on \$100,000 of the justice's base salary** [UNDER AS 22.35.010] based on the location of the primary office assignment. **The adjustment shall be calculated using the geographic pay differential percentages set out in AS 39.27.020(a).** Retirement contributions and benefits shall be computed only on the monthly base salary not including the geographic cost-of-living adjustment.

AS 22.10.190(c) is amended to read:

(c) In addition to the monthly salary, each superior court judge is entitled to receive a geographic cost-of-living adjustment **on \$100,000 of the judge's base salary** [UNDER AS 22.35.010] based on the location of the primary office assignment. **The adjustment shall be calculated using the geographic pay differential percentages set out in AS 39.27.020(a).** Retirement contributions and benefits shall be computed only on the monthly base salary not including the geographic cost-of-living adjustment.

AS 22.15.220(d) is amended to read:

(d) In addition to the monthly salary, each superior court judge is entitled to receive a geographic cost-of-living adjustment **on \$100,000 of the judge's base salary** [UNDER AS 22.35.010] based on the location of the primary office assignment. **The adjustment shall be calculated using the geographic pay differential percentages set out in AS 39.27.020(a).** Retirement contributions and benefits shall be computed only on the monthly base salary not including the geographic cost-of-living adjustment.

AS 22.35.010 is repealed.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSSB 95(FIN)

Analysis Continued

Alaska Court System
CSSB95(FIN) - Geographic Differential for Judges¹

4/8/2013

Court Locations w/Geographic Differentials	FY13 Base Salary	Statutory Judicial Geo-Diff %	Current Geographic Differential Payment Per Judge By Location	Total Current Geographic Payment for All Locations	SB95 % Proposed Geo-Diff for FY14	SB95 Amounts Paid on \$100,000 Base Per Judge	Total SB95 Proposed Geographic Payment for All Locations
Superior Courts:							
Fairbanks (6)	181,440	3.5%	1,400	8,400	3.0%	3,000	18,000
Kodiak (1)	181,440	10.5%	4,200	4,200	11.0%	11,000	11,000
Dillingham (1)	181,440	17.5%	7,000	7,000	37.0%	37,000	37,000
Bethel (2)	181,440	17.5%	7,000	14,000	50.0%	50,000	100,000
Barrow (1)	181,440	17.5%	7,000	7,000	50.0%	50,000	50,000
Nome (1)	181,440	17.5%	7,000	7,000	37.0%	37,000	37,000
Kotzebue (1)	181,440	17.5%	7,000	7,000	60.0%	60,000	60,000
Juneau (2)	181,440	0.0%	-	-	5.0%	5,000	10,000
Sitka (1)	181,440	0.0%	-	-	5.0%	5,000	5,000
District Courts:							
Fairbanks (3)	153,840	3.5%	1,400	4,200	3.0%	3,000	9,000
Valdez (1)	153,840	10.5%	4,200	4,200	11.0%	11,000	11,000
Bethel (1)	153,840	17.5%	7,000	7,000	50.0%	50,000	50,000
Juneau (2)	153,840	0.0%	-	-	5.0%	5,000	10,000
Total Gross Wages for All Judges				70,000			408,000
Fringe Benefits @ 2.59%				1,813			10,567
				71,813			418,567

Increased Cost of Changes to Differentials

346,800

¹ As is the case with other state employees, some judges currently receive a geographic differential. Unlike other state employees, however, a judge's geographic differential is calculated only upon the first \$40,000 of salary, not the entire salary. Additionally, the geographic differential paid to some judges is substantially lower than the differential paid to other state employees in the same location. For example, second district judges in Kotzebue are paid a 17.5% geographic differential, while other state employees in this community are paid 60%.