

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

HB 187 cont., CSHB 187 293

293

one of them has been brought into state service at C step of the range which reflects 96% of A step of the appropriate range without 10% reduction. Of course one of Department of Labor's new employees - totally new to state service - has been hired at F step. This is comparable to C step of the unreduced schedule.

Other departments have also brought in new people at advance steps, but Department of Labor is the prime example.

Position	Column I		Column II'		Column III		Comparison of actual Initial Step Hire with A Step of PX Salary Schedule Reduced by 10% (Column I vs. Column II)*
	Current PX Salary Schedule Reduced by 10%		Current PX Salary Schedule at Step A		Current PX Salary Schedule at Step A Reduced by 10%		
	Initial Salary	Range/Step Hire	Range	Salary	Range	Salary	
Pete Jeans, Chief of Staff	29E	\$5999	29A	\$5773	29A	5196	15% premium
Sheila Gottehrer Dir., Bds/Commissions	26C	5011	26A	5209	26A	4688	7% premium
Robert Evans Legis Staff Asst.	22F	4373	22A	4095	22A	3686	19% premium
Mary Halloran Assoc. Dir OMB	26C	5011	26A	5209	26A	4688	7% premium
John Halterman Assoc. Dir Audit/Mgmt	26C	5011	26A	5209	26A	4688	7% premium
Jack Kreinheider Economist - Policy	20C	3448	20A	3582	20A	3224	7% premium
Nadine Winters Dir., Constituent Rel	26C	5011	26A	5209	26A	4688	7% premium
Charity Kadow Assoc. Dir Anch.	24C	4519	24A	4687	24A	4218	7% premium
Alison Elgee Budget Analyst	22C	3941	22A	4095	22A	3686	7% premium
David Ramseur Press Secretary	24C	4519	24A	4687	24A	4218	7% premium
Carol Kastelic Dir of Scheduling	26C	5011	26A	5209	26A	4688	7% premium
Laury Scandling Dep Press Secretary	21C	3686	21A	3831	21A	3448	7% premium

* Since PX employees are hired at an advanced step, they are not receiving a 10% reduction but are in effect receiving premiums from 7 to 19 percent above what they would receive at Step A.

Amendment 5

Page 2 Section 4 line 14

Amend to read as follows:

5

5a

Page 2 Section 4 Line 15:

Add a new line 15 as follows and renumber accordingly

17

5b

Justification: In the state geographic differential study, Yakutat was not surveyed. APEA's study indicated a 17 percent geographic differential. Yakutat is accessible by air and does not have ferry service. The arbitrator did not list Yakutat as a separate location from other points in Icy Straits/Lynn Canal which has a geographic differential of 5 percent.

Amendment 6

Page 3 Section 6 Line 4

Insert the following language after survey:

which shall compare the cost of living for a state employee living in Anchorage with the cost of maintaining a comparable level of living in the affected area.

Justification: The recent geographic differential study conducted by the Administration was based on the total community population including individuals with subsistence lifestyles not available to state employees.

Amendment 7

Page 3 Section 7 Line 25:

Add a new subsection (d) to read as follows:

(d) "If an employee accepts a promotion to higher level position within the geographic area, the employee shall receive no less than the equivalent of a one step increase in salary.

Justification: Employees in Fairbanks have received an approximate 11 percent reduction in geographic differential. This language would encourage career employees to accept promotions which include additional responsibilities. Without any economic incentive, many employees may not accept promotions.

POSITION COUNT BY DEPARTMENT BY DATE BY PAYROLL TYPE BY RANGE

The following tables show how many exempt and partially exempt state employees were at which pay ranges at three points in time.

The first time, December 1980, was the middle of Governor Hammond's second term and serves as a base year.

The second point in time is November 1986, the end of the Sheffield administration.

The third time point, March 1987, reflects changes in exempt and partially exempt employment made by Governor Cowper, who is still in the process of making appointments.

The following summary highlights those aspects of the data which relate to changes in permanent employment in the upper pay ranges.

POSITION COUNT BY DEPARTMENT BY DATE BY PAYROLL TYPE BY RANGE

01 - Governor's Office															
DEC, 1980					NOV, 1986					MAR, 1987					
	K-T	H-TE	K	H	M/X	K-T	H-TE	K	H	M/X	K-TE	H-TE	K	H	M/X
05		23					6		1			1			
06							1								
07		10					26								
08		93		9	17		27	4	5	11		18		4	9
09		4			7		1			5					2
10		11			11		5			16		2		1	16
11		4			5		1			4					3
12		4			23		3			25					17
13		3			4					4		1			2
14					9		1			19		1			15
15					2					1					1
16		8			18		1			20					18
17		5			12		1			5					5
18		10			14		1			19					15
19		2			18					6					4
20		3			11					13					6
21		3			23					17					22
22		1			7					12		1			8
23		1			20					4					2
24		1			11					20		1			12
25															
26					11					9					10
27															
28					6					4					2
29										1					1
30					2					1					
	186		9		231		74		6	216		25		5	170

Plus 13 K w/o Range
10 X w/o Range

Plus 3 K w/o Range
1 M w/o Range
2 Temp. Monthly, R

TOTAL 449

TOTAL 296

TOTAL 206

Much of the loss of exempt and partially exempt positions occurred by when employees in ranges 18-23 of boards and commissions were transferred to other departments.

02 - Administration

DEC, 1980

NOV, 1986

MAR, 1987

	DEC, 1980			NOV, 1986			MAR, 1987		
05						1			1
06	2								
07									
08	4		1			1	1		
09	1	1	3			1	2		1
10			2				1		1
11									
12									1
13			1	1		1			
14			1				2		1
15									
16	1		6			2	7		1
17							2		2
18			1				2		2
19	2		3				9		2
20			2				4		4
21			2				2		2
22	1		16				20		2
23			1				4		2
24			15			3	29		7
25			2				4		4
26			10				15		16
27									
28			3				4		3
29							1		
30									
	11	1	69	1	9	109		14	98
	TOTAL 81			TOTAL 119			TOTAL 112		

Monthly exempt and partially exempt employment in the Department of Administration, which has many boards and commissions, increased from 69 in December 1980 to 109 in November 1986 and dropped to 98 in March 1987.

03 - Law

	DEC, 1980				NOV, 1986				MAR, 1987			
	K-T	H-TE	K	H M/X	K-T	H-TE	K	H M/X	K-TE	H-TE	K	H M/X
05												
06												
07												
08												
09												
10				1								
11												
12				1								
13												
14								1				1
15												
16		5		1			3				2	
17				3			2	10				7
18												
19				6			4	35			1	35
20												
21												
22		4		33				31				27
23								1				
24				48			1	72			2	63
25				30				34				32
26				5				7				4
27				1				1				1
28				2				2				2
29												
30												
	9			131			10	194			5	172
TOTAL 140				TOTAL 204				TOTAL 177				

The Department of Law also increased its ranks of monthly partially exempt and exempt (PX and X) employees from 1980 to 1986 (140 to 204), and has also experienced a decline in 1987. There are now 177 monthly PX and X employees.

04 - Revenue

	DEC, 1980					NOV, 1986					MAR, 1987				
	K	H	M/X	K	H	M/X	K	H	M/X	K	H	M/X	K	H	M/X
05															
06															
07															
08					1										
09															
10															
11					2				2						2
12					1				1						
13															
14		1			1				1						3
15															
16															1
17		1													
18															
19			1		2										
20					1				4						5
21					1				1						2
22					3				1						1
23									1						2
24					4				4						5
25					2				4						4
26					6				6						5
27									2						2
28					3				3						4
29															
30					3										
	2	1			30				30						36
	Plus 1 X w/o Range					Plus 8 X w/o Range									
	4 K w/o Range														
TOTAL 38					TOTAL 38					TOTAL 36					

The Department of Revenue increased its number of monthly PX and X employees from 30 in November 1986 to 36 in March 1987.

05 - Education

--	DEC, 1980					NOV, 1986					MAR, 1987				
	K-T	H-TE	K	H	M/X	K-T	H-TE	K	H	M/X	K-TE	H-TE	K	H	M/X
05		3													
06		2													
07										1					1
08				12	5					3					1
09				1	7					11					11
10				1	14					17					7
11					2					2					
12					2					6					3
13					2										
14					6					4					6
15															2
16										6					
17					2					2					
18				1	1										
19															1
20										1					
21					1					2					5
22					1										1
23		1			5					5					
24					1					2					6
25															
26					6					9					2
27															
28					3					3					
29															
30															
	6		15		58					74					46
						Plus 43 Y w/o Range					Plus 25 w/o Range				
						2 K w/o Range									
TOTAL 79					TOTAL 119					TOTAL 71					

The Department of Education reduced its PX and X monthly employees from 58 in 1980 to 46 in 1987, although the decrease masks a reduction in clerical positions and the addition of management level positions.

06 - Health and Social Services

	DEC, 1980					NOV, 1986					MAR, 1987				
	K-T	H-TE	K	H	M/X	K-T	H-TE	K	H	M/X	K-TE	H-TE	K	H	M/X
05				1											
06				1											
07															
08															
09															
10															
11															
12					1										
13				5											
14															
15															
16										1					1
17															
18															
19															
20															
21					1					1				1	2
22					1										
23				1	2					2					1
24					2					1					1
25										1					5
26					6					7					5
27					6					8					7
28					6					3					3
29					1					1					1
30					1										
			8		27					25				1	26
TOTAL 35					TOTAL 25					TOTAL 28					

The Department of Health and Social Services now has 28 monthly PX and X positions, three more than in 1986, but seven fewer than in 1980, (Corrections was then part of HESS).

07 -- Labor

	DEC, 1980			NOV, 1986			MAR, 1987		
	K-T	H-TE	M/X	K-T	H-TE	M/X	K-TE	H-TE	M/X
05									
06									
07									
08									
09									
10									
11									
12			1			1			
13									
14									2
15									
16									
17									
18									
19									
20									1
21						1			1
22						2			
23			1			1			3
24									5
25									1
26			5			4			8
27									
28			2			2			3
29									
30									
			9			11			24
TOTAL 9			TOTAL 11			TOTAL 24			

The Department of Labor has significantly increased the number of monthly PX and X employees. In 1980, there were 9. In 1987, there are 24. Much of the increase is in ranges 23 through 28.

08 -- Commerce & Economic Development

DEC, 1980				NOV, 1986				MAR, 1987			
K	H	M/X		K	H	M/X		K	H	M/X	
05											
06											
07			1			3					3
08			5			5					4
09			1			1					1
10			1			8					6
11			2								
12			2			5					4
13						1					1
14			2			5					4
15						4					4
16			2			10					10
17						3					3
18			2			5					5
19			2			8					6
20			8			13					6
21			2			8					5
22			6			16					15
23			1			10					9
24			7			15			3		8
25			1			6					5
26			29			21					18
27			2			3					4
28						4					4
29						1					1
30											
			76				155				126
Plus 6 X w/o Range				Plus 27 K w/o Range				Plus 2 K w/o Range			
TOTAL 82				TOTAL 182				TOTAL 131			

The Department of Commerce and Economic Development increased its monthly PX and X employees from seventy-six in 1980 to one hundred fifty-five in 1986, and down to 126 in 1987. The increase was in ranges 6 through 29, though not uniformly, and the decrease notable in ranges 20 and 24.

09 -- Military & Veterans Affairs

	DEC, 1980					NOV, 1986					MAR, 1987				
	K-T	H-TE	K	H	M/X	K-T	H-TE	K	H	M/X	K-TE	H-TE	K	H	M/X
05															
06															
07															
08															
09															
10															
11															
12					1					1					1
13															
14															
15															
16															
17															
18															
19															
20															
21										1					
22															
23										1					1
24					1					2					2
25															
26										1					
27															
28					3					2					2
29															
30															
					5					8					6
TOTAL 10					TOTAL 16					TOTAL 12					

The Department of Military and Veterans' Affairs had five PX and X employees in 1980 and now has six.

10 -- Natural Resources

	DEC, 1980			NOV, 1986			MAR, 1987		
	K-T	H-TE	M/X	K-T	H-TE	M/X	K-TE	H-TE	M/X
05									
06		1							
07									
08		4			1				
09									
10		2							
11					1				
12					3				
13								1	
14								2	
15									
16									
17									
18									
19									
20		1			1			1	
21					2			2	
22									
23					6			3	
24					2			6	
25					2			1	
26					7			12	
27					1			1	
28					2			3	
29									
30									
	8		28			32			24
	Plus 10 X w/o Range								
	TOTAL 46			TOTAL 32			TOTAL 24		

Monthly PX and X employment in the Department of Natural Resources was 28 in 1980, went up to 32 in 1986 and is now 24. The largest single decrease (4) was in range 26. This was achieved by combining divisions. These positions are restored in the Governor's proposed FY88 budget.

11 -- Fish and Game

	DEC, 1980					NOV, 1986					MAR, 1987				
	K-T	H-TE	K	H	M/X	K-T	H-TE	K	H	M/X	K-TE	H-TE	K	H	M/X
05															
06															
07					1										
08					6										
09					2					2					1
10					2					6					5
11					1			2					2		
12					8					1					2
13					4					2					2
14					1					4					2
15					1					2					1
16					3					4					4
17					2					6					5
18				1	1					1					
19					2					4					3
20					2										
21										4					4
22					3					1					1
23					2					6					6
24					2					1					1
25															
26					8					10					8
27															
28					3					3					3
29															
30															
					54				2	57					48

Plus 28 K w/o Range

Plus 2 X w/o Range

Plus 4 K w/o Range

Plus 3 K w/o PCN,

TOTAL 84

TOTAL 63

TOTAL 51

The Department of Fish and Game has forty-eight PX and X employees, down from fifty-seven in 1986 and fifty-four in 1980.

12 -- Public Safety

	DEC, 1980					NOV, 1986					MAR, 1987				
	K-T	H-TE	K	H	M/X	K-T	H-TE	K	H	M/X	K-TE	H-TE	K	H	M/X
05															
06															
07															
08															
09															
10															
11															
12					1										
13															
14															
15															
16															
17															
18															
19					1										
20															
21					1					1					1
22															
23					2					2					2
24					2					2					2
25															
26					5					4					1
27															
28					3					2					2
29															
30															
					15					11					8
TOTAL 15					TOTAL 11					TOTAL 8					

Nearly half the monthly PX and X positions in the Department of Public Safety have been lost since 1980, from fifteen to eight. Most of the loss was in range 26 which went from five positions to one position.

'18 -- Environmental Conservation

	DEC, 1980					NOV, 1986					MAR, 1987				
	K-T	H-TE	K	H	M/X	K-T	H-TE	K	H	M/X	K-TE	H-TE	K	H	M/X
05															
06															
07															
08															
09															
10															
11															
12					1										
13															
14										1					1
15															
16															
17															
18															
19															
20															
21															
22															
23										1					1
24															
25															
26					2					5					4
27															
28					2					2					2
29															
30															
					5					9					8
TOTAL 5					TOTAL 9					TOTAL 8					

The Department of Environmental Conservation had five monthly PX and X positions in 1980, nine in 1986 and eight in 1987.

20 -- Corrections

	DEC, 1980				NOV, 1986				MAR, 1987								
	K-T	H-TE	K	H	M/X	K-T	H-TE	K	H	M/X	K-TE	H-TE	K	H	M/X		
05																	
06																	
07																	
08																	
09																	
10																	
11																	
12																	
13																	
14										1					1		
15																	
16																	
17																	
18																	
19																	
20																	
21										2					2		
22																	
23										2					1		
24																	
25																	
26										5					4		
27																	
28										3					3		
29																	
30																	
																13	11
TOTAL 13								TOTAL 11									

By 1986 the recently created Department of Corrections had thirteen monthly PX and X positions. The number has now been reduced to eleven.

21 -- Community & Regional Affairs

--	DEC, 1980					NOV, 1986					MAR, 1987				
	K-T	H-TE	K	H	M/X	K-T	H-TE	K	H	M/X	K-TE	H-TE	K	H	M/X
05															
06															
07															
08															
09															
10															
11															
12					1										
13															
14										1					1
15															
16															
17															
18										1					
19															
20										1					1
21									1						
22															
23										5					3
24															
25															
26					6					4					3
27															
28					2					2					1
29															
30															
					9				1	14					9
TOTAL 9					TOTAL 15					TOTAL 9					

Despite about a 50% increase in monthly PX and X positions in the Department of Community and Regional Affairs between 1980 and 1986, there was about a 50% decrease in 1987 (nine to fourteen to nine positions).

25 -- Transportation & Public Facilities

	DEC, 1980				NOV, 1986				MAR, 1987			
	K-T	H-TE	K	H M/X	K-T	H-TE	K	H M/X	K-TE	H-TE	K	H M/X
05												
06												
07												
08												
09												
10												
11												
12				1								
13												
14												
15												
16								1				1
17												
18												
19												
20												
21				3								
22												
23				2				2				
24								1				2
25												
26				19				19				11
27				2								
28				6				6				5
29												
30												
				33				29				19
TOTAL 33				TOTAL 29				TOTAL 19				

The Department of Transportation and Public Facilities has fourteen fewer monthly PX and X employees than in 1980, going from 33 to 19.

REPRESENTATIVE
PETER GOLL



STATE OF ALASKA
HOUSE OF REPRESENTATIVES

P. O. BOX V
JUNEAU, ALASKA 99811
(907) 485-4925

*CS Fin. amended
(adopted 5-7-87)*

THE REGIONAL SALARY DIFFERENTIALS IN AS *39.27.020(a)*, SHALL NOT BE USED AS A BASIS FOR EVALUATING COST OF LIVING OR PROGRAM COST DIFFERENTIALS RELATED TO THE FUNDING OF ANY STATE PROGRAM.

*HB 187
(Amendment)*

TECHNICAL AMENDMENT
CS HB 187 (FINANCE)

Amend the title to read as follows:¹

"An Act relating to Sick Leave and Medical Leave, salaries, and geographic pay differentials of certain state employees who are not members of a collective bargaining unit; relating to salary surveys; repealing a requirement that the Director of Personnel prepare an annual pay schedule; and providing for an effective date".

¹This would be the tightest title legal could come up with if you are concerned with the broad Finance CS title.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

OFFICE OF THE GOVERNOR

POUCH AM
JUNEAU, ALASKA 99811
PHONE: (907) 465-3568

OFFICE OF MANAGEMENT AND BUDGET

May 4, 1987

The Honorable Al Adams
Chairman House Finance Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Adams:

In his January Budget Address to the Legislature, Governor Cowper said:

"Throughout the budget, all State employees taking "voluntary" reductions in pay are restored to full funding; however, after the collective bargaining sessions are completed, we will adjust the compensation and benefits of exempt and partially exempt employees to make them consistent with the agreements we reach with the unions."

Currently, as you are aware, there are no new collective bargaining agreements on which to base revised compensation and benefits for the "non-covered" State employees. In view of this, the Governor supports the passage of CSHB 187 (Finance) that would adjust the compensation of "non-covered" State employees to a level that is substantially the same as the compensation negotiated for members of the general government unit.

Sincerely,



Jay Hogan
Director



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 16, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that updates the geographic pay differentials provided under AS 39.27.020 to state employees whose pay is not established through the collective bargaining process.

Present law provides for geographic pay differentials that are no longer reflective of the cost of living in various areas of the state. Section 1 of the bill implements the same differentials as those in effect for members of the Alaska Public Employees Association's bargaining units, which were established by cost-of-living survey and arbitration. With the leveling of cost differentials in areas across the state, enactment of this legislation provides employees with fair compensation adjustments, but at a level that will ultimately lead to state savings.

Section 2 of the bill repeals and reenacts AS 39.27.030, providing a more realistic scope and schedule for future salary surveys. AS 39.27.030 presently requires an annual survey to address a multitude of considerations, many of which are not directly related to geographic cost differentials. This bill focuses the study on cost differentials, although the division of personnel would retain the authority to structure the study to address all relevant pay considerations.

Section 3 of this bill is a "grandfather" provision intended to ensure that current employees do not experience an actual reduction in pay upon enactment of updated geographic pay differentials. Under this provision, employees will receive their current pay until their salary would be increased through position changes or pay raises to a level above what they would be entitled to under the new geographic pay differential, or until they move to another geographic area.

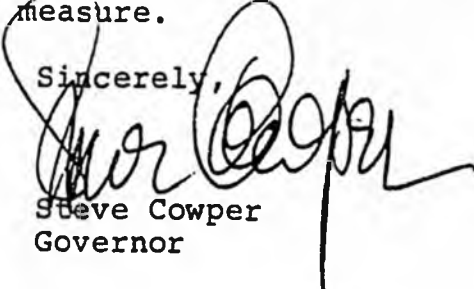
Hon. Ben Grussendorf

Page 2

The two statutes repealed by sec. 4 of the bill, AS 39.27.-035 and 39.27.040, generally relate to information that will be available in modified form through the survey conducted under sec. 2 of the bill.

I believe that this legislation affords state employees a geographic pay differential that properly reflects the varying costs of living in Alaska. I urge your prompt consideration and approval of this measure.

Sincerely,



Steve Cowper
Governor

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 187

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to geographic pay differentials; and

7

providing for an effective date."

8

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

9

* Section 1. AS 39.27.020 is repealed and reenacted to read:

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Sec. 39.27.020. PAY DIFFERENTIALS BY ELECTION DISTRICT AND IN

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OTHER STATES. (a) The following pay differentials are approved as an

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amendment to the basic salary schedule in AS 39.27.011:

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Percentage Pay

Geographic Areas

14

Differential

(Election Districts)

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1, 2, 3, 4, 7, 8, 9, and 10

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16 South of the Arctic Circle except the

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duty stations of Tok and Delta Junction

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The duty stations of Tok and Delta Junction

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The duty station of Nenana

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12 and 13

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15 except the duty station of Nenana, and 19

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16 North of the Arctic Circle, and 17

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-13

In other states

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(b) For purposes of (a) of this section, "election district"

1 means an election district designated in the governor's proclamation
2 of reapportionment and redistricting of December 7, 1961.

3 (c) The director may establish salary differentials for posi-
4 tions in foreign countries. Following a survey conducted under
5 AS 39.27.030, the differentials must be adjusted as necessary to
6 maintain equitable relationships between salaries for positions in
7 foreign countries and salaries for positions in Alaska.

8 * Sec. 2. AS 39.27.030 is repealed and reenacted to read:

9 Sec. 39.27.030. COST-OF-LIVING SURVEY. Subject to available
10 funding, the director shall conduct a survey at five-year intervals to
11 review the geographic pay differentials provided under AS 39.27.020.
12 The survey may address factors, as determined by the director, that
13 are also relevant in review of state salary schedules.

14 * Sec. 3. (a) If the salary an employee is receiving on July 15, 1987
15 would be reduced by application of the pay differential, as amended in sec.
16 1 of this Act, the following applies if the employee remains in the same
17 geographic area, as described in AS 39.27.020:

18 (1) the employee's salary may not be reduced as a result of
19 application of the pay differential; and

20 (2) the employee's salary remains at its July 15, 1987 level
21 until, under the pay differential as amended in sec. 1 of this Act, the
22 employee's salary would exceed that level because of

23 (A) a change in the state salary schedule (AS 39.27.011),

24 (B) a change in the employee's pay range or step, or

25 (C) application of a longevity pay increment.

26 (b) If an employee moves to another geographic area after July 15,
27 1987, the pay differential, as amended in sec. 1 of this Act, applies to
28 that employee's salary on the effective date of the move.

29 (c) Nothing in this section prohibits a reduction in an employee's

1 salary as a result of a voluntary or involuntary demotion.

2 * Sec. 4. AS 39.27.035 and 39.27.040 are repealed.

3 * Sec. 5. This Act takes effect July 16, 1987.

C S H B

1 8 7

SENATE COMMITTEE REPORT

FURTHER:

Special Session

5/17

DATE TURNED INTO OFFICE

1/2/87

Mr. President:

FINANCE Committee considered CSHB 187(Fin) am

sick and medical leave, salaries, and geographic pay differentials of certain state employees who are not members of collective bargaining units; relating to salary surveys; repealing a requirement that the director of personnel prepare an annual pay schedule; efd and recommended:

replace with S CS FOR CSHB 187(Finance) same title
 or adopt _____ CS FOR _____ new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous

zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

Carl Fisher No Pass

[Handwritten signature] Do Pass
Chairman signature and recommendation

Committee Backup Attached

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: SCS CS HB 187 (Fin)
Publish Date: _____

REQUEST: _____

Revision Date: _____
Title: salaries of state employees
who are not members or

Agency Affected: All
BRU: _____

Sponsor: collective bargaining units
Requestor: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: *John Binkley* Phone: 465-4985
Division: Senator John Binkley, Co-chairman Date: 7/2/87
Senate Finance Committee

Approved by Commissioner: _____ Date: _____
Agency: _____

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

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 187 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act relating to salaries of certain state employ-
7 ees who are not members of a collective bargaining
8 unit; and providing for an effective date."

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

10 * Section 1. SALARIES OF CLASSIFIED AND PARTIALLY EXEMPT EXECUTIVE-
11 BRANCH EMPLOYEES NOT IN A COLLECTIVE BARGAINING UNIT. Notwithstanding
12 AS 39.27.011(a), the basic monthly salaries of classified and partially
13 exempt employees who are not members of a collective bargaining unit estab-
14 lished under AS 23.40 shall be adjusted by the same percentage of adjust-
15 ments in the basic monthly salaries paid to members of the general govern-
16 ment collective bargaining unit, for any period beginning after June 30,
17 1987. The adjustments for the classified and partially exempt employees
18 not in a collective bargaining unit shall be made in the same pay period
19 that a new pay plan is implemented for the general government unit by the
20 state. The classified and partially exempt employees who are not in a
21 collective bargaining unit shall be paid according to AS 39.27.011(a) until
22 the first pay period of implementation of a new pay plan for the general
23 government unit.

24 * Sec. 2. SALARIES OF EXEMPT EMPLOYEES OF THE EXECUTIVE BRANCH. Salary
25 adjustments comparable to those received by the classified and partially
26 exempt employees of the executive branch under sec. 1 of this Act shall be
27 made for permanent and temporary employees of the executive branch who are
28 in the exempt service under AS 39.25.110, and who are not members of a
29 collective bargaining unit established under the Public Employment

1 Relations Act (AS 23.40).

2 * Sec. 3. This Act take effect immediately under AS 01.10.070(c).

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BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 311

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act relating to salaries of certain state employ-
7 ees who are not members of a collective bargaining
8 unit; and providing for an effective date."

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

10 * Section 1. SALARIES OF CLASSIFIED AND PARTIALLY EXEMPT EXECUTIVE-
11 BRANCH EMPLOYEES NOT IN A COLLECTIVE BARGAINING UNIT. Notwithstanding
12 AS 39.27.011(a), the basic monthly salaries of classified and partially
13 exempt employees who are not members of a collective bargaining unit estab-
14 lished under AS 23.40 shall be adjusted by the same percentage of adjust-
15 ments in the basic monthly salaries paid to members of the general govern-
16 ment collective bargaining unit, for any period beginning after June 30,
17 1987. The adjustments for the classified and partially exempt employees
18 not in a collective bargaining unit shall be made in the same pay period
19 that a new pay plan is implemented for the general government unit by the
20 state. The classified and partially exempt employees who are not in a
21 collective bargaining unit shall be paid according to AS 39.27.011(a) until
22 the first pay period of implementation of a new pay plan for the general
23 government unit.

24 * Sec. 2. SALARIES OF EMPLOYEES OF THE JUDICIAL AND LEGISLATIVE
25 BRANCHES AND EXEMPT EMPLOYEES OF THE EXECUTIVE BRANCH. Salary adjustments
26 comparable to those received by the classified and partially exempt employ-
27 ees of the executive branch under sec. 1 of this Act shall be made for the
28 following employees:

29 (1) permanent and temporary employees of the judicial branch,

2/23/4

1 except justices and judges;

2 (2) permanent and temporary employees of the legislative branch;

3 (3) permanent and temporary employees of the executive branch
4 who are in the exempt service under AS 39.25.110, and who are not members
5 of a collective bargaining unit established under the Public Employment
6 Relations Act (AS 23.40).

7 * Sec. 3. SALARIES OF EMPLOYEES OF THE UNIVERSITY OF ALASKA. Notwith-
8 standing sec. 2(3) of this Act, the salaries of employees of the University
9 of Alaska who are not members of a collective bargaining unit shall be
10 adjusted in accordance with the compensation policy of the board of regents
11 of the University of Alaska.

12 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).
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1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE CONCURRENT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SPECIAL SESSION

5 Suspending Uniform Rules 41(b), 24(c),
6 and 35 of the Alaska State Legislature
7 concerning House Bill No. 187.

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

9 That under Rule 54 of the Uniform Rules of the Alaska State Legisla-
10 ture the provisions of Rule 41(b), Rule 24(c), and Rule 35 of the Uniform
11 Rules, regarding changes to the title of a bill, are suspended in consid-
12 eration of House Bill No. 187, relating to salaries of certain state
13 employees.
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**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____
 Revision Date: _____
 Title: Suspending Legislative Rules
re: title of HB 187
 Sponsor: _____
 Requestor: _____

Bill Version : SCR
 Publish Date : _____
 Agency Affected: Legislature
 BRU: _____
 Components : _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)


Prepared by: John Binkley Phone: 465-4985
 Division: Senator John Binkley, Co-chairman Date: 7/2/87
Senate Finance Committee

Approved by Commissioner: _____ Date: _____
 Agency: _____

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

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
FOR
CS HB 187 (FINANCE)

Historically, salaries of executive branch state employees classified, partially exempt or exempt and not in a collective bargaining unit, legislative branch employees and employees of the judicial branch have been paid in accordance with a salary schedule based on the basic monthly salaries paid to members of the general government collective bargaining unit. In enacting CS HB 187 (Finance) it is the intent of the legislature that this practice continue. It is further the intent of the legislature that in the event that the product of collective bargaining negotiations results in a requirement for additional personal services funds for employee groups covered by CS HB 187 (Finance) above what is included in the FY 88 operating budget approved by the legislature and signed into law by the governor, the Office of the Governor shall present a supplemental appropriation request to the Second Session of the Fifteenth Alaska Legislature for consideration.



Representative Al Adams, Chair
House Finance Committee

House Letter of Intent 5/17/87

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 187 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL

6 For an Act entitled: "An Act relating to sick leave and medical leave,
7 salaries, and geographic pay differentials of certain
8 state employees who are not members of collective
9 bargaining units; relating to salary surveys; repeal-
10 ing a requirement that the director of personnel
11 prepare an annual pay schedule; and providing for an
12 effective date."

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

14 * Section 1. AS 39.20.256(a) is amended to read:

15 Sec. 39.20.256. TRANSFER OF ACCRUED MEDICAL OR SICK LEAVE. (a)
16 When an [AN] officer or employee who has accrued medical or sick leave
17 transfers from a position in which the officer or employee accrued
18 sick or medical leave to a position that accrues personal leave under
19 AS 39.20.200, the officer or employee shall have up to 15 days [40 PER
20 CENT] of that medical or sick leave transferred to the officer's or
21 employee's personal leave account and the remainder [60 PER CENT OF
22 THAT MEDICAL LEAVE] transferred to a medical leave bank. Banked
23 medical leave may be taken only in accordance with this section.

24 * Sec. 2. AS 39.20.256(b) is amended to read:

25 (b) An officer or employee may use the lesser of 15 days or the
26 remaining balance from the banked medical leave for a medical reason
27 under AS 39.20.225(b). In addition, the [AN] officer or employee may
28 [NOT] take [ANY] banked medical leave in excess of the 15-day limit if
29 [UNLESS] the officer or employee

- 1 (1) has no accrued personal leave; and
 2 (2) has a medical disability exceeding 10 consecutive
 3 working days in duration; or
 4 (3) has a medical disability exceeding 30 consecutive
 5 working days in duration.

6 * Sec. 3. AS 39.20.256 is amended by adding a new subsection to read:

7 (g) This section applies to a state officer or employee who
 8 becomes eligible to accrue personal leave under AS 39.20.200 while
 9 holding accrued sick or medical leave.

10 * Sec. 4. AS 39.27.020(a) is repealed and reenacted to read:

11 (a) The following pay differentials are approved as an amendment
 12 to the basic salary schedule in AS 39.27.011:

13 Percentage Pay	Geographic Areas
14 Differential	(Election Districts)
15 0	1, 2, 3, 4, 7, 8, 9, and 10
16 4	16 South of the Arctic Circle except the
17	duty stations of Tok and Delta Junction
18 5	5
19 9	11
20 11	6
21 16	The duty stations of Tok and Delta Junction
22 20	The duty station of Nenana
23 27	12 and 13
24 30	15 except the duty station of Nenana, and 19
25 34	18
26 38	14
27 42	16 North of the Arctic Circle, and 17
28 -13	In other states

29 * Sec. 5. AS 39.27.020(c) is repealed and reenacted to read:

1 (c) The director may establish salary differentials for posi-
2 tions in foreign countries. Following a survey conducted under
3 AS 39.27.030, the differentials must be adjusted as necessary to
4 maintain equitable relationships between salaries for positions in
5 foreign countries and salaries for positions in Alaska.

6 * Sec. 6. AS 39.27.020 is amended by adding a new subsection to read:

7 (d) The geographic pay differentials in (a) of this section may
8 not be used as a basis for evaluating cost-of-living or program cost
9 differentials related to the funding of a state program.

10 * Sec. 7. AS 39.27.030 is repealed and reenacted to read:

11 Sec. 39.27.030. COST-OF-LIVING SURVEY. Subject to available
12 funding, the director shall conduct a survey at five-year intervals to
13 review the geographic pay differentials provided under AS 39.27.020.
14 The survey may address factors, as determined by the director, that
15 are also relevant in review of state salary schedules.

16 * Sec. 8. (a) If the salary an employee is receiving on July 15, 1987,
17 would be reduced by application of the pay differential, as amended in sec.
18 4 of this Act, the following applies if the employee remains in the same
19 geographic area, as described in AS 39.27.020:

20 (1) the employee's salary may not be reduced as a result of
21 application of the pay differential; and

22 (2) the employee's salary remains at its July 15, 1987, level
23 until, under the pay differential as amended in sec. 4 of this Act, the
24 employee's salary would exceed that level because of

25 (A) a change in the state salary schedule (AS 39.27.011);

26 (B) a change in the employee's pay range or step; or

27 (C) application of a longevity pay increment.

28 (b) If an employee moves to another geographic area after July 15,
29 1987, the pay differential, as amended in sec. 4 of this Act, applies to

1 that employee's salary on the effective date of the move.

2 (c) This section does not prohibit a reduction in an employee's
3 salary as a result of a voluntary or involuntary demotion.

4 * Sec. 9. SALARIES OF CLASSIFIED AND PARTIALLY EXEMPT EXECUTIVE-BRANCH
5 EMPLOYEES NOT IN A COLLECTIVE BARGAINING UNIT. Notwithstanding AS 39.27.-
6 011(a), the basic monthly salaries of classified and partially exempt
7 employees who are not members of a collective bargaining unit established
8 under AS 23.40 shall be adjusted by the same percentage of adjustments in
9 the basic monthly salaries paid to members of the general government col-
10 lective bargaining unit, for any period beginning after June 30, 1987. The
11 adjustments for the classified and partially exempt employees not in a
12 collective bargaining unit shall be made in the same pay period that a new
13 pay plan is implemented for the general government unit by the state. If
14 the state has not implemented a new pay plan for the general government
15 unit by July 1, 1987, the classified and partially exempt employees who are
16 not in a collective bargaining unit shall be paid according to AS 39.27.-
17 011(a) from July 1, 1987, until the first pay period of implementation of a
18 new pay plan for the general government unit.

19 * Sec. 10. SALARIES OF EMPLOYEES OF THE JUDICIAL AND LEGISLATIVE
20 BRANCHES AND EXEMPT EMPLOYEES OF THE EXECUTIVE BRANCH. Salary adjustments
21 comparable to those received by the classified and partially exempt employ-
22 ees of the executive branch, except judges and justices; under sec. 9 of
23 this Act, shall be made for the following employees:

- 24 (1) permanent and temporary employees of the judicial branch;
25 (2) permanent and temporary employees of the legislative branch;
26 (3) permanent and temporary employees of the executive branch
27 who are in the exempt service under AS 39.25.110, who are not members of a
28 collective bargaining unit established under the Public Employment Rela-
29 tions Act (AS 23.40).

1 * Sec. 11. SALARIES OF EMPLOYEES OF THE UNIVERSITY OF ALASKA. Notwith-
2 standing sec. 10(3) of this Act, the salaries of employees of the Univer-
3 sity of Alaska who are not members of a collective bargaining unit shall be
4 adjusted in accordance with the compensation policy of the board of regents
5 of the University of Alaska.

6 * Sec. 12. AS 39.27.035 and 39.27.040 are repealed.

7 * Sec. 13. Sections 4 - 8 and 12 of this Act take effect July 16, 1987.

8 * Sec. 14. Sections 1 - 3 and 9 - 11 of this Act take effect immedi-
9 ately under AS 01.10.070(c).

STATE OF ALASKA
THE LEGISLATURE

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 30, 1987

SUBJECT: CSHB 187 (Finance)
(Compensation and benefits of state employees)

TO: Representative Al Adams
Chairman, Finance Committee

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

Enclosed is the draft committee substitute you requested. Please note that the sections relating to salaries do not, as drafted, apply to officers and employees whose salaries are established by statute. These include judges and justices (AS 22.05.140(a), AS 22.07.090(a), AS 22.10.190(a), and AS 22.15.220(a)); legislators (AS 24.10.100); and the governor, lieutenant governor, and commissioners and deputy commissioners of the principal departments (AS 39.20.010, 39.20.020, and 39.20.080(a) and (b)). There may be other positions whose salaries are established at a particular range and step that are not included in this list. If you wish to have the salary adjustments apply to some or all of these positions, please let me know.

Temporary legislative employees other than those listed in section 9, paragraph (2) are also not covered by the salary adjustment. These employees were not included in the legislation that granted the most recent salary increase, ch. 87, SLA 1985.

If I may be of further assistance, please advise.

TC:mkr
m11/100

Enclosure

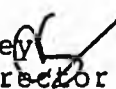


Alaska Public
Employees Association **APEA**

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

MEMORANDUM

TO: House Finance Committee

FROM: Cherie Shelley 
Executive Director

SUBJECT: CSHB 187

DATE: May 6, 1987

APEA has had an opportunity to review CSHB 187 (Finance) and has attached seven amendments for your consideration.

Section 8 has been reviewed and is acceptable to APEA as drafted.

In reference to Representative Frank's concerns regarding retaining frozen pay status for employees affected by the geographic differential study, additional language would not be appropriate in this legislation as it is a matter to be resolved at the bargaining table. One of APEA's highest priorities is to maintain frozen pay for existing employees. Two of the six members of APEA's bargaining teams reside in Fairbanks.

APEA would certainly support a letter of intent or a resolution on the issue of geographic differential.

Fairbanks Field Office
825 College Road
Fairbanks, AK 99701
Telephone: (907) 456-5412

Anchorage Field Office
833 Gambell Street, Suite A
Anchorage, AK 99501
Telephone: (907) 274-1688

Juneau Field Office
227 4th Street
Juneau, AK 99801
Telephone: (907) 586-6305

Amendment 1

Page 1 line 6

Amend the title to read as follows:

"An Act relating to compensation and benefits of state employees not covered by a collective bargaining agreement and providing for an effective date."

Amendment 2

Page 1 Section 1 Line 15:

Change 15 days to 30 days

Justification: Currently employees have 40 percent of their medical or sick leave converted to personal leave. Under the proposed amendment employees could convert a maximum of 225 hours (30 days) to personal leave. Many of the employees moving from the classified service to the exempt service are career employees and have several hundred hours of sick or medical leave on the book.

An average member of the Supervisory Bargaining Unit has 613 hours of medical leave accrued. In the General Government Unit and the Supervisory Unit, APEA has the following employees with over 1000 hours of accrued medical leave.

<u>Accrued Hours of Medical Leave</u>	<u>Number of Employees</u>
Over 2000	18 SU Employees 12 GGU Employees
1500-1999	66 SU Employees 48 GGU Employees
1000-1499	118 SU Employees 178 GGU Employees

The highest number of hours of accrued medical leave for an APEA member is 2675 hours.

The change from 15 to 30 days seems fair to the employee, yet provides the state a considerable savings.

For example:

<u>Accrued Sick Leave</u>	<u>40 percent Conversion</u>	<u>Maximum of 30 days</u>
600 hours	240 hours	225 hours
1000 hours	400 hours	225 hours
1500 hours	600 hours	225 hours
2000 hours	800 hours	225 hours

Amendment 3

Page 1 Section 2 Line 21

Change 15 to 30 days.

Justification: This amendment would allow employees to use 30 days of the remaining sick leave balance rather than 15 days of the remaining sick leave balance for medical reasons without exhausting all accrued personal leave. This would also include a medical disability of 10 consecutive working days or a medical disability of 30 consecutive working days.

Employees use sick or medical leave not only for personal illnesses, but also use medical leave under AS 39.20.220 for:

1. Medical disability and dental appointments of a member's immediate family including children and parents.
2. Pregnancy and childbirth.
3. Death in a member's immediate family.

Given the above uses the change from 15 to 30 day seems reasonable.

Amendment 4

Page 2

Insert a new section 4 and renumber accordingly

*Section 4 AS 39.27 is amended by adding a new section to read:

Sec. 39.27.013. STARTING SALARIES OF EXECUTIVE BRANCH EMPLOYEES NOT COVERED BY COLLECTIVE BARGAINING. (a) Upon appointment, executive branch employees not covered by collective bargaining shall be paid at the entry level salary step of the applicable salary range under AS 39.27.011(a), and shall remain at that step for at least one year from the date of appointment.

(b) The salaries of executive branch employees not covered by collective bargaining appointed on or after December 7, 1986, at a salary level higher than the entry level step of the applicable range number shall immediately be reduced to the Step A salary level of the applicable salary range, and shall remain at that step for at least one year from the date of appointment.

(c) This act does not apply to exempt employees whose salary is required by law to be set at a step level other than Step A.

*Section 14. This act takes effect immediately under AS 01.10.070(c).

Justification:

The practice of previous administrations has been to increase the compensation of employees not covered by collective bargaining by what is known as an "advance step hire". Rather than hiring new employees at A step, new employees are hired at E step, a difference of approximately 14 percent, for example. This practice has continued and increased with the current administration.

The governor prides himself on his hiring practices. Almost all of his new hires above Range 16 are hired on the 90 percent salary schedule. However, all are also hired at advance steps. While the salaries of none of those employees not covered by a collective bargaining agreement exceed Step A of the regular salary schedule except Mr. Jeans and Mr. Evans; neither do they reflect a 10% reduction in salary.

Thus, if the GGU salary schedule was reduced 10 percent (90 percent schedule), a GGU employee hired December 15, 1986 at Step A would receive a full 10 percent reduction, while an exempt employee hired on the same date at Step C would receive only a 3 percent reduction.

Example of positions at advance step hire are shown on the attached chart.

Department of Labor is also making every effort to "atone" for the 10% reduction for its new partially exempt employees. Every

one of them has been brought into state service at C step of the range which reflects 96% of A step of the appropriate range without 10% reduction. Of course one of Department of Labor's new employees - totally new to state service - has been hired at F step. This is comparable to C step of the unreduced schedule.

Other departments have also brought in new people at advance steps, but Department of Labor is the prime example.

Position	Column I		Column II		Column III		Comparison of actual Initial Step Hire with A Step of PX Salary Schedule Reduced by 10% (Column I vs. Column II)*
	Current PX Salary Schedule Reduced by 10%		Current PX Salary Schedule at Step A		Current PX Salary Schedule at Step A Reduced by 10%		
	Initial	Salary	Range	Salary	Range	Salary	
Pete Jeans, Chief of Staff	29E	\$5999	29A	\$5773	29A	5196	15% premium
Sheila Gottehrer Dir., Bds/Commissions	26C	5011	26A	5209	26A	4688	7% premium
Robert Evans Legis Staff Asst.	22P	4373	22A	4095	22A	3686	19% premium
Mary Halloran Assoc. Dir OMB	26C	5011	26A	5209	26A	4688	7% premium
John Halterman Assoc. Dir Audit/Mgmt	26C	5011	26A	5209	26A	4688	7% premium
Jack Kreinheider Economist - Policy	20C	3448	20A	3582	20A	3224	7% premium
Nadine Winters Dir., Constituent Rel	26C	5011	26A	5209	26A	4688	7% premium
Charity Kadow Assoc. Dir Anch.	24C	4519	24A	4687	24A	4218	7% premium
Alison Elgee Budget Analyst	22C	3941	22A	4095	22A	3686	7% premium
David Ramseur Press Secretary	24C	4519	24A	4687	24A	4218	7% premium
Carol Kastelic Dir of Scheduling	26C	5011	26A	5209	26A	4688	7% premium
Laury Scandling Dep Press Secretary	21C	3686	21A	3831	21A	3448	7% premium

* Since PX employees are hired at an advanced step, they are not receiving a 10% reduction but are in effect receiving premiums from 7 to 19 percent above what they would receive at Step A.

Amendment 5

Page 2 Section 4 line 14

Amend to read as follows:

5

5a

Page 2 Section 4 Line 15:

Add a new line 15 as follows and renumber accordingly

17

5b

Justification: In the state geographic differential study, Yakutat was not surveyed. APEA's study indicated a 17 percent geographic differential. Yakutat is accessible by air and does not have ferry service. The arbitrator did not list Yakutat as a separate location from other points in Icy Straits/Lynn Canal which has a geographic differential of 5 percent.

Amendment 6

Page 3 Section 6 Line 4

Insert the following language after survey:

which shall compare the cost of living for a state employee living in Anchorage with the cost of maintaining a comparable level of living in the affected area.

Justification: The recent geographic differential study conducted by the Administration was based on the total community population including individuals with subsistence lifestyles not available to state employees.

Amendment 7

Page 3 Section 7 Line 25:

Add a new subsection (d) to read as follows:

(d) "If an employee accepts a promotion to higher level position within the geographic area, the employee shall receive no less than the equivalent of a one step increase in salary.

Justification: Employees in Fairbanks have received an approximate 11 percent reduction in geographic differential. This language would encourage career employees to accept promotions which include additional responsibilities. Without any economic incentive, many employees may not accept promotions.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3600

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 2, 1987

SUBJECT: Sectional analysis of CSHB 187 (Finance)
(State employee compensation and benefits)

TO: Representative Al Adams
Chairman, Finance Committee

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional analysis of the above described bill. As a preliminary matter, note that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Sections 1 - 3 address the transfer of medical leave or sick leave when a state officer or employee transfers from a position under which the officer or employee earns sick leave to a position under which the person will earn only personal leave. A person who terminates from state service is not paid for accrued sick leave but is paid for accrued personal leave.

Section 1 changes that amount of accrued sick or medical leave that may be converted to personal leave from 40 percent of the accrued leave to a maximum of 15 days. The remainder is deposited in a medical leave bank.

Section 2 allows the use of up to 15 days of an officer's or employee's banked medical leave for the medical reasons listed under AS 39.20.225(b) and retains the existing reasons for use of additional banked medical leave.

Section 3 identifies the officers and employees to whom the transfer of medical leave or sick leave applies.

Section 4 changes the pay differentials that increase or (in the case of positions located in other states) decrease the

salary that a state employee is paid depending on the location in which the employee works.

Section 5 directs the director of personnel to adjust the pay differentials established for positions in other countries after completing the survey conducted under AS 39.27.030, amended by section 6 of the bill.

Section 6 replaces the current requirement for an annual salary survey that meets certain listed requirements with a requirement for surveys at 5-year intervals to review the geographic pay differentials. The director of personnel may determine the factors that the survey addresses.

Section 7 prevents the application of the new geographic pay differentials established in section 4 of the bill from reducing the salary an employee is receiving on July 15, 1987. Under paragraph (a)(2), the employee's salary remains at the July 15 level until the salary would increase for one of the listed causes. Subsections (b) and (c) list reasons that the employee's salary may be reduced below the July 15 level.

Section 8 requires that the salaries of employees in the classified and partially exempt service who are not covered by collective bargaining will be adjusted by the same percentage that the salaries of members of the General Government Unit of the Alaska Public Employees Union are adjusted, beginning after June 30, 1987. If a new GGU agreement has not been implemented before July 1, 1987, then the current salary schedule contained in AS 39.27.011(a) applies until the agreement is implemented.

Section 9 requires that the salaries of the employees listed in paragraphs (1) - (3) will be adjusted in amounts comparable to those received by classified and partially exempt employees under section 8 of the bill. The requirement for adjustments would not apply to officers and employees whose salaries are established by statute. These include judges and justices (AS 22.05.140(a), AS 22.07.090(a), AS 22.10.190(a), and AS 22.15.220(a)); legislators (AS 24.10.100); and the governor, lieutenant governor, and commissioners and deputy commissioners of the principal departments (AS 39.20.010, 39.20.020, and 39.20.080(a) and (b)). There may be other positions whose salaries are established at a particular range and step that are not included in this list.

Representative Al Adams
Page 3
May 2, 1987

Temporary legislative employees other than those listed in section 9, paragraph (2) are also not covered by the salary adjustment. These employees were not included in the legislation that granted the most recent salary increase, ch. 87, SLA 1985.

Section 10 directs that the salaries of employees of the University of Alaska who are not members of a union be set by the board of regents.

Section 11 repeals two statutes. AS 39.27.035 requires the director of personnel to prepare an annual salary schedule. This section was enacted before state employee collective bargaining. AS 39.27.040 requires the director of personnel to conduct an annual salary survey for the University of Alaska.

Section 12 makes the sections concerning state employee geographic pay differentials and the salary survey take effect July 16, 1987.

Section 13 directs that the sections concerning the transfer of sick leave or medical leave and the salary schedule take effect immediately.

If I may be of further assistance, please advise.

TC:lmb
L5/089

POSITION COUNT BY DEPARTMENT BY DATE BY PAYROLL TYPE BY RANGE

The following tables show how many exempt and partially exempt state employees were at which pay ranges at three points in time.

The first time, December 1980, was the middle of Governor Hammond's second term and serves as a base year.

The second point in time is November 1986, the end of the Sheffield administration.

The third time point, March 1987, reflects changes in exempt and partially exempt employment made by Governor Cowper, who is still in the process of making appointments.

The following summary highlights those aspects of the data which relate to changes in permanent employment in the upper pay ranges.

POSITION COUNT BY DEPARTMENT BY DATE BY PAYROLL TYPE BY RANGE

01 - Governor's Office

	DEC, 1980			NOV, 1986			MAR, 1987			
--	K	H	M/X	K	H	M/X	K	H	M/X	
05	23			6	1		1			
06				1						
07	10			26						
08	93	9	17	27	4	5	11	18	4	9
09	4		7	1			5			2
10	11		11	5			16	2	1	16
11	4		5	1			4			3
12	4		23	3			25			17
13	3		4				4	1		2
14			9	1			19	1		15
15			2				1			1
16	8		18	1			20			18
17	5		12	1			5			5
18	10		14	1			19			15
19	2		18				6			4
20	3		11				13			6
21	3		23				17			22
22	1		7				12	1		8
23	1		20				4			2
24	1		11				20	1		12
25										
26			11				9			10
27										
28			6				4			2
29							1			1
30			2				1			
	186	9	231	74	6	216	25	5	170	

Plus 13 K w/o Range
10 X w/o Range

Plus 3 K w/o Range
1 M w/o Range
2 Temp. Monthly, R

TOTAL 449

TOTAL 296

TOTAL 206

Much of the loss of exempt and partially exempt positions occurred by when employees in ranges 18-23 of boards and commissions were transferred to other departments.

02 - Administration

	DEC, 1980			NOV, 1986			MAR, 1987		
05						1			1
06	2								
07									
08	4		1			1	1		
09	1	1	3			1	2		1
10			2				1		1
11									
12									1
13			1	1		1			
14			1				2		1
15									
16	1		6			2	7		7
17							2		2
18			1				2		2
19	2		3				9		9
20			2				4		4
21			2				2		2
22	1		16				20		23
23			1				4		2
24			15			3	29		20
25			2				4		4
26			10				15		16
27									
28			3				4		3
29							1		
30									
	11	1	69	1	9	109		14	98
	TOTAL 81			TOTAL 119			TOTAL 112		

Monthly exempt and partially exempt employment in the Department of Administration, which has many boards and commissions, increased from 69 in December 1980 to 109 in November 1986 and dropped to 98 in March 1987.

03 - Law															
DEC, 1980					NOV, 1986					MAR, 1987					
	K-T	H-TE	K	H	M/X	K-T	H-TE	K	H	M/X	K-TE	H-TE	K	H	M/X
05															
06															
07															
08															
09															
10					1										
11															
12					1										
13															
14										1					1
15															
16		5			1				3					2	
17					3				2	10					7
18															
19					6				4	35				1	35
20															
21															
22		4			33					31					27
23										1					
24					48				1	72				2	63
25					30					34					32
26					5					7					4
27					1					1					1
28					2					2					2
29															
30															
		9			131				10	194				5	172
TOTAL 140					TOTAL 204					TOTAL 177					

The Department of Law also increased its ranks of monthly partially exempt and exempt (PX and X) employees from 1980 to 1986 (140 to 204), and has also experienced a decline in 1987. There are now 177 monthly PX and X employees.

04 - Revenue

	DEC, 1980					NOV, 1986					MAR, 1987				
	K-T	H-TE	K	H	M/X	K-T	H-TE	K	H	M/X	K-TE	H-TE	K	H	M/X
05															
06															
07															
08					1										
09															
10															
11					2					2					2
12					1					1					
13															
14		1			1					1					3
15															
16															1
17		1													
18															
19			1		2										
20					1					4					5
21					1					1					2
22					3					1					1
23										1					2
24					4					4					5
25					2					4					4
26					6					6					5
27										2					2
28					3					3					4
29															
30					3										
	2	1			30					30					36
Plus 1 X w/o Range					Plus 8 X w/o Range										
4 K w/o Range															
TOTAL 38					TOTAL 38					TOTAL 36					

The Department of Revenue increased its number of monthly PX and X employees from 30 in November 1986 to 36 in March 1987.

05 - Education

--	DEC, 1980				NOV, 1986				MAR, 1987						
	K-T	H-TE	K	H	M/X	K-T	H-TE	K	H	M/X	K-TE	H-TE	K	H	M/X
05		3													
06		2													
07										1					1
08				12	5					3					1
09				1	7					11					11
10				1	14					17					7
11					2					2					
12					2					6					3
13					2										
14					6					4					6
15															2
16										6					
17					2					2					
18				1	1										
19															1
20										1					
21					1					2					5
22					1										1
23		1			5					5					
24					1					2					6
25															
26					6					9					2
27															
28					3					3					
29															
30															
	6		15		58					74					46

Plus 43 Y w/o Range
2 K w/o Range

Plus 25 w/o Range

TOTAL 79

TOTAL 119

TOTAL 71

The Department of Education reduced its PX and X monthly employees from 58 in 1980 to 46 in 1987, although the decrease masks a reduction in clerical positions and the addition of management level positions.

06 - Health and Social Services

	DEC, 1980				NOV, 1986				MAR, 1987			
	K-T	H-TE	K	H M/X	K-T	H-TE	K	H M/X	K-TE	H-TE	K	H M/X
05			1									
06			1									
07												
08												
09												
10												
11												
12				1								
13			5									
14												
15												
16								1				1
17												
18												
19												
20												
21				1				1			1	2
22				1								
23			1	2				2				1
24				2				1				1
25								1				5
26				6				7				5
27				6				8				7
28				6				3				3
29				1				1				1
30				1								
			8	27				25			1	26
TOTAL 35				TOTAL 25				TOTAL 28				

The Department of Health and Social Services now has 28 monthly PX and X positions, three more than in 1986, but seven fewer than in 1980, (Corrections was then part of HESS).

07 -- Labor

	DEC, 1980				NOV, 1986				MAR, 1987				
	K	H	M/X		K	H	M/X		K	H	M/X		
05													
06													
07													
08													
09													
10													
11													
12				1				1					
13													
14													2
15													
16													
17													
18													
19													
20													1
21								1					1
22								2					
23				1				1					3
24													5
25													1
26				5				4					8
27													
28				2				2					3
29													
30													
				9				11					24
TOTAL 9				TOTAL 11				TOTAL 24					

The Department of Labor has significantly increased the number of monthly PX and X employees. In 1980, there were 9. In 1987, there are 24. Much of the increase is in ranges 23 through 28.

08 -- Commerce & Economic Development

--	DEC, 1980			NOV, 1986			MAR, 1987		
	K	H	M/X	K	H	M/X	K	H	M/X
05									
06									
07			1			3			3
08			5			5			4
09			1			1			1
10			1			8			6
11			2						
12			2			5			4
13						1			1
14			2			5			4
15						4			4
16			2			10			10
17						3			3
18			2			5			5
19			2			8			6
20			8			13			6
21			2			8			5
22			6			16			15
23			1			10			9
24			7			15		3	8
25			1			6			5
26			29			21			18
27			2			3			4
28						4			4
29						1			1
30									
			76			155		3	126
	Plus 6 X w/o Range			Plus 27 K w/o Range			Plus 2 K w/o Range		
TOTAL 82			TOTAL 182			TOTAL 131			

The Department of Commerce and Economic Development increased its monthly PX and X employees from seventy-six in 1980 to one hundred fifty-five in 1986, and down to 126 in 1987. The increase was in ranges 6 through 29, though not uniformly, and the decrease nctable in ranges 20 and 24.

09 -- Military & Veterans Affairs

	DEC, 1980			NOV, 1986			MAR, 1987			
	K	H	M/X	K	H	M/X	K	H	M/X	
05										
06										
07										
08										
09										
10										
11										
12			1			1			1	
13										
14										
15										
16										
17										
18										
19										
20										
21						1				
22										
23						1			1	
24			1			2			2	
25										
26						1				
27										
28			3			2			2	
29										
30										
			5			8			6	
TOTAL 10			TOTAL 16			TOTAL 12				

The Department of Military and Veterans' Affairs had five PX and X employees in 1980 and now has six.

10 -- Natural Resources

	DEC, 1980			NOV, 1986			MAR, 1987		
	K	H	M/X	K	H	M/X	K	H	M/X
05									
06	1								
07									
08	4		1						
09									
10	2								
11			1						
12			3						
13						1			
14						2			2
15									
16									
17									
18									
19									
20	1		1			1			1
21			2			2			1
22									
23			6			3			3
24			2			6			5
25			2			1			1
26			7			12			8
27			1			1			
28			2			3			3
29									
30									
	8		28			32			24
	Plus 10 X w/o Range								
	TOTAL 46			TOTAL 32			TOTAL 24		

Monthly PX and X employment in the Department of Natural Resources was 28 in 1980, went up to 32 in 1986 and is now 24. The largest single decrease (4) was in range 26. This was achieved by combining divisions. These positions are restored in the Governor's proposed FY88 budget.

11 -- Fish and Game

--	DEC, 1980				NOV, 1986				MAR, 1987				
	K-TIH-TEI	K	H	M/X	K-TIH-TEI	K	H	M/X	K-TEI	H-TEI	K	H	M/X
05													
06													
07				1									
08				6									
09				2				2					1
10				2				6					5
11				1			2				2		
12				8				1					2
13				4				2					2
14				1				4					2
15				1				2					1
16				3				4					4
17				2				6					5
18			1	1				1					
19				2				4					3
20				2									
21								4					4
22				3				1					1
23				2				6					5
24				2				1					1
25													
26				8				10					8
27													
28				3				3					3
29													
30													
				54			2	57					48

Plus 28 K w/o Range
Plus 2 X w/o Range

Plus 4 K w/o Range

Plus 3 K w/o PCN,

TOTAL 84

TOTAL 63

TOTAL 51

The Department of Fish and Game has forty-eight PX and X employees, down from fifty-seven in 1986 and fifty-four in 1980.

12 -- Public Safety

	DEC, 1980				NOV, 1986				MAR, 1987				
	K	H	M/X		K	H	M/X		K	H	M/X		
05													
06													
07													
08													
09													
10													
11													
12				1									
13													
14													
15													
16													
17													
18													
19				1									
20													
21				1				1					1
22													
23				2				2					2
24				2				2					2
25													
26				5				4					1
27													
28				3				2					2
29													
30													
				15				11					8
TOTAL 15				TOTAL 11				TOTAL 8					

Nearly half the monthly PX and X positions in the Department of Public Safety have been lost since 1980, from fifteen to eight. Most of the loss was in range 26 which went from five positions to one position.

'18 -- Environmental Conservation

	DEC, 1980				NOV, 1986				MAR, 1987			
	K-T	H-TE	K	H M/X	K-T	H-TE	K	H M/X	K-TE	H-TE	K	H M/X
05												
06												
07												
08												
09												
10												
11												
12				1								
13												
14								1				1
15												
16												
17												
18												
19												
20												
21												
22												
23								1				1
24												
25												
26				2				5				4
27												
28				2				2				2
29												
30												
				5				9				3
TOTAL 5				TOTAL 9				TOTAL 3				

The Department of Environmental Conservation had five monthly PX and X positions in 1980, nine in 1986 and eight in 1987.

20 -- Corrections

	DEC, 1980			NOV, 1986			MAR, 1987		
	K-TIH-TEI	K	H IM/X	K-TIH-TEI	K	H IM/X	K-TEIH-TEI	K	H IM/X
05									
06									
07									
08									
09									
10									
11									
12									
13									
14						1			1
15									
16									
17									
18									
19									
20									
21						2			2
22									
23						2			1
24									
25									
26						5			4
27									
28						3			3
29									
30									
						13			11
-----				TOTAL 13			TOTAL 11		

By 1986 the recently created Department of Corrections had thirteen monthly PX and X positions. The number has now been reduced to eleven.

21 -- Community & Regional Affairs

	DEC, 1980				NOV, 1986				MAR, 1987				
	K	H	M/X		K	H	M/X		K	H	M/X		
05													
06													
07													
08													
09													
10													
11													
12				1									
13													
14							1						1
15													
16													
17													
18							1						
19													
20							1						1
21							1						
22													
23							5						3
24													
25													
26				6			4						3
27													
28				2			2						1
29													
30													
				9			1	14					9
TOTAL 9				TOTAL 15				TOTAL 9					

Despite about a 50% increase in monthly PX and X positions in the Department of Community and Regional Affairs between 1980 and 1986, there was about a 50% decrease in 1987 (nine to fourteen to nine positions).

25 -- Transportation & Public Facilities

	DEC, 1980				NOV, 1986				MAR, 1987						
	K-T	H-TE	K	H	M/X	K-T	H-TE	K	H	M/X	K-TE	H-TE	K	H	M/X
05															
06															
07															
08															
09															
10															
11															
12					1										
13															
14															
15															
16										1					1
17															
18															
19															
20															
21					3										
22															
23					2					2					
24										1					2
25															
26					19					19					11
27					2										
28					6					6					5
29															
30															
					33					29					19
TOTAL 33					TOTAL 29					TOTAL 19					

The Department of Transportation and Public Facilities has fourteen fewer monthly PX and X employees than in 1980, going from 33 to 19.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

OFFICE OF THE GOVERNOR

POUCH AM
JUNEAU, ALASKA 99811
PHONE: (907) 465-3568

OFFICE OF MANAGEMENT AND BUDGET

May 4, 1987

The Honorable Al Adams
Chairman House Finance Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Adams:

In his January Budget Address to the Legislature, Governor Cowper said:

"Throughout the budget, all State employees taking "voluntary" reductions in pay are restored to full funding; however, after the collective bargaining sessions are completed, we will adjust the compensation and benefits of exempt and partially exempt employees to make them consistent with the agreements we reach with the unions."

Currently, as you are aware, there are no new collective bargaining agreements on which to base revised compensation and benefits for the "non-covered" State employees. In view of this, the Governor supports the passage of CSHB 187 (Finance) that would adjust the compensation of "non-covered" State employees to a level that is substantially the same as the compensation negotiated for members of the general government unit.

Sincerely,



Jay Hogan
Director

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 16, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that updates the geographic pay differentials provided under AS 39.27.020 to state employees whose pay is not established through the collective bargaining process.

Present law provides for geographic pay differentials that are no longer reflective of the cost of living in various areas of the state. Section 1 of the bill implements the same differentials as those in effect for members of the Alaska Public Employees Association's bargaining units, which were established by cost-of-living survey and arbitration. With the leveling of cost differentials in areas across the state, enactment of this legislation provides employees with fair compensation adjustments, but at a level that will ultimately lead to state savings.

Section 2 of the bill repeals and reenacts AS 39.27.030, providing a more realistic scope and schedule for future salary surveys. AS 39.27.030 presently requires an annual survey to address a multitude of considerations, many of which are not directly related to geographic cost differentials. This bill focuses the study on cost differentials, although the division of personnel would retain the authority to structure the study to address all relevant pay considerations.

Section 3 of this bill is a "grandfather" provision intended to ensure that current employees do not experience an actual reduction in pay upon enactment of updated geographic pay differentials. Under this provision, employees will receive their current pay until their salary would be increased through position changes or pay raises to a level above what they would be entitled to under the new geographic pay differential, or until they move to another geographic area.

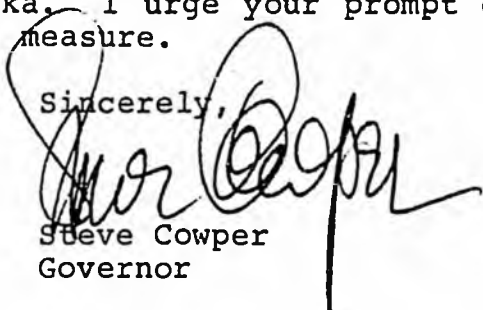
Hon. Ben Grussendorf

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The two statutes repealed by sec. 4 of the bill, AS 39.27.-035 and 39.27.040, generally relate to information that will be available in modified form through the survey conducted under sec. 2 of the bill.

I believe that this legislation affords state employees a geographic pay differential that properly reflects the varying costs of living in Alaska. I urge your prompt consideration and approval of this measure.

Sincerely,



Steve Cowper
Governor