

LEG. FINANCE - BILLS 1977 - 1978 870

HCR 43 cont., thru CSHCR 45 820

IN WITNESS WHEREOF, the parties have executed this mortgage deed the day and year first above written.

THE STATE OF ALASKA

By: _____
Commissioner
Department of Administration

By: _____
Commissioner
Department of Natural Resources

- The State -

ALASKA OIL AND REFINING COMPANY

By: _____
President

- Purchaser -

(NECESSARY ACKNOWLEDGMENTS)

EXHIBIT "C"

PERFORMANCE BOND

STATE OF ALASKA)
 : ss.
FIRST JUDICIAL DISTRICT)

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, ALASKAN OIL AND REFINING COMPANY, a Texas corporation, as Principal, hereinafter called "CORPORATION" and the other subscriber hereto as Surety, do hereby acknowledge ourselves to be held and firmly bound to the STATE OF ALASKA, in a sum not exceeding TWO MILLION FIVE HUNDRED THOUSAND (\$2,500,000) DOLLARS for the payment of which sum, well and truly to be made to the STATE OF ALASKA, and its successors, the said CORPORATION and surety do bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT:

WHEREAS, the said CORPORATION has entered into an agreement in writing with the STATE OF ALASKA for the sale and purchase of State Royalty Oil dated the _____ day of _____, 1969, subject to the terms, provisions and conditions as set out in full in said agreement, and the exhibits attached thereto, and by reference made a part hereof as fully and completely as if set out in full herein.

NOW, THEREFORE, if the said CORPORATION shall faithfully and strictly perform said agreement in all its terms, provisions and stipulations in accordance with its true meaning and effect, and in accordance with the terms, conditions and exhibits referred to therein, and by reference made part hereof (hereinafter collectively called "Contract") and shall comply strictly with each and every provision of said Contract and with its bond, and shall promptly pay to the STATE OF ALASKA in full the sums of money that become due and payable to it under the terms and provisions of said Contract,

and if said Corporation shall pay to the State of Alaska all sums to which the State of Alaska may be entitled whether for damages or otherwise, as a result of its reliance upon Corporation's performance under said contract, and continue its performance in accordance with said Contract, then this obligation shall become null and void and shall have no further force and effect; otherwise the same is to maintain in full force and effect and a sum of not in excess of \$2,500,000 shall be payable to the said STATE OF ALASKA on demand.

It is the intention of said Surety to fully and completely indemnify and in all things save and hold harmless the STATE OF ALASKA in an amount not in excess of \$2,500,000 of, from and against all losses, expenses and damages, direct and indirect, arising out of or resulting from any failure on the part of said CORPORATION, Principal herein, its agents and representatives, to faithfully and fully carry out the terms and conditions of the Contract hereinabove referred to, including but not limited to the payment to STATE OF ALASKA of all sums that it shall be entitled to under the provisions thereof and all damages arising in favor of the STATE OF ALASKA from the failure of CORPORATION to perform its obligations under the terms and provisions of said Contract both during its term and during any extensions thereof. It is agreed that the STATE OF ALASKA is under no obligation or duty to notify Surety of any default, breaches or omissions of CORPORATION, and the STATE OF ALASKA'S failure so to do shall in no manner relieve, release, condition or limit Surety's obligation or liability as herein provided.

This bond and all obligations created hereunder shall be performable in the STATE OF ALASKA, and shall be non-cancellable for the term of the agreement and its extensions.

THIS AGREEMENT shall be binding on the Principal and Surety executing the same, jointly and severally, their legal representatives, successors and assigns.

EXECUTED this _____ day of _____
A.D. 1969.

ATTEST:

Principal

Secretary

By: _____

ADDENDUM TO AGREEMENT FOR THE SALE AND PURCHASE
OF STATE ROYALTY OIL

This Addendum to Agreement entered into as of the 2nd day of July, 1969, by and between the STATE OF ALASKA, hereinafter called the "State", acting by and through its Commissioner of the Department of Natural Resources and its Commissioner of the Department of Administration, and ALASKAN OIL AND REFINING COMPANY, a Texas corporation, hereinafter called the "Purchaser";

WITNESSETH:

WHEREAS, the State and Purchaser entered into that certain Agreement for the sale and purchase of state royalty oil dated January 31, 1969, hereinafter called the "Agreement"; and

WHEREAS, Purchaser has served State the notice required by Article IX, paragraph 1(a) of the Agreement; and

WHEREAS, Purchaser desires to comply with Article XIII of the Agreement by depositing with the Commissioner of Natural Resources an irrevocable letter of credit of the type provided for in paragraph 4(a)(i) of Article XIII;

NOW WHEREFORE, in further definition and clarification of the provisions of the Agreement contained in Article XIII, paragraph 4(a)(i), the parties agree as follows:

1. The letter of credit shall be issued by the Continental Illinois National Bank and Trust Company of Chicago, Illinois.

2. The letter of credit shall terminate on June 27, 1971, or then, however, later:

(a) On or before six (6) months before June 27, 1971, Purchaser shall obtain an extension of the letter of credit for an additional period ending June 27, 1972; and,

(b) That similar extensions of the letter of credit shall be obtained so long as the Agreement or any extensions or renewals thereof is in effect between the parties hereto; and

(c) In lieu of the provisions of paragraphs (a) and (b) above, Purchaser may furnish, at the time provided for in paragraphs (a) and (b) above, any type of security authorized by Article XIII of the Agreement;

(d) That in the event Purchaser fails to obtain any extension of the letter of credit or provided alternate security as referred to herein, State may further terminate the Agreement. In the event of such termination, State shall not be liable for any damages any party may incur as the result of such termination.

3. The State shall place all monies received by it as a result of exercising its rights under the letter of credit in a special account in the State Treasury. The State shall not dispose of all or any part of said account unless and until it has obtained an order of a Court of competent jurisdiction declaring that Purchaser was in default of the provisions of the Agreement. For purposes of this paragraph, the party agrees that said Court action shall be maintained in the Superior Alaska State Court.

4. Nothing contained herein shall be construed or any of the provisions hereof shall be deemed to constitute a waiver of any of the State's or Federal Government's rights under Article 21 or any other provision of the Constitution.

IN WITNESS WHEREOF, the State has caused this Addendum to Agreement for the Sale and Purchase of State Royalty Oil to be executed by its Commissioner of Natural Resources and Commissioner of Administration; and the Purchaser has caused this Addendum to Agreement for the Sale and Purchase of State Royalty Oil to be executed by its President, thereunto duly authorized by its Board of Directors in accordance with the certified copy of the Resolution of said Board attached hereto, and its corporate seal, duly attested, to be affixed hereto, all in duplicate originals as of the day and year first above written.

By *M. L. ...*
Commissioner
Department of Administration

THE STATE OF ALASKA
By *James E. Kelly*
Commissioner
Department of Natural Resources
- THE STATE -

ALASKAN OIL AND REFINING COMPANY
By *[Signature]*
President
- PURCHASER -

WITNESSED AS TO FORM:
[Signature]
Attorney General
State of Alaska

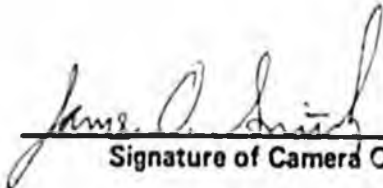
I, RISHA M. THORNTON, III, certify that I am the Assistant Secretary of the corporation named as Purchaser in the attached contract and THOMAS A. ..., who signed said contract on behalf of the Purchaser, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by me on this day, and I, within the time specified in the contract.



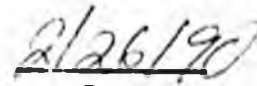
RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.



Signature of Camera Operator



Date

COMMITTEE REPORT

HOUSE

3/14/78

FURTHER: _____

Date: 3/14/78

Mr. Speaker:

The Committee on FINANCE has had HJR 43

Relating to withdrawal from social security coverage by policemen and firemen.

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____

- and _____ new title same title
- AND attaches a Letter of Intent New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Freeman

Freeman

Freeman

Freeman

Freeman

Freeman
Chairman

Introduced: 1/9/78
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY GARDINER

2 HOUSE JOINT RESOLUTION NO. 43

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 Relating to withdrawal from social security
6 coverage by policemen and firemen.

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

8 WHEREAS, under section 218 of the Social Security Act, certain employee
9 groups of state or local governmental units covered under a separate retire-
10 ment system authorized by state law may vote to terminate their coverage under
11 social security; and

12 WHEREAS H.R. 5355 was introduced in the U.S. House of Representatives
13 in March of 1977 and that legislative proposal would permit a state to ter-
14 minate social security coverage for state and local policemen or firemen
15 without affecting the coverage of other public employees who may be members
16 of the same coverage group;

17 BE IT RESOLVED by the Alaska State Legislature that it supports passage
18 of H.R. 5355 and declares that it is in the best interests of Alaska public
19 employees to allow certain homogenous employee groups within the public
20 employees' retirement system to elect to terminate social security coverage
21 without disturbing the right to coverage of other public employees who may
22 wish to preserve their social security coverage.

23 COPIES of this resolution shall be sent to the Honorable Walter F.
24 Mondale, Vice-President of the United States and President of the Senate; the
25 Honorable Thomas P. O'Neill, Jr., Speaker of the House of Representatives;
26 the Honorable James A. Burke, U.S. Representative, Chairman of the Subcommit-
27 tee on Social Security of the U.S. House Ways and Means Committee; the
28 Honorable Peter W. Rodino, Jr., U.S. Representative, sponsor of H.R. 5355;
29 and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators,

1 and the Honorable Don Young, U.S. Representative, members of the Alaska dele-
2 gation in Congress.

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Introduced: 1/9/78
Referred: State Affairs and
Finance

IN THE HOUSE

BY GARDINER

HOUSE JOINT RESOLUTION NO. 43

IN THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE - SECOND SESSION

Relating to withdrawal from social security
coverage by policemen and firemen.

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

WHEREAS, under section 218 of the Social Security Act, certain employee groups of state or local governmental units covered under a separate retirement system authorized by state law may vote to terminate their coverage under social security; and

WHEREAS H.R. 5355 was introduced in the U.S. House of Representatives in March of 1977 and that legislative proposal would permit a state to terminate social security coverage for state and local policemen or firemen without affecting the coverage of other public employees who may be members of the same coverage group;

BE IT RESOLVED by the Alaska State Legislature that it supports passage of H.R. 5355 and declares that it is in the best interests of Alaska public employees to allow certain homogenous employee groups within the public employees' retirement system to elect to terminate social security coverage without disturbing the right to coverage of other public employees who may wish to preserve their social security coverage.

COPIES of this resolution shall be sent to the Honorable Walter F. Mondale, Vice-President of the United States and President of the Senate; the Honorable Thomas P. O'Neill, Jr., Speaker of the House of Representatives; the Honorable James A. Burke, U.S. Representative, Chairman of the Subcommittee on Social Security of the U.S. House Ways and Means Committee; the Honorable Peter W. Rodino, Jr., U.S. Representative, sponsor of H.R. 5355; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators.

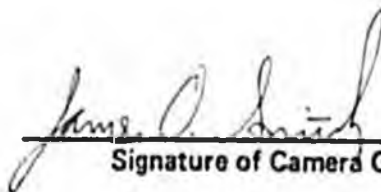
1 and the Honorable Don Young, U.S. Representative, members of the Alaska dele-
2 gation in Congress.
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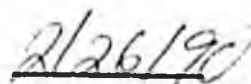
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Signature of Camera Operator



Date

COMMITTEE REPORT

SENATE

6/29/77

May 19, 1977 Date

Mr. President:

The Committee on FINANCE has had CSHCR 45 am approving certain recommendations of the Salary Commission under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for CS HCR 45 am and that 5 CS for CS HCR 45 am do pass incl. Pic with letter of intent and new fiscal note.
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

<u>Miss Lamm</u>	<u>No Rec.</u>	<u>Tillion Do Pass</u>
<u>Hobson</u>	<u>Do Pass</u>	<u>Do Pass</u>
<u>Thompson</u>	<u>No Rec</u>	<u>at the Board's No Rec.</u>
<u>Mr. McPhee</u>	<u>No Rec</u>	

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

John L. ...
Chairman

COMMITTEE REPORT
SENATE

_____ Date

Mr. President:

The Committee on _____ has had _____

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that
CS for _____ do pass
of intent and new fiscal note. with letter
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

_____ Chairman

M E M O R A N D U M

TO: The Hon. John Sackett
Chairman
Senate Finance Committee

DATE: May 18, 1977

FROM: Alison Farnan, Fiscal Analyst
Legislative Finance Division

SUBJ: CS HCR 45 (am)

The fiscal note for HCR 45 (salary commission recommendations) is broken down as follows:

	<u>Salaries</u>	<u>Per diem</u>
Judicial Branch	\$ 17.1	\$ -0-
Executive Branch	234.5	-0-
Legislative Branch	<u>207.0</u>	<u>84.6</u>
	\$ 458.6	\$ 84.6

Rather than fund HCR 45 through the fiscal note procedure, it has been suggested that the Legislature appropriate the funds in the General Government program budget category as follows:

1. Salary increases (\$458.6) would be placed in the salary increase components of the General Government category.
2. Per diem increase (\$84.6) would be placed in the "Session Expenses" component of the Legislative Affairs Agency budget. (This figure was already built in to the request made by Legislative Affairs for FYs 78-80.)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

NCR 45

FISCAL NOTE

Revised 5/4/77

I. REQUEST

Bill/Resolution No. CS HOUSE CONCURRENT RESOLUTION NO. 45
 Title Salary Commission Recommendations
 Requested by Representative Hugh Malone Date 4/27/77

II. FISCAL DETAIL

Agency Affected Legislative Affairs
 Program Category Affected General Government
 Budget Request Unit(s) Affected Legislature

Note: This fiscal note does not include per diem amount of \$84.6

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	95.3	207.0	207.0	207.0	207.0	207.0
200 TRAVEL	168.0					
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	11.7	207.0	207.0	207.0	207.0	207.0

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	11.7	207.0	207.0	207.0	207.0	207.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Special appropriation will be required for FY 77 as fiscal note procedure for funding usually only affects budget year (FY 78).

The following is based on the currently funded projected 120-day session:

Per Diem
 Need \$50 x 60 x 120 \$360,000
 Have \$35 x 60 x 120 252,000 \$108,000

Allowances
 Two add'l legislators 64,000 8,000

(Continued next page)

IV. DATE 5/4/77 PREPARED BY H. R. Thayer
 AGENCY Legislative Affairs
 Original: Legislative Finance FISCAL 465-1820
 cc: Budget and Management
 Finance Sponsor (not Legislator Record)

III. ANALYSIS (Continued)

Salary		
Need	\$14,724 x 60 x 1/3 year	\$294,480
Need	9,000 x 60 x 1/6 year	90,000
Need	11,750 x 60 x 1/2 year	352,500
Need	Benefits (12% (1/3 year) and 25.5% (2/3 year)	<u>148,180</u>
	Total Salary Need	<u>\$885,160</u>
Have	\$14,724 x 60 x 1 year	883,440
Have	Benefits 012%	<u>106,010</u>
	Total Salary Have	<u>\$989,450</u>
		(104,290)
TOTAL NEED F. Y. 1977		\$ 11,700

It should also be noted that should the session now surpass 120 days, the daily cost would be \$18,600 per day rather than the previous \$17,700 (the difference being Legislators' Per Diem--\$15 per day for 60 legislators or \$900).

Since the FCC on the Budget has reduced budget for legislators' salaries to \$9,000 level, the fiscal impact on raising salaries to the \$11,750 level amounts to \$207,000 in future years.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

Revised 5/4/77

I. REQUEST
 Bill/Resolution No. CS HOUSE CONCURRENT RESOLUTION NO. 45
 Title Salary Commission Recommendations
 Requested by Representative Hugh Malone Date 4/27/77

II. FISCAL DETAIL
 Agency Affected Legislative Affairs
 Program Category Affected General Government
 Budget Request Unit(s) Affected Legislature

Note: This fiscal note includes per diem amount of \$84.6

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	96.3	207.0	207.0	207.0	207.0	207.0
200 TRAVEL	108.0	84.6	84.6	84.6	84.6	84.6
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	11.7	291.6	291.6	291.6	291.6	291.6

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	11.7	291.6	291.6	291.6	291.6	291.6
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Special appropriation will be required for FY 77 as fiscal note procedure for funding usually only affects budget year (FY 78).

The following is based on the currently funded projected 120-day session:

Per Diem
 Need \$50 x 60 x 120 \$360,000
 Have \$35 x 60 x 120 252,000 \$108,000

Allowances
 Two add'l legislators @ \$4,000 8,000

(Continued next page)

IV. DATE 5/4/77 PREPARED BY H. R. Chancy
 AGENCY Legislative Affairs
 PHONE 465-2250
 Original Legislative Finance
 cc: Budget and Management
 Prime Sponsor (Last Legislator Named)

NCR 45

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for HCR 45

Title Approving certain recommendations of the Salary Commission

Requested by Senate Finance

Date May 10, 1977

II. FISCAL DETAIL

Agency Affected Alaska Court System

Program Category Affected Administration of Justice

Budget Request Unit(s) Affected Alaska Court System

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		17.1	17.1	17.1	17.1	17.1
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL		17.1	17.1	17.1	17.1	17.1

FUNDING (Thousands of Dollars)

GENERAL FUND		17.1	17.1	17.1	17.1	17.1
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

All judicial positions were included in the Court System budget request at the salary levels specified in HCR 45. However, the budget free conference committee has deleted \$17,100 in personal services funding for judicial appointments after October 14, 1976. This amount will be required if HCR 45 passes.

IV. DATE May 10, 1977

PREPARED BY J. J. McBarney

AGENCY Alaska Court System

PHONE 274-3611

Original Legislative Finance

cc: Budget and Management

Prime Sponsor (and Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

NCR 45

REVISED FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSHR 45
 Title Approving Salary Commission Recommendations
 Requested by Jay Hogan Date 5/9/77

II. FISCAL DETAIL
 Agency Affected All
 Program Category Affected All
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	12.9	254.9 ←	234.5			
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	12.9	254.9 ←	234.5			

FUNDING (Thousands of Dollars)

GENERAL FUND	12.9	254.9 ←	234.5			
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The attached table compares current salary levels to the salaries recommended in the Resolution for the Executive Branch. Budgeted amounts are sufficient to cover these increases in FY 77, except for the Judicial Branch, the Governor and the Lt. Governor.

Revised downward by deleting Judicial Branch costs. Judicial Branch submitted its own fiscal note for \$17,100.

*Alison Farnan 5/13/77
Legislative Finance*

IV. DATE May 9, 1977 PREPARED BY Dan Dawson
 AGENCY Division of Budget and Management
 PHONE 665-2287
 Original: Legislative Finance
 cc: Budget and Management
 Finance Sponsor (List Legislator Name)

Fiscal Note on CS for HCR 45

Rec #	Positions Affected	Current Salary	CSHCR 45 Salary	Annual Increase
1A	1 Governor	\$50,000	\$52,992	\$2,992
2A	1 Lt. Governor	44,000	47,304	3,304
3A	14 Line Department Commissioners	40,000	47,304	102,256
4A	21 Deputy Commissioners	45,000 (average)	45,000	-0-
6A	4 APUC Commissioners	33,500	39,372	23,488
6B	1 APUC Chairman	33,500	39,872	6,372
7A	2 ATC Commissioners	33,500	39,372	11,744
7B	1 ATC Chairman	33,500	39,872	6,372
8A	2 Commercial Fisheries Entry Commissioners	33,500	39,372	11,744
8B	1 Commercial Fisheries Entry Chairman	33,500	39,872	6,372
9A	1 Pipeline Commissioner	33,500	39,372	5,872
9B	1 Pipeline Chairman	33,500	39,872	6,372
				<u>\$185,893</u>
Plus benefits at 25.5%				47,655
Total annual impact (court system excluded)				<u>\$234,544</u>

Court System information given by Bob Fisher, Accounting Supervisor, Alaska Court System, who said CSHCR 45 would affect only two judges as follows:

Fiscal Impact:

1 Superior Court Judge
 1 District Court Judge
 plus benefits at 21%
 plus benefits at 25.5%

	<u>FY 77</u>	<u>FY 78</u>
	\$4,300	\$8,600
	3,800	7,600
	1,701	4,131
	<u>\$9,801</u>	<u>\$20,331</u>

} Judicial Branch submitted separate fiscal note in the amount of \$17,100.
 Alison Jarman
 Legislative Finance
 5/13/77

Original sponsor: Gardiner

Offered: 4/26/77
Referred: Rules

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 45
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TENTH LEGISLATURE - FIRST SESSION

5 Approving certain recommendations of the
6 Salary Commission.

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

8 WHEREAS Chapter 263, Session Laws of Alaska 1976 established the Alaska
9 Salary Commission; and

10 WHEREAS the Salary Commission was granted the responsibility of conduct-
11 ing an on-going review of compensation and retirement benefits for members of
12 the legislature, the governor and lieutenant governor, commissioners, deputy
13 commissioners and directors of executive departments, members of the Alaska
14 Public Utilities Commission, the Alaska Pipeline Commission, the Alaska
15 Transportation Commission, and the Alaska Commercial Fisheries Entry Commis-
16 sion, and members of the judiciary; and

17 WHEREAS the recommendations of the Salary Commission as to compensation
18 become effective, retroactive to January 1, 1977 only if approved by con-
19 current resolution of the legislature before the end of the first session of
20 the legislature; and

21 WHEREAS the Salary Commission has submitted its recommendations to the
22 legislature regarding the compensation of the officers covered under ch. 263
23 SLA 1976 and the legislature has considered them; and

24 WHEREAS Recommendation Number (1)(A) of the Salary Commission proposes
25 to set the annual salary of the governor of Alaska at \$52,992; and

26 WHEREAS Recommendation Number (2)(A) of the Salary Commission proposes
27 to set the annual salary of the lieutenant governor of Alaska at \$47,304; and

28 WHEREAS Recommendation Number (3)(A) of the Salary Commission proposes
29 to set the annual salary of commissioners of principal executive departments

1 at \$47,304; and

2 WHEREAS Recommendation Number (3)(C) proposes to grant longevity pay
3 increases to the commissioners of the principal executive departments at the
4 discretion of the governor which are equal to 3.75 per cent of the annual
5 salary of the commissioner for each two years of continuous service, with
6 service accrual to begin January 1, 1977; and

7 WHEREAS Recommendation Number (4)(A) proposes that there be no change in
8 the annual salary of \$42,372 for beginning deputy department commissioners;
9 and

10 WHEREAS Recommendation Number (4)(C) proposes to grant longevity pay
11 increases to the deputy commissioners of the principal executive departments
12 at the discretion of the departmental commissioner which are equal to 3.75
13 per cent of the annual salary of the deputy commissioner, for each two years
14 of continuous service, with service accrual to commence from the date of the
15 last step increase or upon the date of hire following approval of this recom-
16 mendation; and

17 WHEREAS Recommendation Number (5)(A) proposes that there be no change in
18 the salary level of directors and the Salary Commission also recommends that
19 the administrative rules be changed so that the salary entry level of new
20 directors be in the "A" step of the salary range at which they are hired; the
21 commission recognized that promotions from deputy director to director of a
22 division may sometimes necessitate that those receiving a promotion move into
23 a step other than "A" in order to be assured a salary increase; in such
24 cases, that person receiving the promotion should enter at the lowest step
25 necessary to receive a salary increase; the commission also recognized that
26 some directors are now covered by a negotiated agreement and the commission's
27 recommendations will not apply to them until that agreement expires; and

28 WHEREAS Recommendation Number (5)(B) proposes that the salary progres-
29 sion for directors follow the steps outlined in the state salary schedule as

1 outlined in AS 39.27.011; and

2 WHEREAS Recommendation Number (6)(A) proposes that members of the Alaska
3 Public Utilities Commission be paid \$39,372 annually; and

4 WHEREAS Recommendation Number (6)(B) proposes that the chairman of the
5 Alaska Public Utilities Commission be paid an additional \$500 annually, pro-
6 rated as part of the regular salary; and

7 WHEREAS Recommendation Number (6)(D) proposes to grant longevity pay
8 increases to each commissioner of the Alaska Public Utilities Commission at
9 the discretion of the governor which are equal to 3.75 per cent of the annual
10 salary of the commissioner for each two years of service, with service accru-
11 al beginning January 1, 1977; and

12 WHEREAS Recommendation (7)(A) proposes that members of the Alaska Trans-
13 portation Commission be paid \$39,372 annually; and

14 WHEREAS Recommendation Number (7)(B) proposes that the chairman of the
15 Alaska Transportation Commission be paid an additional \$500 annually, pro-
16 rated as part of the regular salary; and

17 WHEREAS Recommendation Number (7)(D) proposes to grant longevity pay
18 increases to each commissioner of the Alaska Transportation Commission at the
19 discretion of the governor which are equal to 3.75 per cent of the annual
20 salary of the commissioner for each two years of service, with service accru-
21 al beginning January 1, 1977; and

22 WHEREAS Recommendation Number (8)(A) proposes that members of the Alaska
23 Commercial Fisheries Entry Commission be paid \$39,372 annually; and

24 WHEREAS Recommendation Number (8)(B) proposes that the chairman of the
25 Alaska Commercial Fisheries Entry Commission be paid an additional \$500
26 annually, prorated as part of the regular salary; and

27 WHEREAS Recommendation Number (8)(D) proposes to grant longevity pay
28 increases to each commissioner of the Alaska Commercial Fisheries Entry
29 Commission at the discretion of the governor which are equal to 3.75 per cent

1 of the annual salary of the commissioner for each two years of service, with
2 service accrual beginning January 1, 1977; and

3 WHEREAS Recommendation Number (9)(A) proposes that members of the Alaska
4 Pipeline Commission be paid \$39,372 annually; and

5 WHEREAS Recommendation Number (9)(B) proposes that the chairman of the
6 Alaska Pipeline Commission be paid an additional \$500 annually, prorated as
7 part of the regular salary; and

8 WHEREAS Recommendation Number (9)(D) proposes to grant longevity pay
9 increases to each commissioner of the Alaska Pipeline Commission at the dis-
10 cretion of the governor which are equal to 3.75 per cent of the annual salary
11 of the commissioner for each two years of service, with service accrual
12 beginning January 1, 1977; and

13 WHEREAS Recommendation Number (10)(A) of the Salary Commission proposes
14 to confirm the annual salary of supreme court judges at \$52,992; and

15 WHEREAS Recommendation Number (11)(A) of the Salary Commission proposes
16 to confirm the annual salary of the superior court judges at \$48,576; and

17 WHEREAS Recommendation Number (12)(A) of the Salary Commission proposes
18 to confirm the annual salary of district court judges at \$41,068; and

19 WHEREAS Recommendation Number (13)(A) proposes that state legislators be
20 paid an annual salary of \$11,750; and

21 WHEREAS Recommendation Number (13)(B) proposes that the president of the
22 senate and the speaker of the house each receive an additional \$500 per year
23 payable on the opening day of each regular session of the legislature or upon
24 confirmation by the House or Senate after the opening of a regular session of
25 the legislature; and

26 WHEREAS Recommendation Number (13)(D) proposes that legislators receive
27 an annual allowance of \$4,000; and

28 WHEREAS Recommendation Number (13)(F) proposes that legislators receive
29 per diem at the same rate as state employees, including regional variations

1 where applicable; legislators who do not live in their city of residence
2 during regular or special legislative sessions will receive per diem at the
3 short term rate; interim committee work should be paid at the short-term per
4 diem rate; however, per diem is to be paid at the long-term (lower) rate if
5 legislators are able to stay in their city of residence while on legislative
6 business;

7 BE IT RESOLVED that the Alaska State Legislature approves the listed
8 Recommendations in the language and form stated in this resolution; and be it

9 FURTHER RESOLVED that those parts of Recommendation 13 which are not
10 quoted above are considered by the legislature to be beyond the authority of
11 the Salary Commission, are therefore not part of a proper Recommendation, and
12 are not approved.

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Original sponsor: Gardner

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE CONCURRENT RESOLUTION NO. 45

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Approving certain recommendations of the
6 Salary Commission.

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

8 WHEREAS Chapter 263, Session Laws of Alaska 1976 established the Alaska
9 Salary Commission; and

10 WHEREAS the Salary Commission was granted the responsibility of conduct-
11 ing an on-going review of compensation and retirement benefits for members of
12 the legislature, the governor and lieutenant governor, commissioners, deputy
13 commissioners and directors of executive departments, members of the Alaska
14 Public Utilities Commission, the Alaska Pipeline Commission, the Alaska
15 Transportation Commission, and the Alaska Commercial Fisheries Entry Commis-
16 sion, and members of the judiciary; and

17 WHEREAS the recommendations of the Salary Commission as to compensation
18 become effective, retroactive to January 1, 1977 only if approved by con-
19 current resolution of the legislature before the end of the first session of
20 the legislature; and

21 WHEREAS the Salary Commission has submitted its recommendations to the
22 legislature regarding the compensation of the officers covered under ch. 263
23 SLA 1976 and the legislature has considered them; and

24 WHEREAS Recommendation Number (1)(A) of the Salary Commission proposes
25 to set the annual salary of the governor of Alaska at \$52,992; and

26 WHEREAS Recommendation Number (2)(A) of the Salary Commission proposes
27 to set the annual salary of the lieutenant governor of Alaska at \$47,304; and

28 WHEREAS Recommendation Number (3)(A) of the Salary Commission proposes
29 to set the annual salary of commissioners of principal executive departments

1 at \$47,304; and

2 WHEREAS Recommendation Number (3)(C) proposes to grant longevity pay
3 increases to the commissioners of the principal executive departments at the
4 discretion of the governor which are equal to 3.75 per cent of the annual
5 salary of the commissioner for each two years of continuous service, with
6 service accrual to begin January 1, 1977; and

7 WHEREAS Recommendation Number (4)(A) proposes that there be no change in
8 the annual salary of \$42,372 for beginning deputy department commissioners;
9 and

10 WHEREAS Recommendation Number (4)(C) proposes to grant longevity pay
11 increases to the deputy commissioners of the principal executive departments
12 at the discretion of the departmental commissioner which are equal to 3.75
13 per cent of the annual salary of the deputy commissioner, for each two years
14 of continuous service, with service accrual to commence from the date of the
15 last step increase or upon the date of hire following approval of this recom-
16 mendation; and

17 WHEREAS Recommendation Number (5)(A) proposes that there be no change in
18 the salary level of directors and the Salary Commission also recommends that
19 the administrative rules be changed so that the salary entry level of new
20 directors be in the "A" step of the salary range at which they are hired; the
21 commission recognizes that promotions from deputy director to director of a
22 division may sometimes necessitate that those receiving a promotion move into
23 a step other than "A" in order to be assured a salary increase; in such
24 cases, that person receiving the promotion should enter at the lowest step
25 necessary to receive a salary increase; the commission also recognized that
26 some directors are now covered by a negotiated agreement and the commission's
27 recommendations will not apply to them until that agreement expires; and

28 WHEREAS Recommendation Number (5)(B) proposes that the salary progres-
29 sion for directors follow the steps outlined in the state salary schedule as

1 outlined in AS 39.27.011; and

2 WHEREAS Recommendation Number (6)(A) proposes that members of the Alaska
3 Public Utilities Commission be paid \$39,372 annually; and

4 WHEREAS Recommendation Number (6)(B) proposes that the chairman of the
5 Alaska Public Utilities Commission be paid an additional \$500 annually, pro-
6 rated as part of the regular salary; and

7 WHEREAS Recommendation Number (6)(D) proposes to grant longevity pay
8 increases to each commissioner of the Alaska Public Utilities Commission at
9 the discretion of the governor which are equal to 3.75 per cent of the annual
10 salary of the commissioner for each two years of service, with service accru-
11 al beginning January 1, 1977; and

12 WHEREAS Recommendation (7)(A) proposes that members of the Alaska Trans-
13 portation Commission be paid \$39,372 annually; and

14 WHEREAS Recommendation Number (7)(B) proposes that the chairman of the
15 Alaska Transportation Commission be paid an additional \$500 annually, pro-
16 rated as part of the regular salary; and

17 WHEREAS Recommendation Number (7)(D) proposes to grant longevity pay
18 increases to each commissioner of the Alaska Transportation Commission at the
19 discretion of the governor which are equal to 3.75 per cent of the annual
20 salary of the commissioner for each two years of service, with service accru-
21 al beginning January 1, 1977; and

22 WHEREAS Recommendation Number (8)(A) proposes that members of the Alaska
23 Commercial Fisheries Entry Commission be paid \$39,372 annually; and

24 WHEREAS Recommendation Number (8)(B) proposes that the chairman of the
25 Alaska Commercial Fisheries Entry Commission be paid an additional \$500
26 annually, prorated as part of the regular salary; and

27 WHEREAS Recommendation Number (8)(D) proposes to grant longevity pay
28 increases to each commissioner of the Alaska Commercial Fisheries Entry
29 Commission at the discretion of the governor which are equal to 3.75 per cent

1 of the annual salary of the commissioner for each two years of service, with
2 service accrual beginning January 1, 1977; and

3 WHEREAS Recommendation Number (9)(A) proposes that members of the Alaska
4 Pipeline Commission be paid \$39,372 annually; and

5 WHEREAS Recommendation Number (9)(B) proposes that the chairman of the
6 Alaska Pipeline Commission be paid an additional \$500 annually, prorated as
7 part of the regular salary; and

8 WHEREAS Recommendation Number (9)(D) proposes to grant longevity pay
9 increases to each commissioner of the Alaska Pipeline Commission at the dis-
10 cretion of the governor which are equal to 3.75 per cent of the annual salary
11 of the commissioner for each two years of service, with service accrual
12 beginning January 1, 1977; and

13 WHEREAS Recommendation Number (10)(A) of the Salary Commission proposes
14 to confirm the annual salary of supreme court judges at \$52,992; and

15 WHEREAS Recommendation Number (11)(A) of the Salary Commission proposes
16 to confirm the annual salary of the superior court judges at \$48,576; and

17 WHEREAS Recommendation Number (12)(A) of the Salary Commission proposes
18 to confirm the annual salary of district court judges at \$41,068;

19 BE IT RESOLVED that the Alaska State legislature approves the listed
20 Recommendations in the language and form stated in this resolution; and be it

21 FURTHER RESOLVED that those Recommendations of the Salary Commission
22 which are not quoted above are not approved.

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SENATE JOURNAL

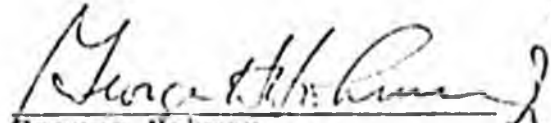
LETTER OF INTENT

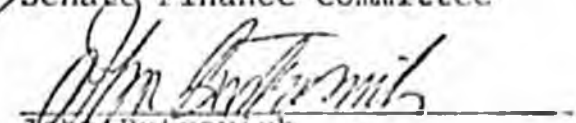
Senate CS for CSHCR 45 am

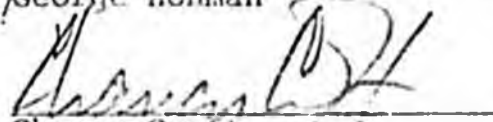
Senate Committee Substitute for Committee Substitute for House Concurrent Resolution 45 am (salary commission recommendations) carries a fiscal note in the amount of \$251,600, to be appropriated to the Office of the Governor, Division of Budget and Management, for distribution as follows:

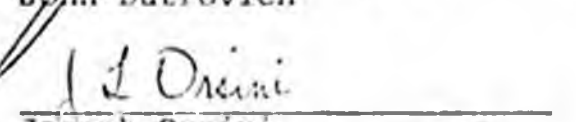
	<u>Salaries</u>
Judicial Branch	\$ 17,100
Executive Branch	<u>234,500</u>
	\$251,600


John C. Sackett, Chairman
Senate Finance Committee



George Hohman


John Butrovich


Chancy Croft


Joseph Orsini


H. D. "Pete" Meland


Clem Tillion

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST Bill/Resolution No. SCS CS HCR 45 (am)
Title Salary Commission Recommendations
Requested by Senate Finance Committee Date May 19, 1977

II. FISCAL DETAIL Appropriated to the Office of the Governor, Division
Agency Affected of Budget & Management for distribution to the Executive
Program Category Affected and Judicial Branches
Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		251.6				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		251.6				

FUNDING (Thousands of Dollars)

GENERAL FUND		251.6				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

\$251,600 is appropriated to the Office of the Governor, Division of Budget & Management, to be distributed as follows:

	<u>SALARIES</u>
Judicial Branch	\$ 17.1
Executive Branch	<u>234.5</u>
	<u>\$ 251.6</u>

IV. DATE _____ PREPARED BY Alison Farnan
AGENCY Legislative Finance for
PHONE _____ Senate Finance Committee
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (List Legislator Named)

HCR 45 fiscal note (salary increases & per diem amount) will be appropriated to the Office of the Governor, Division of Budget & Management for proper distribution.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SCS CS HCR 45(am)
 Title Salary Commission Recommendations
 Requested by Senate Finance Committee Date May 19, 1977

II. FISCAL DETAIL
 Appropriated to the Office of the Governor, Division
 Agency Affected of Budget & Management for distribution to the Executive
and Judicial Branches.
 Program Category Affected _____
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		251.6				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		251.6				

FUNDING (Thousands of Dollars)

GENERAL FUND		251.6				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

\$251,600 is appropriated to the Office of the Governor, Division of Budget & Management, to be distributed as follows:

	SALARIES
Judicial Branch	\$ 17.1
Executive Branch	<u>234.5</u>
	<u>\$ 251.6</u>

IV. DATE _____ PREPARED BY Alison Farnan
 AGENCY Legislative Finance for
 PHONE _____ Senate Finance Committee
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF—STATE CAPITOL

JUNEAU 99901

MEMORANDUM

TO: The Hon. John Sackett
Chairman
Senate Finance Committee

DATE: May 18, 1977

FROM: Alison Farnan, ^{Act.} Fiscal Analyst
Legislative Finance Division

SUBJ: CS HCR 45 (am)

The fiscal note for HCR 45 (salary commission recommendations) is broken down as follows:

	Salaries	Per diem
Judicial Branch	\$ 17.1	\$ -0-
Executive Branch	234.5	-0-
Legislative Branch	207.0	84.6
	<u>\$ 458.6</u>	<u>\$ 84.6</u>

Rather than fund HCR 45 through the fiscal note procedure, it has been suggested that the Legislature appropriate the funds in the General Government program budget category as follows:

1. Salary increases (\$458.6) would be placed in the salary increase components of the General Government category.
2. Per diem increase (\$84.6) would be placed in the "Session Expenses" component of the Legislative Affairs Agency budget. (This figure was already built in to the request made by Legislative Affairs for its FY 78 operating budget.)

STATE OF ALASKA THE LEGISLATURE

POUCHY - STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 11, 1977

SUBJECT: SCS for CS for HCR 45 am H

TO: Senator John Sackett, Chairman
Senate Finance Committee

FROM: Richard Bradley, Legislative Counsel

You have requested an opinion from this office on the recommendations to the Legislature of the Salary Commission; specifically you asked that we address the question whether the salary commission recommendations are subject to amendment.

In my opinion, the answer to your question as phrased is No.

When the Legislature enacted Ch. 263, SLA 1976 and created the Salary Commission, in my opinion it delegated to the Salary Commission its undoubted authority to set executive, legislative, and judicial compensation [limited only by Art. III, sec. 15 and Art. IV, sec. 13 of the Constitution]. The Legislature provided that the recommendations of the Commission would become effective only if approved by a concurrent resolution. See AS 39.23.080(c).

In my opinion, therefore, if the Legislature uses the vehicle of a concurrent resolution to respond to the recommendations, its options are limited to approval or non-approval.

If the Legislature wishes to reject a recommendation and affirmatively adopt its own formula for "the rate and form of compensation" [sec. 80(c)], it may certainly do so. Its action will not, however, constitute salaries established under AS 39.23, the policy the Legislature established under AS 39.23.110, and in my opinion would necessarily need to be accomplished by a bill.

Put in other words, the legislative action on the recommendations must conform, if done under the law, to the law. The Legislature may not act by resolution to approve anything but the rate and form of compensation recommended by the Salary Commission. AS 39.23.080(c). Ch. 263 does not

authorize the use of a concurrent resolution for any other purpose.

The sometimes awkward language of HCR 45 results from these conclusions; it would have been much more helpful to the Legislature if the Commission's recommendations had utilized legislative style. Since they didn't and since the House sought to limit itself to approvals or rejections, reformation of the concepts was not attempted.

Tying salaries set under recommendations of the Salary Commission to levels on the statutory salary schedule, AS 39.27.011 seems to be of marginal utility. Under AS 39.23, changes in the Salary schedule would not change the salaries of any official whose salary is set under AS 39.23. See AS 39.27.011(b).

Be that as it may, the Senate Committee Substitute for CS for HCR 45 am H as requested is enclosed with this memorandum.

I also offer some additional comments on the schedule of changes proposed.

The Governor may not have his compensation reduced during his term of office except by general law applying to all salaried officers. Art. III, Sec. 15, Alaska Constitution. Since he currently receives \$50,000, the reduction from the recommendation of the Commission in itself presents no problems.

Similarly, justices and judges may not have their compensation reduced during their terms of office except by general law applying to all salaried officers of the State. Art. IV, Sec. 13, Alaska Constitution. Justices of the Supreme Court currently receive the amount recommended, \$52,992. A reduction to \$52,836, while de minimis, does violate the Alaska Constitution, and if approved, would apply only to justices appointed in the future.

The recommendation as to District Court Judges would also reduce salaries and would violate the Alaska Constitution; if approved, it would apply only to judges appointed in the future.

On the other hand, the recommendation as to Superior Court Judges would not lower their compensation but rather raise it. It would apply to all judges.

May 11, 1977

The only other change from the recommendations of the Commission applies to the Legislature and presents no constitutional problems.

As HCR 45 was being considered by the House Judiciary Committee, I gave Chairman Gardiner three opinions on aspects of the Resolution. Because he published those opinions, I am including copies for your information.

One change in the Resolution, incorporating Recommendations (4)(C) and (5)(A) was not commented on in any memoranda and was designed to reflect the concept that although deputy commissioners and directors have salaries now appearing on the salary schedule, their salaries would follow recommendations of the salary commission and not changes in the salary schedule made by the Legislature for state employees not under collective bargaining.

RB:lmk

Enclosures: Memoranda to Chairman Gardiner:

3/14/77: Final Report of Salary Commission

3/17/77: Analysis of Recommendations of the
Salary Commission

3/21/77: Salary Commission Recommendations

Also enclosed is Attorney General's Opinion
of 3/25/77 to Chairman Gardiner on the same
subjects.

MEMORANDUM

March 21, 1977

SUBJECT: Salary Commission Recommendations
TO: Representative Terry Gardiner
Chairman of House Judiciary Committee
FROM: Richard A. Bradley, Legislative Counsel

My recommendations in my memorandum of March 17 were inaccurate in part.

I said as to Recommendations 10(A), 11(A), and 12(A), the salaries of judges, that no change was required. The commission recommended in each case that

"No change in the ... annual salary of the (particular) judges."

The difficulty is that each level of judges (except the Supreme Court, until Justice Erwin's replacement is named) has judges appointed after the effective date of the repeal of ch. 205. Those judges are or will be compensated at a lower level than the judges appointed before the ch. 205 referendum repeal. The recommendation does not accordingly acknowledge this situation, I suspect that the Commission did not intend to leave unchanged the two levels of compensation.

Accordingly, I wrote three more "Whereas" paragraphs, where the commission is said to "confirm" the salaries at the three stated amounts.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU 99911

March 25, 1977

The Honorable Terry Gardiner
Chairman, House Judiciary Committee
Tenth State Legislature
Pouch V
Juneau, Alaska 99811

Re: 1977 Recommendations of the Alaska
Salary Commission

Dear Chairman Gardiner:

This responds to your request for our opinion on the legal validity of certain of the Alaska Salary Commission's recommendations and on the further validity of adopting those recommendations by concurrent resolution.

I. Introduction.

The Alaska Salary Commission was established by the legislature in 1976. ch. 263, SLA 1976, now codified as AS 39.23.010--130. The commission's function is to conduct a continuing review of the compensation and retirement benefits of legislators, the judiciary, and the governor, lieutenant governor, cabinet members and their deputies and division directors, and the members of the full-time regulatory commissions. AS 39.23.060.

Every two years, the commission is to make, first, preliminary findings and recommendations upon which it is to solicit comment and, second, a final report of its findings and recommendations as to "the rate and form of compensation

The Honorable Terry Gardiner
March 25, 1977
Page 2

and retirement benefits" for those officers. AS 39.23.080. The report is submitted to the legislature. The recommendations, which can be amended by the commission after their submission, AS 39.23.080(d), become effective with respect to the rate and form of compensation if approved by a concurrent resolution. They become effective with respect to retirement benefits if enacted into law. AS 39.23.080(e).

At the outset, we want to note that there is, at the least, a legal question at the very heart of this mechanism by which salaries are established. Under the Alaska Constitution, the salaries of the judiciary and of the governor and lieutenant governor are to be set "by law." Art. III, § 15; art. IV, § 13. "Laws" may be enacted solely by a legislative bill, art. II, §§ 13-17, or by popular initiative. Art. XI, § 1. There is, therefore, a question whether the compensation of the judiciary, governor, and lieutenant governor may be set purely by concurrent resolution, even though that procedure is authorized by a prior "law." AS 39.23.

While noting this issue, we will not go into a detailed analysis of the constitutional pros and cons of setting judicial and gubernatorial salaries by concurrent resolution. For the purpose of your request to us, we will assume that under our constitution the legislature may, "by law," provide for a procedure in which compensation may be fixed by the recommendation of an administrative body concurred in by resolution of a majority of the legislature. If we do

assume that, however, the administrative body's recommendations must, at a minimum, conform to the enabling law, and the legislature's approving any recommendations by way of resolution (as opposed to a statute) must also conform to the law. In other words, the salary commission may not recommend, and the legislature may not approve by resolution, anything but the "rate and form" of compensation as provided for in AS 39.23. The law which established the salary commission simply does not authorize the use of concurrent resolutions to any greater purpose. If the legislature wants to act on salary commission recommendations outside the scope of what the commission was authorized to recommend, it may of course do so, but only through the means of enacting the recommendations into law by statute.

Most of the recommendations of the commission were clearly authorized by their enabling act. Some, however, were not. You have asked that we identify those areas in which the commission recommendations fall outside its authority, so that those recommendations may be eliminated from any concurrent resolution and considered, if at all, by means of a bill.

II. Salary, Allowances, and Per Diem of Legislators.

The commission, in Recommendation 13(A), not only recommends a specific salary but also how that salary should be distributed. The recommendation departs substantially from the statutory provisions for distributing salaries in

approximately equal monthly amounts. AS 24.15.020. */ The recommendation does not limit itself to the "rate and form of compensation" for legislators as prescribed by AS 39.23.080(c) but instead, attempts to prescribe a method of payment. Moreover, it is in no way related to "equitable relationships" between state positions as required by AS 39.23.110. Instead, it appears to be an attempt by the commission to weight the periodic payments so as to increase the economic pressure on legislators to have a short session. Aside from the fact that the commission was not authorized to deal with that issue, attempting to deal with the problem from that perspective flies in the face of the constitution's provisions that "[l]egislators shall receive annual salaries." Alaska Const., art. II, § 7. In our view, the recommendation may not be dealt with through means of a concurrent resolution.

In recommendation 13(B), the commission suggests that additional compensation be made to the presiding officers of the House and Senate. This is authorized by the Alaska Constitution, art. II, § 7. However, the commission recommends that all of it shall be paid at the beginning of a session. Because the amount is so small (\$500 annually), this deviation from the applicable law may be de minimus, i.e., not subject to an action at law because it is a trifle. See, Wickwire

*/ The effect of the referendum on ch. 205, SLA 1975 was to revive the old law. We are of the opinion that ch. 148, SLA 1976, was ineffective, or in the alternative, also repealed by the initiative.

In recommendation 13(C), the commission recommends "automatic" pay raises of \$500 per annum for legislators for every two years of service, commencing in January 1977.

While an automatic pay raise (or decrease) based on inflation (or recession) raises no questions, a longevity pay differential for legislators raises serious legal problems. */

The Alaska Constitution, art. II, § 7, does provide that the "[p]residing officers may receive additional compensation." The constitution does not say that any other member of the legislature may receive additional compensation, i.e., more than another member. And its meaning appears to be that, without an express authorization for the additional compensation for the presiding officers, those members would also have to have the same salary as all other members.

The constitution's mandate for equal salaries flows from the universally recognized principle that all members of a legislative body are equal. Mason's Manual puts it thusly:

In public bodies the equality of members is presumed. It would seem that for any democratic group to be able to operate, acceptance of the principle of equality of members is essential Equality

*/ The commission was advised of this in the course of its deliberations but chose to ignore the advice.

seems essential to secure the acceptance
in 'good faith of decisions of the group. */

Since the commission's recommendation would in essence amend the constitution by making some legislators eligible for greater pay than others, we believe that at the least, it is not subject to action purely by means of a concurrent resolution.

With respect to recommendation 13(D), the commission also appears to have overstepped its authority. Its function is to recommend compensation, not accounting systems. How legislators spend their allowances, and for what, is their business, not the commission's, and no statutory authorization was granted for the commission to assume responsibility in that area.

The commission's recommendation, 13(F), that per diem be reduced after the 100th day of the session like its recommendation 13(A) has a clear purpose: to limit the length of a session. This purpose, whether it be sound or unsound, is beyond the express statutory authority given to the commission. The commission's function is to set pay, not the length of legislative sessions.

The final recommendation on legislative compensation, 13(G) (round trip home), is unrelated to compensation and

*/ P. Mason, Manual of Legislative Procedures, § 52 (1970).
Mason's is, of course, the Alaska Legislature's bible.
Uniform Rules, Alaska State Legislature, Rule 56 (1973).

retirement. In the larger sense, it could be argued that being reimbursed for travel and expenses may be characterized as compensation. However, the general rule is that a position for which there is no salary but rather only reimbursement for travel and living expenses is a position without compensation. It seems likely, therefore, that this recommendation is beyond the commission's authority and invalid, and cannot be dealt with through means of a concurrent resolution. The present law on this subject remains in effect.

III. Retirement Benefits of Justices and Judges.

With respect to changes in retirement benefits, the commission's recommendations become effective only if enacted into law. AS 39.23.080(c). This means that if the commission's recommendations are not in accord with AS 39.23 or other laws, the legislature may nevertheless adopt them by exercising its law-making power. Of course, it is equally free to reject any and all recommendations.

The commission ostensibly recommends "no change" in retirement benefits for incumbent justices and judges (recommendations 10(B), 11(B), and 12(B)), but then turns about and recommends that incumbent justices and judges be required to contribute toward retirement (id., 10(C), 11(C), and 12(C)), something not presently required. Apparently, it is the commission's view that the non-contributory retirement system for the judiciary does not come within the

meaning of the term "compensation or retirement benefits."

In AS 39.23.090, the legislature expressly provided that

[n]o recommendations of the commission may have the effect of reducing the compensation or retirement benefits of any member of the judiciary who is a member of the judiciary on the effective date of the commission's recommendation */

The commission's recommendation would have the effect of reducing the compensation and retirement benefits of members of the judiciary and is, therefore, prohibited by law, ultra vires and void on its face.

The commission states, however, that "step raises" it expects to recommend "will cover this withholding so that there is no question of their [justices' and judges'] compensation being diminished." The validity of the theory behind this proposition is far from certain. There is, for instance, a great deal of uncertainty as to the present dollar value of the non-contributory retirement system. It is not at all clear that any agreement could be reached on the proper amount. Given that the system is contractual, agreement is essential. Assuming arguendo that the theory were valid, without making specific "step raises," there is no way in which one may determine whether the newly required contribution will, in fact, be off-set. Indeed, since any so-called "step raise" requires an act of a future legislature, no one is in a position to promise that there will be any raise.

*/ This statutory prohibition follows a similar prohibition contained in the Alaska Constitution, art. IV, § 13.

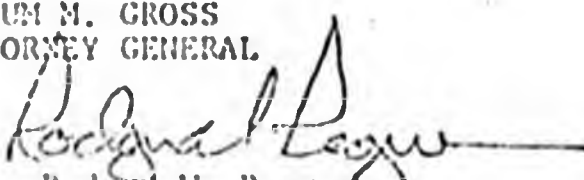
The commission recommendation is legally improper, and the legislature may not properly adopt it without causing serious constitutional problems.

The commission also recommends (Recommendations 10(D), 11(D), and 12(D)) that all justices and judges appointed after January 1, 1977, be required to contribute toward retirement at a rate of 7.5 per cent. It states that this recommendation shall be retroactive to January 1. Obviously, no change which has the effect of reducing compensation, including retirement benefits, may be retroactive so as to apply to incumbent justices or judges. Accordingly, this recommendation is not properly made. */

We trust this answers your inquiry. We have made no attempt to discuss all of the salary commission's recommendations here, but you may assume that our lack of discussion is an indication that those other recommendations create no serious legal problems.

Sincerely yours,

AVRUM M. GROSS
ATTORNEY GENERAL

By: 
Rodger W. Pegues
Assistant Attorney General

RWP:chp

*/ While this is not the place to discuss this issue, it should be mentioned that the First State Legislature deliberately adopted a non-contributory retirement system as a form of deferred compensation for the judiciary in recognition that judicial salaries would always lag some 50 to 100 percent behind the annual income of financially successful lawyers. The commission's recommendations are silent on this point, but it is nevertheless one which the Tenth State Legislature may wish to consider.

MEMORANDUM

March 17, 1977

SUBJECT: Analysis of recommendations of the Salary
Commission (W.O. #3646)

TO: Representative Terry Gardiner, Chairman
House Judiciary Committee

FROM: Richard A. Bradley
Legislative Counsel

In a separate memorandum dated March 14, 1977, I addressed the relationship between the responsibilities of the salary commission and the response of the legislature. In this memorandum, I will seek to comment on problem areas in the Commission's recommendations. At the conclusion of this memorandum, I offer a brief summary of my recommendations as to each separate recommendation.

Initially, I note that the format of the "Final Report" of the commission is in two main sections, containing respectively its "Recommendations" and appendices. Appendix I contains "amplifications" on the "Recommendations" and Appendix II contains "General Philosophical Views of the Commission's Responsibilities." While I have reviewed the Appendices and may comment on what is contained in them, in my opinion, only the "Recommendations" are before the Legislature. AS 39.23.080.

While I have no desire particularly to offer a counterpart set of "philosophical views." I should advise you that in my view Ch. 263, SLA 1976, of which AS 39.23 is a part, grants the Commission the authority to make recommendations as to compensation and retirement benefits of certain public officers. It is similarly my view that efforts by the Commission to manipulate its agreed upon responsibilities to achieve other goals viewed by it as worthwhile are extraneous to the Commission's responsibilities, classically ultra vires, and may generally be disregarded by the legislature.

Representative Terry Gardiner
March 17, 1977
Page 2

and the Commission's Structure } ~~Paraphrasing~~ ^{Paraphrasing} I note that the delegation of authority from the legislature to the Commission fails to instruct the Commission on what factors were to be considered in settling salaries. Neither the customary cost-of-living concepts nor comparability factors (AS 39.27.030, as enacted by ch. 42, SLA 1971) nor longevity (which may have more value for merit system employees than for elected officers) are specified in AS 39.23. ~~and the Commission's structure~~ of "longevity" is flatly contrary to accepted concepts of cost of living adjustments. Notwithstanding inflation, it appears that the governor's salary (and others') is to be frozen and adjusted only as a governor continues in office. See Appendix I, 11.

~~My~~ ^{My} analysis will follow the order in which the commission made its recommendations.

(1) Governor.

No legal or constitutional problems with the salary recommendation. It does not violate Art. III, §15 of the State Constitution. The governor currently receives \$50,000 per annum. AS 39.20.010. The commission recommends that he be paid \$52,992 per annum.

The commission recommends that the governor "remain" in the retirement system. While the incumbent governor (and lieutenant governor) have elected to join the retirement system, under AS 39.35.125 their coverage is their individual option.

In the Commission's Appendix I, I note that the Commission proposes to give "longevity" pay increases to "incumbent governors" for every two years of service accrual. Whatever the policy justification for that proposal, the question of longevity raises for the governor or lieutenant governor is not before the legislature at this time.

(2) Lieutenant Governor.

No legal or constitutional problems are presented by the Commission's recommendations. It recommends \$47,304 per annum. The lieutenant governor currently receives \$44,000 per annum. AS 39.20.030.

As to retirement, and to "longevity" increases, note my comments relative to the governor.

(3) Department Commissioners.

The Commission recommends that departmental commissioners receive \$47,304 annually. Commissioners currently receive \$40,000. The recommendation presents no legal or constitutional problems; I note that the proposed salary is identical to that proposed for the lieutenant governor.

Representative Terry Gardiner
March 17, 1977
Page 3

Departmental commissioners are in the retirement system and it is proposed that they remain there.

Longevity increases are proposed. New appointees apparently will be compensated at the initial level. My earlier comments to the effect that "longevity" apparently ignores cost-of-living factors are appropriate here also.

(4) Deputy Commissioners.

The commission recommends that deputies receive their present entry salary of \$42,372. The present statutory steps for increases (at 39.20.080(b)) is superseded by discretionary longevity increases of 3.75% for each two years of continuous service.

No legal or constitutional problems are created. The existence of deputies in the retirement system is continued.

(5) Directors.

The commission recommended "no change in the salary level of directors." Since there is neither statutory nor regulatory authority for existing levels, it is unclear what is not to be changed; the existing procedure has the level set by the classification of the individual position. The generally understood level for directors of executive line agencies is at Range 26, but not all directors are at that range and it is possible that agencies are working at reclassification subsequent to the Commission's recommendations, apparently without authority of law. Some directors are compensated at levels above Range 26; the various directors not compensated at Range 26 include:

(1)	Mental Health	Range 30
(2)	Public Health	Range 29
(3)	Admin. Services, DC and ED	Range 24
(4)	Alaska Disaster Office	Range 24
(5)	Alcoholic Beverages Control Board	Range 24
(6)	Elections	Range 24
(7)	Alaska Commission for Human Rights	Range 24
(8)	Rural Development Assistance	Range 24
(9)	Wage and Hour Compliance Board	Range 24
(10)	Workmen's Compensation	Range 24
(11)	Management Services	Range 24

Representative Terry Gardiner
March 17, 1977
Page 4

It seems that there is a substantial ambiguity in the recommendation and that from the brief statement in the recommendation, it is possible to conclude (1) either that all positions are frozen at their present level and that reclassification may not occur without the Commission making a recommendation, (2) that a single level at which all directors are compensated should be established, or ~~that nothing is to be changed~~ but when a director is appointed, he starts at Step A. *that nothing is to be changed*
Commissioner Elton advised at the hearing on March 14 that the Commission was aware of the existence of directors at different levels. All interpretations will cause some confusion and the committee and the legislature may wish to consider alternatives.

The commission's recommendation for changes "in the administrative rules" and the following comments are not recommendations to the legislature and are not before it.

Longevity raises are not proposed for directors; rather the salary schedule at AS 39.27.011 is utilized, presumably at the times now established, that is, annually.

(6), (7), (8), and (9) Certain listed commissions.

The Commission recommends that the Public Utilities Commission, Alaska Transportation Commission, Alaska Commercial Fisheries Entry Commission, and the Alaska Pipeline Commission commissioners be compensated at \$39,372. They apparently earn \$33,500 at the present time. The commission also recommends that they receive "longevity" increases "at the discretion of the Governor." It seems questionable policy to allow the governor to control the compensation of commissioners who have quasi-judicial responsibilities and who may be called upon to rule on administration proposals.

(10), (11), and (12) The Judiciary.

The commission recommended no increase for any member of the judiciary and no changes in retirement benefits for incumbent judges.

Its other recommendations regarding retirement coverage create some problems.

Contributing to
(C) It recommended that incumbent judges begin contributing to their retirement package at the rate of 2.5% in 1979 and 1980; it says it intends to recommend a pay increase to offset the resulting decrease in compensation. Recommendations 10c, 11c, and 12 c. This, the Commission says, will solve the constitutional question (Art. IV, §13) While the possibility exists that a finely-tuned proposal of this sort may meet the constitution's mandate, in my judgment the "recommendation"

Representative Terry Cardiner

March 17, 1977

Page 5

containing this proposal is not before the legislature at this time. It is only a promise, conditioned on another promise not yet contained in a recommendation and no action is required on it at this time.

(D) The last recommendation is that judges appointed after January 1, 1977 contribute to their retirement system. Present law contains no requirement of contributions; while the legislature may establish such a requirement, it may only do it prospectively. If it wishes to do so, it will only be effective for judges appointed subsequent to the date of the amendment of the retirement act and, since judges have been or will be appointed subsequent to January 1, 1977, the law will not apply at the time recommended.

(13) The Legislature

(A) The commission recommends an annual salary of \$11,750 for members of the legislature. Such a recommendation is appropriate.

The commission then recommended that the salary be paid in four increments. Whether that recommendation has merit or not, in my judgment Ch. 263 did not authorize the Commission to vary explicit state law.

Each member of the legislature is entitled to ... compensation ... in approximately equal monthly installments. AS 24.15.020.

The legislature may approve the recommendation and disregard the payment as ultra vires.

(B) The Speaker and the president are each entitled to \$500 under the commission's recommendations. It presents no particular problems.

(C) Members of the legislature get "longevity" increases; under the commission's approach, longevity raises are granted to present members reelected in 1978. The recommendation presents no legal or constitutional problems.

(d) The co

(D) The commission recommends a "vouchered" annual allowance of \$2,500. The amount may appropriately be set by the Commission; the conditions on its payment may not.

The legislature may approve the recommendation and disregard the voucher provision as ultra vires.

Representative Terry Gardiner
March 17, 1977
Page 6

(E) The commission recommends that participation in the Public Employee Retirement System be made mandatory for members of the legislature, unless they are now contributing to a state retirement fund and will continue to be a contributing member while a legislator.

The two state retirement funds at present are PERS and Teachers. In the past, members of the legislature while on leave from teaching positions have served in the legislature and made their personal contributions as well as their employers' while in the legislature. (Bob Palmer was said to have done it that way. Presumably the benefits might have been better under the alternative system.)

My information is that such an arrangement would not be possible for employees of the state government, since they would need to resign their position to seek election. Art. II, §5, Alaska Constitution.

Members of the legislature who are retired from PERS (e.g., Ed Dankworth) would have their retirement benefits suspended during their tenure as a legislator if this recommendation is enacted, and then have their benefits recomputed at the end of their term or terms.

(F) The commission recommends that legislators receive the same per diem as is set for other state officers and employees under AS 39.20.110, including the regional variations. Appendix V to the Recommendations indicates the variations.

The commission then picks up the concept from the "Administrative Manual" of "long-term" and "short-term" per diem rates. Section 7640 of the manual establishes the procedures for payment of per diem claims. The usual per diem rate is described as the "short term rate." The Manual states:

A short term per diem allowance is authorized when the circumstances of travel are such that the traveler can reasonably be expected to incur expenses comparable to those arising from the use of good and moderately priced establishments catering to the general public. The short term per diem rate is intended for trips of such duration that monthly rates are not obtainable. The short-term per diem may not be used after the 30th consecutive day in one location unless a continuation has been obtained in advance by the Commissioner of Administration. §7640(1)

Representative Terry Gardiner
March 17, 1977
Page 7

On the other hand;

A long term per diem allowance is authorized when the circumstances of travel are such that the traveler can reasonably be expected to incur expenses comparable to those arising from the use of establishments catering to the long-term visitor. The long term rate may not be used after six months in one location unless a continuation has been approved in advance by the Commissioner of Administration. §7640(2)

A so-called "non-commercial" rate is also authorized by §7640(3) in situations not at all analagous or relevant to the legislative situation.

The per diem allowance concepts quoted above are designed to achieve certain goals of limited relevance to the legislature. They are designed to compensate the true traveler for his reasonable expenses on short-term trips of 30 days or less. If his trip exceeds 30 days, then the assumption is that the traveler should lose the travel status where hotels and restaurants are to be expected and also that the traveler should seek less expensive accomodations, perhaps including cooking facilities. Finally, if the trip continues too long, the assumption is made that the employee has in fact changed his duty station and he is put off per diem.

Since no one expects the legislative session to be completed in 30 days, the logic of a conclusion that long term per diem is at all relevant would be that members of the legislature should move to it on the 30th day (or earlier), since it is quite reasonable to the state to expect legislators to use "establishments catering to the long term visitor." (§7640(2))

In fact, however, the Commission recommended that the long term rate be used after the 100th day of the session. The inference is in my judgment inescapable that the commission may have used the structure of the per diem allowances articulated in §7640 but it misunderstood the logic of §7640, notwithstanding Chairman Diebel's letter of March 2, 1977 to the contrary. (Senate Journal Supplement No. 23).

There is no justification for per diem to be used to encourage the members of the legislature to establish a permanent residence in the state capitol. Use of the lower, long term per diem subsequent to the 100th day must accordingly, have been designed for some other purpose.

Since it is expected that the typical member of the legislature is maintaining a second household in the district from which he or she was elected, and that, moreover, the public interest is served by this fact, then it seems that the logic of the higher, short term per diem for the entire length of the session is more in keeping with the goals of short term per diem.

Representative Terry Gardiner
March 17, 1977
Page 3

In the final analysis, however, the question of concern to ~~whether~~ whether the Commission overreached its ~~authority~~ authority when, ~~after~~ after establishing a per diem rate, it sought to change the rate after the 100th day, an event having no apparent relevance to per diem rates.

In my opinion, the answer to the question must be that the Commission sought to achieve some purpose other than the narrow responsibility given it to set the "rate of per diem instead of subsistence for each member..." AS 24.15.010. It is of some significance, perhaps, that the law requires the establishment of a single "rate."

My difficulty in providing advice to you on this question, however, is that the commission did not technically exceed the narrow language of the law, that is, it only attempted to set per diem. Unlike the other situations where either recommendation was made that is inconsistent with statutory law or a feature not included in the law was added (vouchering), in this case the apparent manipulation was more subtle.

If the legislature concludes that the commission exceeded its authority, then I suggest that the per diem recommendation be rejected and that AS 24.15.010 be amended to make it explicit that only a single per diem rate may be established.

(g) The final recommendation relative to the legislature is that each legislator be allowed the cost of a round-trip to his home district during the session. While it is not clear what the recommendation is implementing, arguably it comes in under "additional allowances" at AS 24.15.030.

In conclusion, I offer the following analysis of the Salary Commission's recommendations and the action required to implement them:

(1) Governor:

(A) Salary at \$52,992. Requires a resolution to adopt.

(B) The governor "remain" in PERS. The recommendation is ambiguous; if the desire is to put him there without an option out, AS 39.35.125 will need to be amended by law.

(2) Lieutenant Governor:

(A) Salary at \$47,304. Requires a resolution to adopt.

(B) See (1)(B).

(3) Department Commissioners:

(A) Salary at \$47,304. Requires a resolution to adopt.

(B) Commissioners remain in PERS. No action required to implement it.

(C) "Longevity" raises. Requires a resolution to adopt.

(4) Deputy Commissioners:

(A) No change in starting salary recommended. No action required.

(B) Deputies remain in PERS. No action required.

(C) "Longevity" raises. Requires a resolution to adopt.

(5) Directors:

(A) No change in salary level recommended. No action required to implement this recommendation. If legislature wishes to clarify any of the questions presented in my analysis, then a bill would be required.

(B) Salary progression apparently under existing law. No action required.

(C) Remain in PERS. No action required.

(6) Alaska Public Utility Commission:

(A) Salary at \$39,373 annually. Requires a resolution to adopt.

(B) Chairman paid an additional \$500. Requires a resolution to adopt.

(C) PEC commissioners remain in PERS. No action required.

(D) "Longevity" raises at governor's discretion. Requires a resolution to adopt.

(7), (8), and (9), as to the Alaska Transportation Commission, the Alaska Pipeline Commission, and the Alaska Commercial Fisheries Entry Commission have identical recommendations.

(10) Supreme

(10) Supreme Court:

(A) Salary at \$52,992. No changes recommended; no action required.

(B) No change in benefits for incumbent justices. No action required.

(C) Incumbent justices start contributing in 1979 and 1980 with a raise that the commission promises. There is in fact no present recommendation pending before the legislature and no action is required.

(D) Justices appointed after January 1, 1977 become contributing members of Judicial Retirement System at 7.5%. The date cannot become the date for its implementation. The legislature must amend the Judicial retirement act by a bill and that becomes the earliest effective date. Requires an amendment to law to implement.

(11) Superior Court:

(A) Salary at \$48,576. No change recommended and no action required.

(B) Identical to 10 (B)

(C) Identical to 10 (C)

(D) Identical to 10 (D)

(12) District Court:

(A) Salary at \$41,068. No change recommended and no action required.

(B) Identical to 10 (B)

(C) Identical to 10 (C)

(D) Identical to 10 (D)

(13) Legislature:

(A) Salary of \$11,750. Requires a resolution to adopt. If the legislature agrees, the resolution should recite that the recommendation as to payment violates AS 24.15.020, and that payment should be made pursuant to that section.

(B) Presiding officers receive an additional \$500. Requires a resolution to adopt.

(C) "Longevity" pay increases. Requires a resolution to adopt.

Representative Jerry Gardner
March 17, 1977
Page 11, 1977

(D) Annual allowance at \$4000. Vouchered. Requires a resolution to adopt. If the legislature agrees that the vouchered concept is extraneous to the commission's authority at AS 24.15.030, it should recite that fact in the resolution.

(E) Participation in PERS be made mandatory. Requires an amendment to law to implement. Questions regarding the election to continue coverage under Teacher's Retirement and regarding members who have already retired from PERS need to be addressed.

(F) Legislative per diem at the higher, "short term" state rate, for the first 100 days of the session, with regional variations. Legislators at home get lower, "long term" rate. "Long term rate" applies after the 100th day. While I believe that the change after the 100th day violates the intent of the legislature, I am not as certain that it violates the letter of the law. Note that the legislature has traditionally had dual per diem rates, though in a different context. If the legislature disagrees with the recommendation, it may amend the authorizing law to require the establishment of a single rate; it would then also reject, by resolution or by nonaction, the recommendation.

(G) A midsession trip home. Requires a resolution to adopt.

RAB:hjd

Bill

MEMORANDUM

March 14, 1977

SUBJECT: Final Report of Salary Commission (W.O. #3646)

TO: Representative Terry Gardiner

FROM: Richard A. Bradley
Legislative Counsel

By your request of March 7, you have requested my comments on the January 13, 1977 report of the Alaska Salary Commission to the Legislature.

Your request asked:

- (1) Do the Salary Commission recommendations follow the law (AS 39.23)? If they do not, set out the questionable areas.
- (2) May a resolution approving the request amend the recommendations and condition legislative approval or is the legislature limited to an approval or rejection of the recommendations?

You also asked that I draft a resolution consistent with my conclusions.

An analysis of AS 39.23 is required in order to provide you the advice you request.

AS 39.23.030(c) provides that the Salary Commission will make a

"final report of its findings and recommendations as to the rate and form of compensation and retirement benefits ... within 10 days after the first regular session of a legislature convenes. The recommendations regarding compensation become effective, retroactive to January 1, only if approved by concurrent resolution before the end of a session. The recommendations regarding retirement become effective if enacted into law by the legislature." (emphasis added.)

Representative Terry Gardiner
March 14, 1977
Page 2

Sec. 30(d) allows the commission to submit amendments to its report, apparently without any limitation as to time, except that a new report is required for a new legislature. Recommendations as to compensation lapse if not affirmatively approved during the first session of each legislature and the law contains no express mechanism for resubmission of proposals regarding compensation to the second session of the legislature of the first recommendations lapse.

Sec. 120 provides the "Policy of the Legislature:"

It is the policy of the legislature that the commission determine the salary schedule and retirement benefits for public officers based upon equitable relationships being maintained among state positions. (Emphasis added)

In my opinion, the legislature by the enactment of AS 39.23 has divested itself of the authority to set the compensation of the public officers listed in AS 39.23.050. While legislative approval is required, it is by a resolution of relatively low dignity, a concurrent resolution. Uniform Rules, Alaska State Legislature, Rule 51(e). If a concurrent resolution is used, in my opinion the legislature is limited to an approval or disapproval of the recommendations as to compensation. If a recommendation is disapproved, the legislature has in effect directed the commission to resubmit recommendations. I note that 30(d) allows the commission to amend its recommendations and it may clearly amend if a recommendation is rejected.

A more difficult question is presented by the possibility that the legislature may wish to reject some recommendations while approving the remainder. The charge to the commission in 110 of the law is to establish a "schedule" "based upon equitable relationships being maintained among state positions." At least in theory, an approval that is less than total may cause the establishment of inequity among the positions. Nonetheless, in my judgment the legislature may approve or disapprove all the recommendations or it may approve only a part. Note that while in my opinion the legislature retains an option to disapprove recommendations, its failure to approve a recommendation becomes a rejection at the "end of [the] session." Sec. 30(e).

A proposal as to retirement benefits must be adopted by an amendment to the retirement act by law.

I assume that you recognize, moreover, that my opinion as to the limited options that the legislature possesses is neces-

Representative Terry Gardner
March 14, 1977
Page 3

sarily founded on a decision by the legislature to remain within the framework of AS 39.23. The legislature cannot, by the enactment of any law, divest itself of the underlying constitutional prerogative of setting the compensation of the officers listed in AS 39.23.050.

Accordingly, in my opinion, the legislature

- (1) must approve a recommendation before it can take effect.
- (2) may approve less than all of the recommendations.
- (3) may not change a recommendation as to compensation by a concurrent resolution.
- (4) may approve a recommendation as to retirement benefits only by amending the retirement law.

My opinion as to the consistency of the Commission's recommendations with AS 39.23, existing law, and the Constitution is contained in a separate memorandum.

RAB:hjd

cc: Bill Carrier

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

Revised 5/4/77

I. REQUEST

Bill/Resolution No. CS HOUSE CONCURRENT RESOLUTION NO. 45
 Title Salary Commission Recommendations
 Requested by Representative Hugh Malone Date 4/27/77

II. FISCAL DETAIL

Agency Affected Legislative Affairs
 Program Category Affected General Government
 Budget Request Unit(s) Affected Legislature

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	(96.3)	207.0	207.0	207.0	207.0	207.0
200 TRAVEL	108.0	84.6	84.6	84.6	84.6	84.6
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	11.7	291.6	291.6	291.6	291.6	291.6

FUNDING (Thousands of Dollars)

GENERAL FUND	11.7	291.6	291.6	291.6	291.6	291.6
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Special appropriation will be required for FY 77 as fiscal note procedure for funding usually only affects budget year (FY 78).

The following is based on the currently funded projected 120-day session:

Per Diem
 Need \$50 x 60 x 120 \$360,000
 Have \$35 x 60 x 120 252,000 \$108,000

Allowances
 Two add'l legislators @ \$4,000 8,000

(Continued next page)

IV. DATE 5/4/77 PREPARED BY M. R. Charney
 AGENCY Legislative Affairs
 PHONE 465-3850

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

Revised 5/4/77

I. REQUEST

Bill/Resolution No. CS HOUSE CONCURRENT RESOLUTION NO. 45
 Title Salary Commission Recommendations
 Requested by Representative Hugh Malone Date 4/27/77

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	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	(96.3)	207.0	207.0	207.0	207.0	207.0
200 TRAVEL	108.0					
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	11.7	207.0	207.0	207.0	207.0	207.0

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	11.7	207.0	207.0	207.0	207.0	207.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Special appropriation will be required for FY 77 as fiscal note procedure for funding usually only affects budget year (FY 78).

The following is based on the currently funded projected 120-day session:

Per Diem
 Seed \$50 x 60 x 120 \$360,000
 Have \$35 x 60 x 120 252,000 \$108,000

Allowances
 Two add'l legislators @ \$4,000 8,000

(Continued next page)

IV. DATE 5/4/77 PREPARED BY M. R. Charney
 AGENCY Legislative Affairs
 PHONE 465-3850

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

III. ANALYSIS (Continued)

Salary		
Need	\$14,724 x 60 x 1/3 year	\$294,480
Need	9,000 x 60 x 1/6 year	90,000
Need	11,750 x 60 x 1/2 year	352,500
Need	Benefits @12% (1/3 year) and 25.5% (2/3 year)	<u>148,180</u>
	Total Salary Need	<u>\$885,160</u>
Have	\$14,724 x 60 x 1 year	883,440
Have	Benefits @12%	<u>106,010</u>
	Total Salary Have	<u>\$989,450</u> (104,290)
TOTAL NEED F. Y. 1977		\$ 11,700

It should also be noted that should the session now surpass 120 days, the daily cost would be \$18,600 per day rather than the previous \$17,700 (the difference being Legislators' Per Diem--\$15 per day for 60 legislators or \$900).

Since the FCC on the Budget has reduced budget for legislators' salaries to \$9,000 level, the fiscal impact on raising salaries to the \$11,750 level amounts to \$207,000 in future years.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHCR 45
 Title Approving Salary Commission Recommendations
 Requested by Jay hogan Date 5/6/77

II. FISCAL DETAIL

Agency Affected A11
 Program Category Affected A11
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	\$9.1	\$254.9				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	\$9.1	\$254.9				

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	\$9.1	\$254.9				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The attached table compares current salary levels to the salaries recommended in the Resolution for the Executive Branch. Budgeted amounts are sufficient to cover these increases in FY 77, except for the Judicial Branch

IV. DATE 5/7/77 PREPARED BY Don Dawson
 AGENCY Division of Budget and Management
 PHONE 465-2287
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

2226 Susitna Drive
Anchorage, Alaska 99503

April 15, 1977

HCR 45

3/24/77 (H)

Judiciary

Dear John:

I have just received a copy of House Concurrent Resolution No. 45. If this resolution passes, the salaries of the Alaska Transportation Commissioners, and other regulatory commissioners, will remain the same for the next two (2) years, except for a 3.75% increment increase. At the end of two (2) years, the Legislature will again receive recommendations from the Salary Commission as to salaries for the different executive positions in the partially exempt status. I do not believe that the same salary for two (2) years is right. Except for a 3.75% increase, in two (2) years, there is no inflationary amount allowed. I do not concur with the Salary Commission's recommendations.

Personally, I hope HCR 45 will be defeated and the regulatory commissioners put into the regular state pay grade at Range 27. This is one pay grade below the deputy commissioners of the different departments. By placing the regulatory commissioners on the state employees pay schedule, neither the Salary Commission nor the Legislature will have the hassle of always considering them. The deputy commissioners have always been on this scale and has never had to be considered by the Legislature.

An act relating to compensation of executive officers and members of certain boards and commissions of the state was introduced on February 25, 1977 by Speaker Malone - H.B. 275. This bill could be amended to say that the different commission members shall receive an annual salary equivalent to Pay Range 27A.

Yours truly,

Wally Kubley

Hope you can help on this.

Original sponsor: Gardiner

Offered: 4/26/77
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 45

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Approving certain recommendations of the
6 Salary Commission.

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

8 WHEREAS Chapter 263, Session Laws of Alaska 1976 established the Alaska
9 Salary Commission; and

10 WHEREAS the Salary Commission was granted the responsibility of conduct-
11 ing an on-going review of compensation and retirement benefits for members of
12 the legislature, the governor an lieutenant governor, commissioners, deputy
13 commissioners and directors of executive departments, members of the Alaska
14 Public Utilities Commission, the Alaska Pipeline Commission, the Alaska
15 Transportation Commission, and the Alaska Commercial Fisheries Entry Commis-
16 sion, and members of the judiciary; and

17 WHEREAS the recommendations of the Salary Commission as to compensation
18 become effective, retroactive to January 1, 1977 only if approved by con-
19 current resolution of the legislature before the end of the first session of
20 the legislature; and

21 WHEREAS the Salary Commission has submitted its recommendations to the
22 legislature regarding the compensation of the officers covered under ch. 263
23 SLA 1976 and the legislature has considered them; and

24 WHEREAS Recommendation Number (1)(A) of the Salary Commission proposes
25 to set the annual salary of the governor of Alaska at \$52,992; and

26 WHEREAS Recommendation Number (2)(A) of the Salary Commission proposes
27 to set the annual salary of the lieutenant governor of Alaska at \$47,304; and

28 WHEREAS Recommendation Number (3)(A) of the Salary Commission proposes
29 to set the annual salary of commissioners of principal executive departments

1 at \$47,304; and

2 WHEREAS Recommendation Number (3)(C) proposes to grant longevity pay
3 increases to the commissioners of the principal executive departments at the
4 discretion of the governor which are equal to 3.75 per cent of the annual
5 salary of the commissioner for each two years of continuous service, with
6 service accrual to begin January 1, 1977; and

7 WHEREAS Recommendation Number (4)(A) proposes that there be no change in
8 the annual salary of \$42,372 for beginning deputy department commissioners;
9 and

10 WHEREAS Recommendation Number (4)(C) proposes to grant longevity pay
11 increases to the deputy commissioners of the principal executive departments
12 at the discretion of the departmental commissioner which are equal to 3.75
13 per cent of the annual salary of the deputy commissioner, for each two years
14 of continuous service, with service accrual to commence from the date of the
15 last step increase or upon the date of hire following approval of this recom-
16 mendation; and

17 WHEREAS Recommendation Number (5)(A) proposes that there be no change in
18 the salary level of directors and the Salary Commission also recommends that
19 the administrative rules be changed so that the salary entry level of new
20 directors be in the "A" step of the salary range at which they are hired; the
21 commission recognized that promotions from deputy director to director of a
22 division may sometimes necessitate that those receiving a promotion move into
23 a step other than "A" in order to be assured a salary increase; in such
24 cases, that person receiving the promotion should enter at the lowest step
25 necessary to receive a salary increase; the commission also recognized that
26 some directors are now covered by a negotiated agreement and the commission's
27 recommendations will not apply to them until that agreement expires; and

28 WHEREAS Recommendation Number (5)(B) proposes that the salary progres-
29 sion for directors follow the steps outlined in the state salary schedule as

1 outlined in AS 39.27.011; and

2 WHEREAS Recommendation Number (6)(A) proposes that members of the Alaska
3 Public Utilities Commission be paid \$39,372 annually; and

4 WHEREAS Recommendation Number (6)(B) proposes that the chairman of the
5 Alaska Public Utilities Commission be paid an additional \$500 annually, pro-
6 rated as part of the regular salary; and

7 WHEREAS Recommendation Number (6)(D) proposes to grant longevity pay
8 increases to each commissioner of the Alaska Public Utilities Commission at
9 the discretion of the governor which are equal to 3.75 per cent of the annual
10 salary of the commissioner for each two years of service, with service accru-
11 al beginning January 1, 1977; and

12 WHEREAS Recommendation (7)(A) proposes that members of the Alaska Trans-
13 portation Commission be paid \$39,372 annually; and

14 WHEREAS Recommendation Number (7)(B) proposes that the chairman of the
15 Alaska Transportation Commission be paid an additional \$500 annually, pro-
16 rated as part of the regular salary; and

17 WHEREAS Recommendation Number (7)(D) proposes to grant longevity pay
18 increases to each commissioner of the Alaska Transportation Commission at the
19 discretion of the governor which are equal to 3.75 per cent of the annual
20 salary of the commissioner for each two years of service, with service accru-
21 al beginning January 1, 1977; and

22 WHEREAS Recommendation Number (8)(A) proposes that members of the Alaska
23 Commercial Fisheries Entry Commission be paid \$39,372 annually; and

24 WHEREAS Recommendation Number (8)(B) proposes that the chairman of the
25 Alaska Commercial Fisheries Entry Commission be paid an additional \$500
26 annually, prorated as part of the regular salary; and

27 WHEREAS Recommendation Number (8)(D) proposes to grant longevity pay
28 increases to each commissioner of the Alaska Commercial Fisheries Entry
29 Commission at the discretion of the governor which are equal to 3.75 per cent
30

1 of the annual salary of the commissioner for each two years of service, with
2 service accrual beginning January 1, 1977; and

3 WHEREAS Recommendation Number (9)(A) proposes that members of the Alaska
4 Pipeline Commission be paid \$39,372 annually; and

5 WHEREAS Recommendation Number (9)(B) proposes that the chairman of the
6 Alaska Pipeline Commission be paid an additional \$500 annually, prorated as
7 part of the regular salary; and

8 WHEREAS Recommendation Number (9)(D) proposes to grant longevity pay
9 increases to each commissioner of the Alaska Pipeline Commission at the dis-
10 cretion of the governor which are equal to 3.75 per cent of the annual salary
11 of the commissioner for each two years of service, with service accrual
12 beginning January 1, 1977; and

13 WHEREAS Recommendation Number (10)(A) of the Salary Commission proposes
14 to confirm the annual salary of supreme court judges at \$52,992; and

15 WHEREAS Recommendation Number (11)(A) of the Salary Commission proposes
16 to confirm the annual salary of the superior court judges at \$48,576; and

17 WHEREAS Recommendation Number (12)(A) of the Salary Commission proposes
18 to confirm the annual salary of district court judges at \$41,068; and

19 WHEREAS Recommendation Number (13)(A) proposes that state legislators be
20 paid an annual salary of \$11,750; and

21 WHEREAS Recommendation Number (13)(B) proposes that the president of the
22 senate and the speaker of the house each receive an additional \$500 per year
23 payable on the opening day of each regular session of the legislature or upon
24 confirmation by the House or Senate after the opening of a regular session of
25 the legislature; and

26 WHEREAS Recommendation Number (13)(D) proposes that legislators receive
27 an annual allowance of \$4,000; and

28 WHEREAS Recommendation Number (13)(F) proposes that legislators receive
29 per diem at the same rate as state employees, including regional variations

1 where applicable; legislators who do not live in their city of residence
2 during regular or special legislative sessions will receive per diem at the
3 short term rate; interim committee work should be paid at the short-term per
4 diem rate; however, per diem is to be paid at the long-term (lower) rate if
5 legislators are able to stay in their city of residence while on legislative
6 business;

7 BE IT RESOLVED that the Alaska State Legislature approves the listed
8 Recommendations in the language and form stated in this resolution; and be it

9 FURTHER RESOLVED that those parts of Recommendation 13 which are not
10 quoted above are considered by the legislature to be beyond the authority of
11 the Salary Commission, are therefore not part of a proper Recommendation, and
12 are not approved.

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HCR 45

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU 99811

May 17, 1977

The Honorable John C. Sackett
Chairman
Senate Finance Committee
Tenth Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: Questions on Alaska Salary
Commission Recommendations
Our File: J-66-608-77

Dear Senator Sackett:

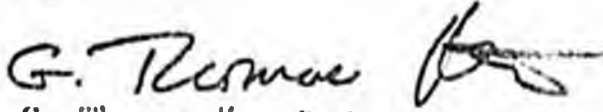
The Department of Administration has several questions regarding the recommendations of the Alaska Salary Commission. A copy of their memorandum to the Department of Law setting out those questions is enclosed.

It is our understanding that the Senate Finance Committee will take up the Alaska Salary Commission recommendations on Wednesday, May 18, 1977. We would appreciate it if the committee would address the questions raised by the Department of Administration and resolve the ambiguities in the Alaska Salary Commission recommendations regarding the salary and benefits payable to commissioners, deputy commissioners and division directors. If the Senate Finance Committee resolves these ambiguities, you can be assured that the Department of Administration will conform its payroll and other administrative procedures to the legislative intent underlying the resolution adopting the recommendations of the Alaska Salary Commission.

Thank you for your consideration.

Sincerely,

AVRUM M. GROSS
ATTORNEY GENERAL

By: 
G. Thomas Koester
Assistant Attorney General

GTK:jec
Enclosure

TO: Honorable Avrum M. Gross
Attorney General
Department of Law

DATE: May 5, 1977

FILE NO.

TELEPHONE NO.

FROM: Commissioner B. B. Allen
Department of Administration

SUBJECT: Alaska Salary
Commission Recommendations

This is a request for legal opinion on selected recommendations of the Alaska Salary Commission assuming it is passed as adopted by the House by Committee Substitute for House Concurrent Resolution No. 45.

The Alaska Salary Commission recommended no change in the annual salary of \$42,372 for beginning deputy commissioners. Prior to the acceptance of this recommendation deputy commissioners were paid at Step A through Step E of Range 28 of the salary schedule set out in AS 39.27.011. As shown below the \$42,372 mentioned in the recommendation was Step A of Range 28. Until now the compensation of a deputy has been one of the following:

<u>Range/Step</u>	<u>Annual Compensation</u>	<u>Annual Compensation</u>
28/A	\$ 42,372	\$ 3,531
28/E	43,968	3,664
28/C	45,624	3,802
28/D	47,304	3,942
28/E	49,092	4,091

In addition to adopting the recommendations of the Salary Commission, the 1977 Legislature is considering House Bill 455. This bill increases the compensation of employees not covered by collective bargaining. The new annual compensation for Step A of Range 28 is \$44,496. The new Step E is \$51,552.

Please advise me if the minimum salary for a beginning deputy commissioner is \$42,372 or \$44,496.

Throughout the state service there are times when a person is appointed to a position at a rate of pay that is higher than the minimum. This is done for a variety of reasons of which the following are the most common:

1. The employee is a new hire who is exceptionally well qualified.

May 5, 1977

2. The employee is being promoted and his current salary is in excess of the minimum pay for the position to which he is being appointed.
3. Experience has shown that qualified persons cannot be recruited at the minimum rate of pay.

Please advise me if a deputy commissioner may be appointed at a rate of pay that is higher than the minimum.

Recommendation 4C reads as follows:

Longevity pay increases at the discretion of the Department Commissioner of 3.75 per cent of the annual salary for each two years of continuous service with service accrual to commence from the date of last step increase or upon date of hire following acceptance of these recommendations.

From the above we assume that there is no limit to the number of step increases that may be given to a deputy commissioner. We also assume that "each two years of continuous service" refers to service as a deputy commissioner and not service in some other capacity. Please advise me if our understanding of these matters is correct.

Because of the restrictions in AS 39.20.080 some deputy commissioners have not received merit salary increases for up to five years. If a deputy commissioner was not given a merit salary increase during the last two years because of the limitations in AS 39.20.080 may he be given a 3.75% increase? If a deputy was not given a merit increase during the last four years may he be given a 7.5% increase at this time?

Recommendation 5A provides for no change in the salary level of directors. At the present time most directors are paid at Range 26 of the salary schedule prescribed by AS 39.27.011. However, some are paid at Range 24 and a few at ranges 28, 29 and 30.

Does "no change in salary level" mean that directors continue to receive the salary prescribed by AS 39.27.011 as that section existed on December 31, 1976 or does it mean that they receive the salary prescribed by any subsequent amendment to that section?

Recommendation 5B provides that salary progression for directors shall follow the steps outlined in AS 39.27.011. However, in addition to the progression provided by that

May 5, 1977

section, some directors are being paid increments for longevity in state service in accordance with AS 39.27.022. Please advise me if directors are eligible for pay increments for longevity in state service provided by AS 39.27.022.

Section 13 of Ch. 263 SLA 1976 amended AS 39.35.680 to provide that the heads, deputy or assistant heads, and division directors of each principal executive department are not employees within the meaning of the PERS Act. Please advise me of the effect of this amendment on commissioners, deputy commissioners and directors who were in state service as of December 13, 1976 and on persons appointed to such positions subsequent to that date.

cc: William C. Mullin
Director
Division of Finance

SCR 45

Key Diebels, Salary Commission

Philosophy was to not tie to
pay grades because they didn't know
what would happen to pay grades.
Took recent negotiations into account
and felt they did not want to fix
for which they have authority
Salaries A to pay grades over which
they have no authority.

Judy Lundahl 5-4-77

See Page 3

Sen Halverson

Original sponsor: Gardiner

Offered: 4/26/77
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 45

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 Approving certain recommendations of the
6 Salary Commission.

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

8 WHEREAS Chapter 263, Session Laws of Alaska 1976 established the Alaska
9 Salary Commission; and

10 WHEREAS the Salary Commission was granted the responsibility of conduct-
11 ing an on-going review of compensation and retirement benefits for members of
12 the legislature, the governor and lieutenant governor, commissioners, deputy
13 commissioners and directors of executive departments, members of the Alaska
14 Public Utilities Commission, the Alaska Pipeline Commission, the Alaska
15 Transportation Commission, and the Alaska Commercial Fisheries Entry Commis-
16 sion, and members of the judiciary; and

17 WHEREAS the recommendations of the Salary Commission as to compensation
18 become effective, retroactive to January 1, 1977 only if approved by con-
19 current resolution of the legislature before the end of the first session of
20 the legislature; and

21 WHEREAS the Salary Commission has submitted its recommendations to the
22 legislature regarding the compensation of the officers covered under ch. 263
23 SLA 1976 and the legislature has considered them; and

24 WHEREAS Recommendation Number (1)(A) of the Salary Commission proposes
25 to set the annual salary of the governor of Alaska at \$52,992; and

26 WHEREAS Recommendation Number (2)(A) of the Salary Commission proposes
27 to set the annual salary of the lieutenant governor of Alaska at \$47,304; and

28 WHEREAS Recommendation Number (3)(A) of the Salary Commission proposes
29 to set the annual salary of commissioners of principal executive departments

1 at \$47,304; and

2 WHEREAS Recommendation Number (3)(C) proposes to grant longevity pay
3 increases to the commissioners of the principal executive departments at the
4 discretion of the governor which are equal to 3.75 per cent of the annual
5 salary of the commissioner for each two years of continuous service, with
6 service accrual to begin January 1, 1977; and

7 WHEREAS Recommendation Number (4)(A) proposes that there be no change in
8 the annual salary of \$42,372 for beginning deputy department commissioners;
9 and

10 WHEREAS Recommendation Number (4)(C) proposes to grant longevity pay
11 increases to the deputy commissioners of the principal executive departments
12 at the discretion of the departmental commissioner which are equal to 3.75
13 per cent of the annual salary of the deputy commissioner, for each two years
14 of continuous service, with service accrual to commence from the date of the
15 last step increase or upon the date of hire following approval of this recom-
16 mendation; and

17 WHEREAS Recommendation Number (5)(A) proposes that there be no change in
18 the salary level of directors and the Salary Commission also recommends that
19 the administrative rules be changed so that the salary entry level of new
20 directors be in the "A" step of the salary range at which they are hired; the
21 commission recognized that promotions from deputy director to director of a
22 division may sometimes necessitate that those receiving a promotion move into
23 a step other than "A" in order to be assured a salary increase; in such
24 cases, that person receiving the promotion should enter at the lowest step
25 necessary to receive a salary increase; the commission also recognized that
26 some directors are now covered by a negotiated agreement and the commission's
27 recommendations will not apply to them until that agreement expires; and

28 WHEREAS Recommendation Number (5)(B) proposes that the salary progres-
29 sion for directors follow the steps outlined in the state salary schedule as

1 outlined in AS 39.27.011; and

2 WHEREAS Recommendation Number (6)(A) proposes that members of the Alaska
3 Public Utilities Commission be paid \$39,372 annually; and

4 WHEREAS Recommendation Number (6)(B) proposes that the chairman of the
5 Alaska Public Utilities Commission be paid an additional \$500 annually, pro-
6 rated as part of the regular salary; and

7 WHEREAS Recommendation Number (6)(D) proposes to grant longevity pay
8 increases to each commissioner of the Alaska Public Utilities Commission at
9 the discretion of the governor which are equal to 3.75 per cent of the annual
10 salary of the commissioner for each two years of service, with service accru-
11 al beginning January 1, 1977; and

12 WHEREAS Recommendation (7)(A) proposes that members of the Alaska Trans-
13 portation Commission be paid ~~\$39,372 annually; and~~ *at pay of \$27,000*

14 WHEREAS Recommendation Number (7)(B) proposes that the chairman of the
15 Alaska Transportation Commission be paid an additional \$500 annually, pro-
16 rated as part of the regular salary; and

17 ~~WHEREAS Recommendation Number (7)(D) proposes to grant longevity pay~~
18 ~~increases to each commissioner of the Alaska Transportation Commission at the~~
19 ~~discretion of the governor which are equal to 3.75 per cent of the annual~~
20 ~~salary of the commissioner for each two years of service, with service accru-~~
21 ~~al beginning January 1, 1977; and~~

22 WHEREAS Recommendation Number (8)(A) proposes that members of the Alaska
23 Commercial Fisheries Entry Commission be paid \$39,372 annually; and

24 WHEREAS Recommendation Number (8)(B) proposes that the chairman of the
25 Alaska Commercial Fisheries Entry Commission be paid an additional \$500
26 annually, prorated as part of the regular salary; and

27 WHEREAS Recommendation Number (8)(D) proposes to grant longevity pay
28 increases to each commissioner of the Alaska Commercial Fisheries Entry
29 Commission at the discretion of the governor which are equal to 3.75 per cent

1 of the annual salary of the commissioner for each two years of service, with
2 service accrual beginning January 1, 1977; and

3 WHEREAS Recommendation Number (9)(A) proposes that members of the Alaska
4 Pipeline Commission be paid \$39,372 annually; and

5 WHEREAS Recommendation Number (9)(B) proposes that the chairman of the
6 Alaska Pipeline Commission be paid an additional \$500 annually, prorated as
7 part of the regular salary; and

8 WHEREAS Recommendation Number (9)(D) proposes to grant longevity pay
9 increases to each commissioner of the Alaska Pipeline Commission at the dis-
10 cretion of the governor which are equal to 3.75 per cent of the annual salary
11 of the commissioner for each two years of service, with service accrual
12 beginning January 1, 1977; and

13 WHEREAS Recommendation Number (10)(A) of the Salary Commission proposes
14 to confirm the annual salary of supreme court judges at \$52,992; and

15 WHEREAS Recommendation Number (11)(A) of the Salary Commission proposes
16 to confirm the annual salary of the superior court judges at \$48,576; and

17 WHEREAS Recommendation Number (12)(A) of the Salary Commission proposes
18 to confirm the annual salary of district court judges at \$41,068; and

19 WHEREAS Recommendation Number (13)(A) proposes that state legislators be
20 paid an annual salary of \$11,750; and

21 WHEREAS Recommendation Number (13)(B) proposes that the president of the
22 senate and the speaker of the house each receive an additional \$500 per year
23 payable on the opening day of each regular session of the legislature or upon
24 confirmation by the House or Senate after the opening of a regular session of
25 the legislature; and

26 WHEREAS Recommendation Number (13)(D) proposes that legislators receive
27 an annual allowance of \$4,000; and

28 WHEREAS Recommendation Number (13)(F) proposes that legislators receive
29 per diem at the same rate as state employees, including regional variations

1 where applicable; legislators who do not live in their city of residence
2 during regular or special legislative sessions will receive per diem at the
3 short term rate; interim committee work should be paid at the short-term per
4 diem rate; however, per diem is to be paid at the long-term (lower) rate if
5 legislators are able to stay in their city of residence while on legislative
6 business;

7 BE IT RESOLVED that the Alaska State Legislature approves the listed
8 Recommendations in the language and form stated in this resolution; and be it

9 FURTHER RESOLVED that those parts of Recommendation 13 which are not
10 quoted above are considered by the legislature to be beyond the authority of
11 the Salary Commission, are therefore not part of a proper Recommendation, and
12 are not approved.

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