

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILE 8672

1276 SCOMM 49: JOINT SPEC. COMM. ON LEGISLATIVE SALARIES 1985-86

Offered: 4/22/85
Referred: Finance

Original sponsors: M.M.Miller and Duncan

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 252 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to state retirement benefits; and
7 providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 39.35.160(a) is repealed and reenacted to read:
10 (a) Beginning January 1, 1986, each peace officer or fireman
11 shall contribute to the system an amount equal to eight percent of the
12 peace officer's or fireman's compensation. Beginning January 1, 1986,
13 each other employee shall contribute to the system an amount equal to
14 seven and one-quarter percent of the employee's compensation. The
15 contributions shall be deducted by the employer at the end of each
16 payroll period. The contributions shall be deducted from employee
17 compensation before computation of applicable federal taxes, and the
18 contributions shall be treated as employer contributions under
19 26 U.S.C. 414(h)(2).
20 * Sec. 2. AS 39.35.340(a) is amended to read:
21 (a) A vested employee is entitled to credited service for active
22 military service in the armed forces of the United States, either by
23 enlistment or induction, if the employee received a discharge under
24 honorable conditions and is not entitled to receive benefits from the
25 United States government for the same service [DID NOT RECEIVE A
26 DISHONORABLE DISCHARGE]. The credited service allowed may not exceed
27 an aggregate period of five years. Benefits are not payable on cred-
28 ited service for military service unless the employee makes retroac-
29 tive contributions to the system for the period of time that service

1 credit is claimed. However, if the employee was in the employ of an
2 employer on the date of entry into the armed forces and returned to
3 the employ of an employer within 90 days after the date of discharge
4 from military service, the employee is not required to make retroac-
5 tive contributions under this system for the period of credited ser-
6 vice.

7 * Sec. 3. AS 39.35.340(b) is repealed and reenacted to read:

8 (b) In order to obtain credited service under this section, an
9 employee shall make an election to do so and shall verify the period
10 of military service. When eligibility for credited service for mili-
11 tary service has been established, an indebtedness shall be determined
12 as follows: (1) the employee's actual compensation, or the cal-
13 culated annual compensation for those employees working less than 12
14 months, during the calendar year 1976 or the year in which an employee
15 first becomes vested under this chapter, whichever is later, multi-
16 plied by (2) the number of years of military service credited under
17 this section and this product multiplied by (3) six percent for
18 members who are first eligible to claim this military service before
19 January 1, 1986, or nine percent for members who are first eligible to
20 claim this military service on or after January 1, 1986. Interest as
21 prescribed by regulation accrues on this indebtedness beginning on
22 July 1, 1977, or one year following the date a person first becomes
23 vested, whichever is later. Any outstanding indebtedness that exists
24 at the time a person is appointed to retirement will necessitate an
25 actuarial adjustment to the benefits payable based upon that military
26 service.

27 * Sec. 4. AS 39.35.360(i) is amended to read:

28 (i) An employee who completes three years of credited service
29 with an employer, for which the employee makes contributions required

1 by this chapter, is entitled to credited service on a year-for-year
2 basis for service credited in the Civil Service Retirement System,
3 rendered as an employee of an Alaska Bureau of Indian Affairs (BIA)
4 school, other than service as a teacher. Retroactive credited service
5 under this section must be claimed before the employee retires. When
6 eligibility for retroactive credited service under this section has
7 been established, an indebtedness of the employee to the system shall
8 be determined as follows: (1) [ESTABLISHED. THE AMOUNT OF THIS
9 INDEBTEDNESS IS DETERMINED BY MULTIPLYING SIX PERCENT OF] the employ-
10 ee's actual annual compensation, or the calculated annual compensation
11 for an employee who works fewer than 12 months, for the most recent
12 calendar year in which service is rendered to an employer before the
13 calendar year in which the employee first becomes eligible to claim
14 service under this subsection, multiplied by (2) the number of years
15 of service in Alaska BIA schools that is credited under this subsec-
16 tion, and this product multiplied by (3) six percent for employees
17 first eligible to claim this service before January 1, 1986, or nine
18 percent for employees first eligible to claim this service on or after
19 January 1, 1986. Interest as prescribed by regulation accrues on the
20 indebtedness beginning on the date the employee may first claim the
21 retroactive credited service. Any outstanding indebtedness that
22 exists at the time the employee retires requires an actuarial adjust-
23 ment to the benefits that are based on retroactive credited service
24 under this section. Service may not be claimed under this subsection
25 and benefits may not be paid for service claimed under this subsection
26 if the employee has, at any point in time, enough service credit in
27 the Civil Service Retirement System to be eligible for a retirement
28 benefit under that system.

29 * Sec. 5. AS 39.35.370(a) is amended to read:

1 (a) A terminated employee is eligible for a normal retirement
2 benefit (1) at age 60 [55] with at least five years credited service,
3 or (2) with at least 20 years of credited service as a peace officer
4 or fireman, or (3) with at least 30 years of credited service for all
5 other employees.

6 * Sec. 6. AS 39.35.370(b) is amended to read:

7 (b) A terminated employee is eligible for an early retirement
8 benefit at age 55 [50] with at least five years credited service. An
9 actuarial adjustment must be made to retirement benefits paid under
10 this section for an early retirement benefit.

11 * Sec. 7. AS 39.35.370(c) is amended to read:

12 (c) The monthly amount of a retirement benefit for a peace
13 officer or fireman is two percent of the average monthly compensation
14 times the years of credited service [UP] through 10 years, plus two
15 and one-half percent of the average monthly compensation times the
16 years of service over 10 years. For all other employees it is

17 (1) two percent of the average monthly compensation times
18 all [THE] years of service before July 1, 1985, and for years of
19 service through a total of 10 years; plus

20 (2) two and one-quarter percent of the average monthly
21 compensation times all years of service after June 30, 1985, over 10
22 years of total service through 20 years; plus

23 (3) two and one-half percent of the average monthly compen-
24 sation times all years of service after June 30, 1985, over 20 years
25 of total servi = [AN ACTUARIAL ADJUSTMENT MUST BE MADE FOR AN EARLY
26 RETIREMENT BENEFIT].

27 * Sec. 8. AS 39.35.385(a) is amended to read:

28 (a) An employee is eligible for a normal retirement benefit at
29 age 60 [55] with at least two years of credited service if the

1 employee also is eligible for a normal retirement salary under the
2 teachers' retirement system (AS 14.25).

3 * Sec. 9. AS 39.35.385(b) is amended to read:

4 (b) An employee is eligible for an early retirement benefit at
5 age 55 [50] with at least two years of credited service if the em-
6 ployee also is eligible for an early retirement salary under the
7 teachers' retirement system (AS 14.25).

8 * Sec. 10. AS 39.35.385(f) is amended to read:

9 (f) An employee is eligible for a normal retirement benefit at
10 age 60 [55] or an early retirement benefit at age 55 [50] if the
11 employee has at least 60 days of credited service as a temporary
12 employee of the legislature during each of five legislative sessions.

13 * Sec. 11. AS 39.35.475 is repealed and reenacted to read:

14 Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) Once
15 each year the administrator shall increase benefit payments to eligi-
16 ble disabled members and to persons age 60 or older receiving benefits
17 under this system in the preceding calendar year.

18 (b) The increase in benefit payments applies to total benefit
19 payments except for the cost-of-living allowance under AS 39.35.480.
20 The amount of the increase is a percentage of the current benefit
21 equal to

22 (1) the lesser of 75 percent of the increase in the cost of
23 living in the preceding calendar year or nine percent, for recipients
24 who on July 1 are at least 65 years old and for members receiving
25 disability benefits; and

26 (2) the lesser of 50 percent of the increase in the cost of
27 living in the preceding calendar year or six percent, for recipients
28 who on July 1 are at least 60 but less than 65 years old.

29 (c) If a recipient was not receiving benefits during the entire

preceding calendar year, the increase in benefits under this section shall be adjusted by multiplying it by the fraction whose numerator is the number of months for which benefits were received in the preceding calendar year and whose denominator is 12.

(d) If at the time of first receiving a retirement benefit a member was receiving a disability benefit under this system, the administrator shall, at the time the member is appointed to retirement, increase the retirement benefit by a percentage equal to the total cumulative percentage increase that has been applied to the member's disability benefit under this section.

(e) When computing an occupational death benefit under AS 39.35.430 or 39.35.440 or a survivor's benefit under AS 39.35.450, adjustments granted to the deceased member or survivor under this section shall be included.

(f) An increase in benefit payments under this section is effective July 1 of each year and is based on the percentage increase in the consumer price index for urban wage earners and clerical workers for Anchorage, Alaska during the previous calendar year as determined by the United States Department of Labor, Bureau of Labor Statistics.

* Sec. 12. AS 39.35.480(a) is amended to read:

(a) While residing in the state, a person receiving a benefit under this chapter who is 65 years of age or older or who is receiving a disability benefit is entitled to receive a monthly cost-of-living allowance in addition to the basic benefit. The amount of this allowance shall be \$50 or 10 percent of the basic benefit, whichever is greater.

* Sec. 13. AS 39.35.535 is amended to read:

Sec. 39.35.535. MEDICAL BENEFITS. (a) If a benefit recipient elects major medical insurance coverage under this section, the [THE]

1 following persons are entitled to [MAJOR MEDICAL INSURANCE] coverage:

2 (1) a person receiving a monthly benefit from the system;

3 (2) the spouse of a person receiving a monthly benefit from
4 the system;

5 (3) a natural or adopted child of a person receiving a
6 monthly benefit from the system, if the child is a dependent child
7 under AS 39.35.680(11).

8 (b) After an election of coverage under this section, major
9 [MAJOR] medical insurance coverage takes effect on the same date that
10 [AS RETIREMENT] benefits begin, and stops when the member [RETIRED
11 EMPLOYEE] or survivor is no longer eligible to receive a monthly
12 benefit. The coverage for persons age 65 or older is the same cover-
13 age available for a person under 65. The benefits payable to [THOSE]
14 persons age 65 or older supplement any benefits provided under the
15 federal old age, survivors and disability insurance program.

16 * Sec. 14. AS 39.35.535 is amended by adding a new subsection to read:

17 (c) A benefit recipient may elect major medical insurance cover-
18 age in accordance with regulations and under the following conditions:

19 (1) a person who is younger than 60 years of age must pay
20 an amount equal to the full monthly group premium for retiree major
21 medical insurance coverage;

22 (2) a person who is at least 60 years of age but is younger
23 than 65 years of age must pay an amount equal to one-half of the full
24 monthly group premium for retiree major medical insurance coverage;

25 (3) a disabled member or a person 65 years of age or older
26 is not required to make premium payments.

27 * Sec. 15. AS 39.35.680(8) is amended to read:

28 (8) "compensation" means the total remuneration earned by
29 an employee for personal services rendered, including employee

1 contributions under AS 39.35.160, cost-of-living differentials, pay-
2 ments for leave that is actually used by the employee, the amount by
3 which the employee's wages are reduced under AS 39.30.150(c), and any
4 amount deferred under an employer-sponsored deferred compensation
5 plan, but does not include retirement benefits, welfare benefits, per
6 diem, expense allowances, workers' compensation payments or payments
7 for leave not used by the employee whether those leave payments are
8 scheduled payments, lump-sum payments, donations, or cash-ins;

9 * Sec. 16. AS 39.35.680(13) is amended to read:

10 (13) "early retirement" means retirement for a member who is
11 not eligible for normal retirement and who is at least 55 [50] years
12 old and is eligible to receive benefits under AS 39.35.370(b) or under
13 AS 39.35.385(b) or (f);

14 * Sec. 17. Sections 2, 5 - 6, 8 - 10, 12 - 14, and 16 of this Act apply
15 only to members first hired under the Public Employees' Retirement System
16 after June 30, 1985. Changes in the Public Employees' Retirement System
17 enacted in this Act that require a reduction in benefits to members of the
18 retirement system apply only to members who are first hired under the
19 retirement system after June 30, 1985. Other sections of this Act apply to
20 all members of the public employees' retirement system, regardless of the
21 date of hire.

22 * Sec. 18. Sections 2, 5 - 14, 16, and 17 of this Act take effect
23 July 1, 1985.

24 * Sec. 19. Sections 1, 3, 4, and 15 of this Act take effect January 1,
25 1986.

Introduced: 3/13/85
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY FULLER BY REQUEST

2

HOUSE BILL NO. 282

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to temporary service credit with the
public employees' retirement system; and providing
for an effective date."

8

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

10

* Section 1. AS 39.35.345 is amended to read:

11

Sec. 39.35.345. TEMPORARY SERVICE CREDIT. (a) A vested employee is entitled to credited service for periods in which the employee regularly rendered full-time personal service to an employer but was not qualified to participate in the system because of the exclusion of temporary workers as described in AS 39.35.680(21)(C)-(iii). If an employee claims retroactive credited service under this section, the employee becomes indebted to the system. The amount of indebtedness is equal to the contributions the employee would have made during the periods of employment for which the credited service is claimed if the employee had been a member of the system during those periods. Benefits are not payable on [THIS] credited service claimed under this section unless the employee makes retroactive contributions to the system to discharge the indebtedness for the period of time that credited service is claimed. [THE RETROACTIVE CONTRIBUTION IS THE FULL ACTUARIAL COST OF PROVIDING BENEFITS FOR THE CREDITED SERVICE CLAIMED.]

27

(b) To obtain credited service under this section, an employee must elect to do so and must verify the period of temporary service before July 1, 1986 [1981], or within one year following the date when

1 the employee first becomes vested under this chapter, if later. When
2 eligibility for temporary service credit has been established, an
3 indebtedness shall be determined as provided in (a) of this section.
4 Interest as prescribed by regulation accrues on that indebtedness
5 beginning July 1, 1986 [1981], or one year following the date an
6 employee first becomes vested, whichever is later. Any outstanding
7 indebtedness existing at the time an employee retires will require an
8 actuarial adjustment to the benefits payable based on the temporary
9 service.

10 (c) A deferred vested employee on July 1, 1985 [1980], is eligi-
11 ble to claim credited service under (a) of this section. To obtain
12 credited service under this section, a deferred vested employee must
13 elect to do so and must verify the period of temporary service before
14 July 1, 1986 [1981]. When eligibility for temporary service credit
15 has been established, an indebtedness shall be determined as provided
16 in (a) of this section. Interest as prescribed by regulation accrues
17 on that indebtedness beginning July 1, 1986 [1981]. Any outstanding
18 indebtedness existing at the time a deferred vested employee retires
19 will require an actuarial adjustment to the benefits payable based on
20 the temporary service.

21 (d) The credited service granted under this section may [NOT] be
22 used to satisfy the credited service requirements for normal or early
23 retirement.

24 * Sec. 2. The department shall recompute the indebtedness of an em-
25 ployee who claimed retroactive credited service under AS 39.35.345 after
26 June 30, 1980, and before the effective date of this Act. The department
27 shall refund any overpayment of retroactive contributions and interest paid
28 on the indebtedness to the employee.

29 * Sec. 3. This Act takes effect June 30, 1985.

Introduced: 3/15/85
Referred: State Affairs, Health,
Education & Social Services and
Finance

1 IN THE HOUSE

BY KOPONEN

2

HOUSE BILL NO. 292

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to credited service for noncertif-
icated school employees who are members of the public
employees' retirement system; and providing for an
effective date."

9

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

11 * Section 1. AS 39.35 is amended by adding a new section to article 5
12 to read:

13 Sec. 39.35.365. CREDITED SERVICE FOR NONCERTIFICATED SCHOOL
14 EMPLOYEES. (a) A noncertificated employee of a city or borough
15 school district or a regional educational attendance area that is a
16 participating employer under AS 39.35.550 - 39.35.650 shall receive
17 credited service for employment during a school year in accordance
18 with the following schedule:

- 19 (1) less than nine days, no credit;
20 (2) nine days or more, but less than 27 days, 0.1 years;
21 (3) 27 days or more, but less than 45 days, 0.2 years;
22 (4) 45 days or more, but less than 63 days, 0.3 years;
23 (5) 63 days or more, but less than 81 days, 0.4 years;
24 (6) 81 days or more, but less than 100 days, 0.5 years;
25 (7) 100 days or more, but less than 118 days, 0.6 years;
26 (8) 118 days or more, but less than 136 days, 0.7 years;
27 (9) 136 days or more, but less than 154 days, 0.8 years;
28 (10) 154 days or more, but less than 172 days, 0.9 years;

29 and

1 (11) 172 days or more, 1.0 years.

2 (b) If credited service under this section is performed on a
3 part-time basis, the employee receives credited service proportionate
4 to the credited service that would have been earned as a full-time
5 employee.

6 (c) In this section

7 (1) "noncertificated employee" means an employee of a city
8 or borough school district or a regional educational attendance area
9 who is employed in a position for which a state certificate is not re-
10 quired as a condition of employment;

11 (2) "school year" means the 12-month period beginning
12 July 1 and ending June 30 of the following calendar year.

13 * Sec. 2. A noncertificated employee of a city or borough school
14 district or a regional educational attendance area that is a participating
15 employer under AS 39.35.550 - 39.35.650, who is employed on the effective
16 date of this Act, may receive prior service credit calculated under AS 39.-
17 35.365, added by sec. 1 of this Act, for employment after the school dis-
18 trict or regional educational attendance area became a participating em-
19 ployer in the public employees' retirement system by

20 (1) electing before July 1, 1986, to have credited service
21 calculated under this Act; and

22 (2) making retroactive contributions in the amount of four and
23 one-quarter percent of the average annual compensation received by the
24 employee during the time for which additional credited service is granted
25 under this Act, multiplied by the total additional years of credited
26 service.

27 * Sec. 3. This Act takes effect July 1, 1985.

Introduced: 4/17/85
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY DUNCAN AND M.M.MILLER

2

HOUSE BILL NO.382

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to accelerated normal retirement for
7 state employees in the Public Employees' Retirement
8 System; and providing for an effective date."

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

10 * Section 1. AS 39.35 is amended by adding a new section to read:

11 Sec. 39.35.375. ACCELERATED NORMAL RETIREMENT. (a) A state
12 employee is eligible for an accelerated normal retirement benefit

13 (1) at age 50 with at least five years credited service;

14 (2) with at least 15 years of credited service as a peace
15 officer or fireman; or

16 (3) with at least 25 years of credited service for all other
17 employees.

18 (b) A state employee who is an active member of the system may
19 elect to take an accelerated normal retirement. An employee who
20 elects to take an accelerated normal retirement shall contribute a
21 lump sum payment to the system calculated at the employee's current
22 rate of contribution for the period between the date of termination
23 from state service and the date on which the employee would be first
24 eligible for a normal retirement. The state shall make an employer
25 contribution calculated at the state's current contribution rate for
26 the same period.

27 (c) Retirement benefits payable under this section are
28 calculated as normal retirement benefits and include the period for
29 which contributions are made under (b) of this section as years of

1 credited service.

2 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-

3 10.070(c).

Introduced: 1/14/85
Referred: State Affairs
and Finance

BY KELLY, HALFORD,
SACKETT, FAIKS AND
AND KERTTULA

1 IN THE SENATE

2

SENATE BILL NO. 10

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act increasing military retirement benefits for
7 the Alaska National Guard and the Alaska Naval Mili-
8 tia."

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

10 * Section 1. AS 26.05.224(b) is amended to read:

11 (b) The retirement pension is \$150 [\$100] a month, payable for
12 the same number of months that the member participated satisfactorily
13 in the Alaska National Guard or Alaska Naval Militia.

14 * Sec. 2. AS 26.05.224(c) is amended to read:

15 (c) An eligible member or former member may elect to receive the
16 retirement pension beginning on the first day of the month in which
17 the member or former member becomes eligible for retirement, or the
18 member or former member may elect to defer payment to a later date.
19 Payment of a deferred retirement benefit may not begin until applica-
20 tion for the benefit is filed with and approved by the Department of
21 Military and Veterans' Affairs. Deferred retirement payments shall
22 [MUST] be made monthly at the rate of \$150 [\$100].

Introduced: 3/13/85
Referred: Community & Regional Affairs,
Judiciary and Finance

1 IN THE SENATE

BY P.FISCHER

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 36

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act allowing retirement credit for the unused
7 sick leave of an employee of a political subdivision
8 or public organization participating in the public
9 employees' retirement system."

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

11 * Section 1. AS 39.35 is amended by adding a new section to read:

12 Sec. 39.35.375. CREDIT FOR UNUSED SICK LEAVE. (a) An employee
13 who is employed on or after July 1, 1984, and who retires after
14 July 1, 1985, may elect to add unused sick leave credit to the total
15 number of years of credited service under AS 39.35.370(c). Unused
16 sick leave shall be credited on a day-for-day basis. Employee contri-
17 butions may not be required for credited unused sick leave.

18 (b) An employee retiring before July 1, 1985, who returns to
19 membership service with an employer on or after July 1, 1985, and who
20 subsequently retires is eligible for unused sick leave credit only
21 with respect to sick leave accrued during membership service on or
22 after July 1, 1985.

23 (c) Unused sick leave may be added to credited service under
24 this section as of the first day of the month after which

25 (1) the employee meets the eligibility requirements of this
26 section;

27 (2) the employee is terminated from covered employment; and

28 (3) the employee's written election regarding unused sick
29 leave is received and verified by the administrator.

Introduced: 1/16/85
Referred: State Affairs and
Finance

1 IN THE SENATE

BY ZIEGLER BY REQUEST

2

SENATE BILL NO. 58

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to participation by magistrates in
the judicial retirement system."

7

8

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

9

* Section 1. AS 22.25.010(g) is amended to read:

10

(g) The word "justice" means a supreme court justice, and the

11

word "judge," unless the context clearly indicates otherwise, means a

12

judge of the court of appeals, a superior court judge, a [OR] district

13

court judge, or a magistrate.

14

* Sec. 2. AS 39.35.680(21) is amended to read:

15

(21) "member" or "employee"

16

(A) means a person eligible to participate in the

17

system and who is covered by the system;

18

(B) includes

19

(i) active member;

20

(ii) inactive member;

21

(iii) vested member;

22

(iv) deferred vested member;

23

(v) non-vested member;

24

(vi) disabled member;

25

(vii) retired member;

26

(C) does not include

27

(i) former members;

28

(ii) persons compensated on a contractual or fee

29

basis;

1 (iii) casual or emergency workers or nonpermanent
2 employees as defined in AS 39.25.200;

3 (iv) persons covered by the Alaska Teachers'
4 Retirement System;

5 (v) employees of the division of marine transpor-
6 tation engaged in operating the state ferry system who are
7 covered by a union or group retirement system to which the
8 state makes contributions;

9 (vi) justices of the supreme court or judges of
10 the court of appeals or of the superior or district courts
11 or magistrates of the district courts of Alaska;

12 (vii) the administrative director of courts ap-
13 pointed under art. IV, sec. 16 of the state constitution
14 unless the director becomes a member under AS 39.35.158; and

15 (viii) members of the elected public officers'
16 retirement system (former AS 39.37);

17 (D) may include employees of the division of marine
18 transportation excluded under (C)(v) of this paragraph provided
19 that

20 (i) the State of Alaska formally agrees to their
21 inclusion through the process of collective bargaining; and

22 (ii) no collective bargaining agreement has the
23 effect of obligating contributions made by the state under
24 AS 39.30.150 in the event the state resumes participation in
25 the federal social security system;

26 * Sec. 3. (a) Notwithstanding AS 39.35.240, a person employed as a
27 magistrate on July 1, 1985, may withdraw from the public employees' retire-
28 ment system (AS 39.35) and receive a refund of the balance of the employee
29 contribution account and employee savings account.

1 (b) A person who is employed as a magistrate on July 1, 1985, may
2 receive prior service credit under AS 22.25, to a maximum of 10 years, for
3 service as a magistrate of the state court system before July 1, 1985, if
4 the magistrate

5 (1) withdraws from the public employees' retirement system
6 (AS 39.35) and receives a refund of all contributions made under AS 39.35;

7 (2) on or before June 30, 1985, elects to receive service credit
8 under AS 22.25 for prior service as a magistrate; and

9 (3) makes retroactive contributions to the judicial retirement
10 system for service as a magistrate after July 1, 1975, including service
11 before July 1, 1978; retroactive contributions shall be calculated at seven
12 percent of the salary the magistrate received during the period for which
13 the magistrate is making contributions.

14 * Sec. 4. Notwithstanding the amendment to AS 39.35.680(21) made in
15 sec. 2 of this Act, a person employed as a magistrate on July 1, 1985, may
16 continue as a member of the public employees' retirement system for credit-
17 ed service before July 1, 1985, if the magistrate has not withdrawn from
18 the system and received a refund of contributions to the system.

19 * Sec. 5. The amendments to AS 22.25.010(g) and AS 39.35.680(21) made
20 in secs. 1 and 2 of this Act apply only to a magistrate who retires from
21 state service after June 30, 1985.

22 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).

Offered: 4/19/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 121 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making miscellaneous amendments to the re-
7 tirement statutes without fiscal impact."

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

9 * Section 1. AS 14.25.060(a)(1) is amended to read:

10 (1) At the time of first becoming a member of the system,
11 the arrearage indebtedness is seven percent of the base salary multi-
12 plied by the total number of years of creditable outside, military and
13 Alaska BIA service. Compound interest at the rate prescribed by regu-
14 lation must [SHALL] be added to the arrearage indebtedness beginning
15 July 1, 1963, or at the time of first becoming eligible to claim the
16 service [EMPLOYED AS A MEMBER], whichever is later, to the date of
17 payment or the date of retirement, whichever occurs first.

18 * Sec. 2. AS 14.25.220(10) is amended to read:

19 (10) "credited service" means

20 (A) all membership service as provided in (20) of this
21 section, territorial employment as defined in (41) of this sec-
22 tion, plus outside, military, and Alaska BIA service, with out-
23 side and military service limited to 10 years except under the
24 conditions set out in AS 14.25.100;

25 (B) for purposes of eligibility for benefits under
26 this chapter, service for which no indebtedness is owed;

27 * Sec. 3. AS 14.25.220(25) is amended to read:

28 (25) "outside service" means service for full years as
29 defined by (40)(A)(x) and (40)(B)(xi) of this section

1 (A) as a certificated full-time elementary or second-
2 dary teacher or a certificated person in a full-time position
3 requiring a teaching certificate as a condition of employment in
4 an out-of-state public school within the United States, or in a
5 school outside the United States supported by funds of the United
6 States;

7 (B) as a certificated full-time elementary or second-
8 ary teacher or a certificated person in a full-time position
9 requiring a teaching certificate as a condition of employment in
10 an approved or accredited nonpublic school within the United
11 States, or in a school outside the United States supported by
12 funds of the United States;

13 (C) in a full-time position requiring academic stand-
14 ing in an out-of-state institution of higher learning accredited
15 by a nationally recognized accrediting agency as listed in the
16 Education Directory - Colleges and Universities by the National
17 Center for Education Statistics;

18 (D) as a full-time teacher in an approved or accredit-
19 ed nonpublic institution of higher learning in Alaska;

20 * Sec. 4. AS 14.25.220(38) is amended to read:

21 (38) "teacher or member" means a person eligible to partici-
22 pate in the system and who is covered by the system, limited to [IN-
23 CLUDING:]

24 (A) a certificated full-time or part-time elementary
25 or secondary teacher, a certificated school nurse, or a cer-
26 tificated person in a position requiring a teaching certificate
27 as a condition of employment in a public school of the state;

28 (B) the commissioner of education and all supervisory
29 positions in the Department of Education;

1 (C) a full-time or part-time teacher of the University
2 of Alaska or a person occupying a full-time administrative posi-
3 tion at the University of Alaska which requires academic stand-
4 ing; the approval of the administrator must be obtained before an
5 administrative position qualifies for membership in the system;

6 (D) a state legislator who elects membership under
7 AS 14.25.040(b);

8 * Sec. 5. AS 14.25.220(40) is repealed and reenacted to read:

9 (40) "year of service" means service, except for military
10 and territorial service, during the dates set for a school year; par-
11 tial-year service credit is given for membership and BIA service as
12 follows:

13 (A) before July 1, 1969, during any school year,
14 (i) less than 20 days, no credit;
15 (ii) 20 days or more but less than 35 days, 0.2
16 years;
17 (iii) 35 days or more but less than 49 days, 0.3
18 years;
19 (iv) 49 days or more but less than 63 days, 0.4
20 years;
21 (v) 63 days or more but less than 77 days, 0.5
22 years;
23 (vi) 77 days or more but less than 91 days, 0.6
24 years;
25 (vii) 91 days or more but less than 105 days, 0.7
26 years;
27 (viii) 105 days or more but less than 119 days, 0.8
28 years;
29 (ix) 119 days or more but less than 133 days, 0.9

1 years;
2 (x) 133 days or more, 1.0 years;
3 (B) on or after July 1, 1969, during any school year,
4 (i) less than nine days, no credit;
5 (ii) nine days or more but less than 27 days, 0.1
6 years;
7 (iii) 27 days or more but less than 45 days, 0.2
8 years;
9 (iv) 45 days or more but less than 63 days, 0.3
10 years;
11 (v) 63 days or more but less than 81 days, 0.4
12 years;
13 (vi) 81 days or more but less than 100 days, 0.5
14 years;
15 (vii) 100 days or more but less than 118 days, 0.6
16 years;
17 (viii) 118 days or more but less than 136 days, 0.7
18 years;
19 (ix) 136 days or more but less than 154 days, 0.8
20 years;
21 (x) 154 days or more but less than 172 days, 0.9
22 years;
23 (xi) 172 days or more, 1.0 years;

24 (C) service performed on a part-time basis will be
25 credited with one-half credit for each day of service.

26 * Sec. 6. AS 22.25.048(a) is amended to read:

27 (a) The commissioner of administration shall establish [, AS A
28 SPECIAL ACCOUNT IN THE GENERAL FUND,] a fund for the judicial retire-
29 ment system and shall maintain accounts and records for the judicial

1 retirement system.

2 * Sec. 7. AS 26.05.228(a) is amended to read:

3 (a) The commissioner of administration shall establish [, AS A
4 SPECIAL ACCOUNT IN THE GENERAL FUND,] a fund for the system and main-
5 tain accounts and records for the system.

6 * Sec. 8. AS 39.30.100(2) is amended to read:

7 (2) "governmental unit" means the state, a borough, school
8 district, municipal corporation, or other political subdivision of the
9 state, and the North Pacific Fishery Management Council;

10 * Sec. 9. AS 39.35.680(4) is amended to read:

11 (4) "average monthly compensation" means the result ob-
12 tained by dividing the compensation earned by an employee during a
13 considered period by the number of months, including fractional
14 months, for which compensation was earned; the considered period
15 consists of the three consecutive payroll [CALENDAR] years during the
16 period of credited service that yields the highest average, or if the
17 employee does not have three consecutive payroll [CALENDAR] years, the
18 employee's period of credited service; an employee must have at least
19 115 days of credited service in the last payroll [CALENDAR] year in
20 order to be used as part of the three consecutive payroll [CALENDAR]
21 years;

22 * Sec. 10. AS 39.35.680(8) is amended to read:

23 (8) "compensation" means the total remuneration earned by
24 an employee for personal services rendered to an employer, including
25 cost-of-living differentials, payments for leave that is actually used
26 by the employee, the amount by which the employee's wages are reduced
27 under AS 39.30.150(c), and any amount deferred under an employer-
28 sponsored deferred compensation plan, but does not include retirement
29 benefits, severance pay or other separation bonuses, welfare benefits,

1 per diem, expense allowances, workers' compensation payments or pay-
2 ments for leave not used by the employee whether those leave payments
3 are scheduled payments, lump-sum payments, donations, or cash-ins;

4 * Sec. 11. AS 39.35.680 is amended by adding a new paragraph to read:

5 (40) "payroll year" means the period that includes the first
6 pay period ending in January of a year through the last pay period
7 ending in December of that year.

Introduced: 2/1/85
Referred: State Affairs
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 121

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making miscellaneous amendments to the re-
7 tirement statutes."

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

9 * Section 1. AS 14.25.060(a)(1) is amended to read:

10 (1) At the time of first becoming a member of the system,
11 the arrearage indebtedness is seven percent of the base salary multi-
12 plied by the total number of years of creditable outside, military and
13 Alaska BIA service. Compound interest at the rate prescribed by regu-
14 lation must [SHALL] be added to the arrearage indebtedness beginning
15 July 1, 1963, or at the time of first becoming eligible to claim the
16 service [EMPLOYED AS A MEMBER], whichever is later, to the date of
17 payment or the date of retirement, whichever occurs first.

18 * Sec. 2. AS 14.25.220(10) is amended to read:

19 (10) "credited service" means

20 (A) all membership service as provided in (20) of this
21 section, territorial employment as defined in (41) of this sec-
22 tion, plus outside, military, and Alaska BIA service, with out-
23 side and military service limited to 10 years except under the
24 conditions set out in AS 14.25.100;

25 (B) for purposes of eligibility for benefits under
26 this chapter, service for which no indebtedness is owed;

27 * Sec. 3. AS 14.25.220(25) is amended to read:

28 (25) "outside service" means service for full years as
29 defined by (40)(A)(x) and (40)(B)(xi) of this section

1 (A) as a certificated full-time elementary or second-
2 dary teacher or a certificated person in a full-time position
3 requiring a teaching certificate as a condition of employment in
4 an out-of-state public school within the United States, or in a
5 school outside the United States supported by funds of the United
6 States;

7 (B) as a certificated full-time elementary or second-
8 ary teacher or a certificated person in a full-time position
9 requiring a teaching certificate as a condition of employment in
10 an approved or accredited nonpublic school within the United
11 States, or in a school outside the United States supported by
12 funds of the United States;

13 (C) in a full-time position requiring academic stand-
14 ing in an out-of-state institution of higher learning accredited
15 by a nationally recognized accrediting agency as listed in the
16 Education Directory -- Colleges and Universities by the National
17 Center for Education Statistics;

18 (D) as a full-time teacher in an approved or accredit-
19 ed nonpublic institution of higher learning in Alaska;

20 * Sec. 4. AS 14.25.220(38) is amended to read:

21 (38) "teacher or member" means a person eligible to partici-
22 pate in the system and who is covered by the system, limited to [IN-
23 CLUDING:]

24 (A) a certificated full-time or part-time elementary
25 or secondary teacher, a certificated school nurse, or a cer-
26 tificated person in a position requiring a teaching certificate
27 as a condition of employment in a public school of the state;

28 (B) the commissioner of education and all supervisory
29 positions in the Department of Education;

1 (C) a full-time or part-time teacher of the University
2 of Alaska or a person occupying a full-time administrative posi-
3 tion at the University of Alaska which requires academic stand-
4 ing; the approval of the administrator must be obtained before an
5 administrative position qualifies for membership in the system;

6 (D) a state legislator who elects membership under
7 AS 14.25.040(b);

8 * Sec. 5. AS 14.25.220(40) is repealed and reenacted to read:

9 (40) "year of service" means service, except for military
10 and territorial service, during the dates set for a school year; par-
11 tial-year service credit is given for membership and BIA service as
12 follows:

13 (A) before July 1, 1969, during any school year,

14 (i) less than 20 days, no credit;

15 (ii) 20 days or more but less than 35 days, 0.2
16 years;

17 (iii) 35 days or more but less than 49 days, 0.3
18 years;

19 (iv) 49 days or more but less than 63 days, 0.4
20 years;

21 (v) 63 days or more but less than 77 days, 0.5
22 years;

23 (vi) 77 days or more but less than 91 days, 0.6
24 years;

25 (vii) 91 days or more but less than 105 days, 0.7
26 years;

27 (viii) 105 days or more but less than 119 days, 0.8
28 years;

29 (ix) 119 days or more but less than 133 days, 0.9

1 years;
 2 (x) 133 days or more, 1.0 years;
 3 (B) on or after July 1, 1969, during any school year,
 4 (i) less than nine days, no credit;
 5 (ii) nine days or more but less than 27 days, 0.1
 6 years;
 7 (iii) 27 days or more but less than 45 days, 0.2
 8 years;
 9 (iv) 45 days or more but less than 63 days, 0.3
 10 years;
 11 (v) 63 days or more but less than 81 days, 0.4
 12 years;
 13 (vi) 81 days or more but less than 100 days, 0.5
 14 years;
 15 (vii) 100 days or more but less than 118 days, 0.6
 16 years;
 17 (viii) 118 days or more but less than 136 days, 0.7
 18 years;
 19 (ix) 136 days or more but less than 154 days, 0.8
 20 years;
 21 (x) 154 days or more but less than 172 days, 0.9
 22 years;
 23 (xi) 172 days or more, 1.0 years;
 24 (C) service performed on a part-time basis will be
 25 credited with one-half credit for each day of service.
 26 * Sec. 6. AS 22.25.048(a) is amended to read:
 27 (a) The commissioner of administration shall establish[, AS A
 28 SPECIAL ACCOUNT IN THE GENERAL FUND,] a fund for the judicial retire-
 29 ment system and shall maintain accounts and records for the judicial

1 retirement system.

2 * Sec. 7. AS 26.05.228(a) is amended to read:

3 (a) The commissioner of administration shall establish[, AS A
4 SPECIAL ACCOUNT IN THE GENERAL FUND,] a fund for the system and main-
5 tain accounts and records for the system.

6 * Sec. 8. AS 39.30.100(2) is amended to read:

7 (2) "governmental unit" means the state, a borough, school
8 district, municipal corporation, or other political subdivision of the
9 state, and the North Pacific Fishery Management Council;

10 * Sec. 9. AS 39.35.680(4) is amended to read:

11 (4) "average monthly compensation" means the result ob-
12 tained by dividing the compensation earned by an employee during a
13 considered period by the number of months, including fractional
14 months, for which compensation was earned; the considered period
15 consists of the three consecutive payroll [CALENDAR] years during the
16 period of credited service that yields the highest average, or if the
17 employee does not have three consecutive payroll [CALENDAR] years, the
18 employee's period of credited service; an employee must have at least
19 115 days of credited service in the last payroll [CALENDAR] year in
20 order to be used as part of the three consecutive payroll [CALENDAR]
21 years;

22 * Sec. 10. AS 39.35.680(8) is amended to read:

23 (8) "compensation" means the total remuneration earned by
24 an employee for personal services rendered to an employer, including
25 cost-of-living differentials, payments for leave that is actually used
26 by the employee, the amount by which the employee's wages are reduced
27 under AS 39.30.150(c), and any amount deferred under an employer-
28 sponsored deferred compensation plan, but does not include retirement
29 benefits, severance pay or other separation bonuses, welfare benefits,

1 per diem, expense allowances, workers' compensation payments or pay-
2 ments for leave not used by the employee whether those leave payments
3 are scheduled payments lump-sum payments, donations, or cash-ins;

4 * Sec. 11. AS 39.35.680 is amended by adding a new paragraph to read:

5 (40) "payroll year" means the period that includes the first
6 pay period ending in January of a year through the last pay period
7 ending in December of that year.

SB 121

SENATE BILL NO. 121 by the Rules Committee by request of the Governor, entitled:

"An Act making miscellaneous amendments to the retirement statutes."

was read the first time and referred to the State Affairs Committee and the Finance Committee.

Fiscal note appears in Supplement No. 11.

Governor's transmittal letter dated February 1:

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making miscellaneous amendments to the retirement statutes. This bill clarifies certain provisions in the retirement statutes; it also codifies policies and practices adopted by the Department of Administration or the retirement boards in implementing those statutes.

Section 1 of the bill clarifies the initiation date for charging interest on arrearage indebtedness for creditable outside, military, and BIA service. This provides for equitable and sound administration, and it conforms to the intent of the statute and the department's current practices.

Section 2 of the bill amends the definition of "credited service" in AS 14.25.220(10). The amendment clarifies that, for purposes of determining whether a person is eligible for benefits (i.e., has served for enough years to have a vested interest in a benefit), only paid-up years are credited. This is also consistent with Teachers' Retirement Board regulation no. 82-1.

Section 3 of the bill amends the definition of "outside service" in AS 14.25.220(25) to clarify that only full years of outside service may be claimed as credited service. This is consistent with the intent of the original legislation and is necessary now because of subsequent changes allowing partial credit for membership and Alaska BIA service.

Section 4 of the bill amends the definition of "teacher or member" in AS 14.25.220(38). The amendment of that section clarifies that only persons described are included in the definition.

SB 121 cont'd

Consistent with sec. 3 of the bill, sec. 5 of the bill repeals and reenacts the definition of "year of service" in AS 14.25.220(40) to clarify that partial-year service credit is given only for membership and BIA service. This amendment does not affect years of service or partial-year credit available for service in the armed forces under AS 14.25.100, or for territorial service under Teachers' Retirement Board regulation no. 80-15.

Section 6 of the bill amends AS 22.25.048 to provide that the fund for the judicial retirement system is established as a separate fund, rather than as a special account in the general fund. The department considers this to constitute a sounder funding practice for a pension plan, providing for greater security for the fund and for more accurate crediting of investment income back into the fund. For the same reasons, sec. 7 of the bill amends AS 26.05.228(a) to provide that the fund for the Alaska National Guard retirement system is established as a separate fund, rather than as a special account in the general fund. These changes do not offend the "dedicated fund" prohibition in art. II, sec. 7, of the Alaska Constitution because the money in these pension funds is money that the state is holding in trust for the numerous individual employees. In other words, it is money that "belongs" to the employees, not the state.

The definition of "governmental unit" for purposes of determining eligibility to participate in the state's group health and life benefits fund is amended in sec. 8 of the bill to expressly include school districts. This is to clarify that a school district is treated as a distinct governmental unit of the state and is allowed to participate in the State's Group Health and Life Plan.

Section 9 amends AS 39.35.680(4) to substitute "payroll" years for "calendar" years for purposes of determining an employee's average monthly compensation for computation of the amount of the retirement benefit. This change was made necessary by the fact that a number of employers who participate in the public employees' retirement system use pay periods that do not exactly coincide with the calendar year.

AS 39.35.680(8) is amended in sec. 10 of the bill to provide that severance pay and other separation bonuses are not included in the definition of "compensation." Exclusion of severance pay, like the exclusion of payments for unused leave which is already set out in the definition, prevents a retiree's benefit from being unduly increased by a windfall separation payment that does not reflect the retiree's actual average monthly compensation.

February 1, 1985

SB 121 cont'd

Section 11 amends AS 39.35.680 to add a definition of "payroll year," which is used in the amendment in sec. 9 of this bill.

Sincerely,

Bill Sheffield
Governor

SB 122

SENATE BILL NO. 122 by the Rules Committee by request of the Governor, entitled:

"An Act placing division of geological and geophysical surveys petroleum engineers and petroleum geologists in the exempt service; and providing for an effective date."

was read the first time and referred to the State Affairs Committee.

Fiscal note is zero.

Governor's transmittal letter dated February 1:

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to petroleum engineers and petroleum geologists in state service. Current law provides that these professionals are in the exempt service, except for those employed in the division of geological and geophysical surveys (GGS) in the Department of Natural Resources. The attached bill would delete this exception, thus bringing all these professionals within the exempt service.

The petroleum engineers and geologists employed in the division of geological and geophysical surveys handle sensitive and confidential oil and gas data, and are involved in deciding what tracts the state should lease. It is important that the state have the flexibility to employ the best professionals available for these positions. The petroleum engineer and geologist positions within the GGS division have evolved to a level of responsibility commensurate with those professionals employed elsewhere in the

February 1, 1985

SB 122 cont'd

Department of Natural Resources and by the Oil and Gas Conservation Commission -- all of whom are presently in the exempt service. There is no reason to exempt some of these positions but not all of them.

Sincerely,

Bill Sheffield
Governor

SB 123

SENATE BILL NO. 123 by the Rules Committee by request of the Governor, entitled:

"An Act relating to the Alaska Power Authority; and providing for an effective date."

was read the first time and referred to the Finance Committee.

Fiscal note appears in Supplement No. 11.

Governor's transmittal letter dated February 1:

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that amends statutes pertaining to the Alaska Power Authority.

The attached bill does two things. It changes the due date for the annual report from the authority to the governor and the legislature, and places the report on a fiscal year basis. This change will simplify the inclusion of fiscal year audit and financial statements. It will also allow time for administrative and legislative review of the report before the beginning of the next legislative session.

The bill also amends the energy-program-for-Alaska statutes relating to the power development fund to permit return of investment income to the fund. This amendment will lessen the total of annual appropriations necessary to achieve a \$2 billion equity investment in Susitna. It should be noted that return of investment income to a separate fund is subject to a challenge under the dedicated-fund prohibition in art. IX, sec. 7, of the Alaska Constitution. However, the Department of Law has indicated that it will defend statutes providing for such a practice.

Sincerely,

Bill Sheffield
Governor

Offered: 4/12/85
Referred: Rules

Original sponsor: Finance Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 207 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to calculation of the cost-of-living
7 and pay step differentials for the compensation and
8 retirement benefits of certain public employees;
9 classification system; limiting the state's power to
10 change the cost to the state of compensation for
11 certain positions; and providing for an effective
12 date."

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

14 * Section 1. AS 23.40 is amended by adding a new section to read:

15 Sec. 23.40.075. ITEMS NOT SUBJECT TO BARGAINING. The parties
16 may not negotiate terms contrary to the limitations on state personnel
17 actions under AS 37.07.085 or on pay step differential calculations
18 under AS 39.27.020(d).

19 * Sec. 2. AS 37.07 is amended by adding new sections to read:

20 Sec. 37.07.085. LIMITATIONS ON STATE PERSONNEL ACTIONS. (a)
21 Unless the budget specifically provides or the legislature approves,
22 the state may not

23 (1) reclassify a position to a higher salary range after
24 September 1, 1985 unless the reclassification is consistent with
25 policies established in AS 39.25.150(1) for a position classification
26 plan;

27 (2) change the salary range of a job class unless the
28 change is required to comply with AS 18.80.220(a)(5), AS 39.25.010 or
29 39.25.150(2); or

1 (3) promote a person to the next step of a flexibly staffed
2 position if the person was first hired in the flexibly-staffed posi-
3 tion after the effective date of this section.

4 (b) In this section, "state" means the executive, legislative
5 and judicial branches of state government and includes the University
6 of Alaska.

7 Sec. 37.07.087. LISTING OF PERMANENT POSITIONS. (a) On or
8 before September 15 of each year, each department shall deliver to the
9 division of budget review in the Office of Management and Budget a
10 list of permanent positions in the department on July 31 of that year.
11 The list shall include for each position the position control number
12 (PCN), title, salary range, pay step, location, time status, bargain-
13 ing unit if any, and position funding source. A department shall
14 remove from the list a PCN that is not funded and shall revise the
15 listing of other PCN's to be consistent with the positions authorized
16 in the budget. The department shall report to the legislature each
17 year the positions removed from its list.

18 (b) After conforming the list of permanent positions to the
19 budget, a department may not establish a new permanent PCN or change
20 the salary range, pay step, location, or time status of an existing
21 PCN unless the division of budget review concurs.

22 (c) A department shall maintain the master list of the depart-
23 ment's positions as an automated position accounting control system
24 file in accordance with instructions from the Office of Management and
25 Budget.

26 * Sec. 3. AS 39.25.010(b) is amended to read:

27 (b) The merit principle of employment includes the following:

28 (1) recruiting, selecting, and advancing employees on the
29 basis of their relative ability, knowledge, and skills, including open

1 consideration of qualified applicants for initial appointment;

2 (2) regular integrated salary programs based on the nature
3 of the work performed;

4 (3) retention of employees with permanent status on the
5 basis of the adequacy of their performance, reasonable efforts of
6 temporary duration for correction in inadequate performance, and
7 separation for cause;

8 (4) equal treatment of applicants and employees with regard
9 only to consideration within the merit principles of employment; [AND]

10 (5) selection and retention of an employee's position
11 secure from political influences; and

12 (6) classification and pay plans designed to provide pay
13 equity by using judgments and factors free of biases based on race or
14 sex and determining job worth for all job classifications based on a
15 single set of criteria.

16 * Sec. 4. AS 39.27.020 is amended by adding a new subsection to read:

17 (d) If an employee's basic annual salary is no more than
18 \$30,000, the pay step differential shall be calculated using the
19 employee's basic salary. If the employee's basic annual salary is
20 greater than \$30,000, then the employee's pay step differential shall
21 be calculated on the differential for a basic salary of \$30,000.

22 * Sec. 5. AS 39.35 is amended by adding a new section to read:

23 Sec. 39.35.675. INCLUSION OF COST-OF-LIVING DIFFERENTIALS IN
24 COMPENSATION AND BENEFITS. (a) An employee shall make contributions
25 to the system based on compensation including a cost-of-living differ-
26 ential.

27 (b) The amount of a cost-of-living differential may not be in-
28 cluded in the employee's compensation for purposes of calculating
29 benefits paid under this chapter unless the employee has received a

1 cost-of-living differential in a comparable amount or of at least that
2 many steps for at least 50 percent of the employee's credited service.

3 (c) When an employee receives a benefit, and if the employee's
4 compensation for purposes of calculating the benefit does not include
5 a cost-of-living differential, then the administrator shall refund to
6 the employee the amount of contributions the employee made based on
7 the differential.

8 (d) In this section "cost-of-living differential" means an
9 adjustment to salary based on the cost of living in the geographic
10 region where the employee works and includes a pay step differential
11 under AS 39.27.020.

12 * Sec. 6. AS 39.35.680(8) is amended to read:

13 (8) "compensation" means the total remuneration earned by
14 an employee for personal services rendered, including cost-of-living
15 differentials only as provided in AS 39.35.675, payments for leave
16 that is actually used by the employee, the amount by which the em-
17 ployee's wages are reduced under AS 39.30.150(c), and any amount
18 deferred under an employer-sponsored deferred compensation plan, but
19 does not include retirement benefits, welfare benefits, per diem,
20 expense allowances, workers' compensation payments or payments for
21 leave not used by the employee whether those leave payments are sched-
22 uled payments, lump-sum payments, donations, or cash-ins;

23 * Sec. 7. The legislature shall review the pay step differentials
24 provided under AS 39 27.020 and under collective bargaining contracts
25 between the state and employee bargaining organizations following the
26 release of a comprehensive study of the geographic differentials by the
27 state.

28 * Sec. 8. By September 15, 1985, the division of budget review in the
29 Office of Management and Budget shall develop a master position control

1 system with the capability of matching permanent positions listed in an
2 automated position accounting control system against the state's master
3 payroll record.

4 * Sec. 9. The amendments made by secs. 5 and 6 of this Act apply only
5 to members first hired under the Public Employees' Retirement System on or
6 after the effective date of secs. 5 and 6 of this Act.

7 * Sec. 10. Nothing in this Act terminates or modifies a collective
8 bargaining agreement in existence on the effective date contained in
9 sec. 13 of this Act.

10 * Sec. 11. If any provision of this Act, or the application thereof to
11 any person or circumstance is held invalid, the remainder of this Act and
12 the application to other persons or circumstances shall not be affected
13 thereby.

14 * Sec. 12. Sections 5, 6, and 9 of this Act take effect January 1,
15 1987.

16 * Sec. 13. Sections 1 - 4, 7, 8, 10, and 11 of this Act take effect
17 immediately in accordance with AS 01.10.070(c).

Introduced: 3/1/85
Referred: State Affairs
and Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 207

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to public employees; and providing
7 for an effective date."

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

9 * Section 1. AS 23.40.210 is amended to read:

10 Sec. 23.40.210. AGREEMENT. Upon the completion of negotiations
11 between an organization and a public employer, if a settlement is
12 reached, the employer shall reduce it to writing in the form of an
13 agreement. The agreement may include a term for which it will remain
14 in effect, not to exceed three years. The agreement shall include a
15 pay plan designed to provide for a cost-of-living differential between
16 the salaries paid employees residing in the state and employees resid-
17 ing outside the state. The cost-of-living differential or other
18 geographic cost-of-living adjustment may not be considered part of the
19 basic salary for purposes of calculating overtime compensation or
20 other salary adjustments. The plan shall provide that the salaries
21 paid, as of August 26, 1977, to employees residing outside the state
22 shall remain unchanged until the difference between those salaries and
23 the salaries paid employees residing in the state reflects the differ-
24 ence between the cost of living in Alaska and living in Seattle,
25 Washington. The agreement shall include a grievance procedure which
26 shall have binding arbitration as its final step. Either party to the
27 agreement has a right of action to enforce the agreement by petition
28 to the labor relations agency.

29 * Sec. 2. AS 39.27.020 is amended by adding a new subsection to read:

1 (d) If an employee's basic annual salary is no more than
2 \$30,000, the pay step differential shall be calculated using the
3 employee's basic salary. If the employee's basic annual salary is
4 greater than \$30,000, then the employee's pay step differential shall
5 be calculated on the differential for a basic salary of \$30,000.

6 * Sec. 3. AS 39.27 is amended by adding a new section to read:

7 Sec. 39.27.027. OVERTIME COMPENSATION. Overtime compensation
8 shall be calculated on the basic salary of an employee before the
9 addition of any adjustments including pay step differentials and shift
10 differentials.

11 * Sec. 4. AS 39.35 is amended by adding a new section to read:

12 Sec. 39.35.675. INCLUSION OF COST-OF-LIVING DIFFERENTIALS IN
13 COMPENSATION AND BENEFITS. (a) An employee shall make contributions
14 to the system based on compensation including a cost-of-living differ-
15 ential.

16 (b) The amount of a cost-of-living differential may not be in-
17 cluded in the employee's compensation for purposes of calculating
18 benefits under this chapter unless the employee has received a cost-
19 of-living differential in a comparable amount or of at least that many
20 steps for at least 50 percent of the employee's credited service.

21 (c) When an employee receives a benefit, and if the employee's
22 compensation for purposes of calculating the benefit does not include
23 a cost-of-living differential, then the administrator shall refund to
24 the employee the amount of contributions the employee made based on
25 the differential.

26 (d) In this section "cost-of-living differential" means an
27 adjustment to salary based on the cost of living in the geographic
28 region where the employee works and includes a pay step differential
29 under AS 39.27.020.

1 * Sec. 5. AS 39.35.680(8) is amended to read:

2 (8) "compensation" means the total remuneration earned by
3 an employee for personal services rendered, including cost-of-living
4 differentials only as provided in AS 39.35.675, payments for leave
5 that is actually used by the employee, the amount by which the em-
6 ployee's wages are reduced under AS 39.30.150(c), and any amount
7 deferred under an employer-sponsored deferred compensation plan, but
8 does not include retirement benefits, welfare benefits, per diem,
9 expense allowances, workers' compensation payments or payments for
10 leave not used by the employee whether those leave payments are sched-
11 uled payments, lump-sum payments, donations, or cash-ins;

12 * Sec. 6. (a) Unless the budget specifically provides or the legisla-
13 ture approves, the state may not

14 (1) reclassify a position;

15 (2) change the salary range of a job class unless the change is
16 required to comply with AS 18.80.220(a)(5);

17 (3) promote a person to the next step of a flexibly staffed
18 position if the person was first hired in the flexibly-staffed position
19 after the effective date of this section; or

20 (4) award a person a merit increase.

21 (b) In this section, "state" means the executive, legislative and
22 judicial branches of state government and includes the University of
23 Alaska.

24 * Sec. 7. The amendments made by secs. 4 and 5 of this Act apply only
25 to members first hired under the Public Employees' Retirement System on or
26 after the effective date of secs. 4 and 5 of this Act.

27 * Sec. 8. Nothing in this Act terminates or modifies a collective
28 bargaining agreement in existence on the effective date of secs. 1, 2 and
29 4 - 7 of this Act.

- 1 * Sec. 9. Section 3 of this Act takes effect January 1, 1987.
- 2 * Sec. 10. Sections 1, 2 and 4 - 7 of this Act take effect immediately
- 3 in accordance with AS 01.10.070(c).

Introduced: 3/1/85
Referred: State Affairs
and Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 207

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to public employees; and providing

7

for an effective date."

8

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

9

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16

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18

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26

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2 \$30,000, the pay step differential shall be calculated using the
3 employee's basic salary. If the employee's basic annual salary is
4 greater than \$30,000, then the employee's pay step differential shall
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10 differentials.

11 * Sec. 4. AS 39.35 is amended by adding a new section to read:

12 Sec. 39.35.675. INCLUSION OF COST-OF-LIVING DIFFERENTIALS IN
13 COMPENSATION AND BENEFITS. (a) An employee shall make contributions
14 to the system based on compensation including a cost-of-living differ-
15 ential.

16 (b) The amount of a cost-of-living differential may not be in-
17 cluded in the employee's compensation for purposes of calculating
18 benefits under this chapter unless the employee has received a cost-
19 of-living differential in a comparable amount or of at least that many
20 steps for at least 50 percent of the employee's credited service.

21 (c) When an employee receives a benefit, and if the employee's
22 compensation for purposes of calculating the benefit does not include
23 a cost-of-living differential, then the administrator shall refund to
24 the employee the amount of contributions the employee made based on
25 the differential.

26 (d) In this section "cost-of-living differential" means an
27 adjustment to salary based on the cost of living in the geographic
28 region where the employee works and includes a pay step differential
29 under AS 39.27.020.

1 * Sec. 5. AS 39.35.680(8) is amended to read:

2 (8) "compensation" means the total remuneration earned by
3 an employee for personal services rendered, including cost-of-living
4 differentials only as provided in AS 39.35.675, payments for leave
5 that is actually used by the employee, the amount by which the em-
6 ployee's wages are reduced under AS 39.30.150(c), and any amount
7 deferred under an employer-sponsored deferred compensation plan, but
8 does not include retirement benefits, welfare benefits, per diem,
9 expense allowances, workers' compensation payments or payments for
10 leave not used by the employee whether those leave payments are sched-
11 uled payments, lump-sum payments, donations, or cash-ins;

12 * Sec. 6. (a) Unless the budget specifically provides or the legisla-
13 ture approves, the state may not

14 (1) reclassify a position;

15 (2) change the salary range of a job class unless the change is
16 required to comply with AS 18.80.220(a)(5);

17 (3) promote a person to the next step of a flexibly staffed
18 position if the person was first hired in the flexibly-staffed position
19 after the effective date of this section; or

20 (4) award a person a merit increase.

21 (b) In this section, "state" means the executive, legislative and
22 judicial branches of state government and includes the University of
23 Alaska.

24 * Sec. 7. The amendments made by secs. 4 and 5 of this Act apply only
25 to members first hired under the Public Employees' Retirement System on or
26 after the effective date of secs. 4 and 5 of this Act.

27 * Sec. 8. Nothing in this Act terminates or modifies a collective
28 bargaining agreement in existence on the effective date of secs. 1, 2 and
29 4 - 7 of this Act.

- 1 * Sec. 9. Section 3 of this Act takes effect January 1, 1987.
- 2 * Sec. 10. Sections 1, 2 and 4 - 7 of this Act take effect immediately
- 3 in accordance with AS 01.10.070(c).

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

MEMORANDUM

April 1, 1985

SUBJECT: CSSB 207 (Finance) (Geographical
Differentials)

TO: Senator John Sackett
Co-Chair, Senate Finance Committee

FROM: Teresa B. Cramer *IBC*
Legislative Counsel

You have asked for suggestions for changing the geographical differential provisions in section 2 of CSSB 207 (Finance). Two approaches occurred to me.

The first approach is similar to the current provision in the bill.

(a) A person whose basic salary is \$30,000 or less (or any other amount) receives the pay step differential set out in AS 39.27.020.

(b) A person whose basic salary exceeds that amount receives a differential equal to the amount set out in statute less one-half (or any other fraction) the value of the last step in the differential.

This formula should apply only to differentials equal to or greater than one. For positions in other states, to which a minus six differential applies, the formula should be changed so that positions paid more than \$30,000 have the value of an additional half step subtracted from their salaries.

This approach could be used to establish a three-tiered system by setting two cut-off points (for example, a basic salary of \$30,000 or less, a basic salary greater than \$30,000 but less than \$40,000, and a basic salary equal to or greater than \$40,000) and two fractional values (for example, two-thirds of the final step for employees paid

Senator John Sackett
April 1, 1985
page 2

\$30,000 - \$40,000 and one-third of the final step for employees paid \$40,000 or more).

The second approach would be a more radical change to the current system. The legislature could establish a specific value for a pay step differential. For example, the pay step between Range 15A (\$2410) and 15B (\$2498) as set out in AS 39.27.011 is \$88. Using that amount as the value of a pay step differential, an employee who lives in election district 12 (which has a pay step differential of 7 under AS 39.27.020) would receive a differential of \$616 per month regardless of the salary range at which the employee was paid. This approach would increase the differential paid to persons in the lower salary ranges and decrease the differential paid to persons in the higher salary ranges.

The collective bargaining agreements for the General Government Unit and the Supervisory Unit of the Alaska Public Employees Association contain detailed provisions for geographic differentials. The terms of the contracts cannot be amended by legislative action, and therefore a statutory change would not apply to employees within those units until the expiration of the contracts. I have not reviewed the terms of other collective bargaining agreements to determine whether they address this issue.

As discussed in my memorandum of March 13, 1985, section 2 of the committee substitute raises constitutional questions relating to legislative infringement of administrative powers of the executive and judicial branches and of the University of Alaska.

Sections 3 and 4 of the committee substitute raise equal protection questions. Employees who worked 50% of the time in locations which received a geographical differential may claim the geographical differential as part of their salaries and therefore receive higher retirement benefits than employees who received geographical differentials for less than 50% of their employment. The difference cannot be justified on the basis of the cost of living in the retired person's current place of residence, since payment does not depend on where the retired person lives.

If I may be of further assistance, please advise.

TBC:cmh
c3/076

STATE OF ALASKA THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

MEMORANDUM

April 26, 1985

SUBJECT: Sectional analysis of CSSB 207 (Fin)
TO: Representative Katie Hurley
Chair, House State Affairs Committee
FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have asked for a sectional analysis of CSSB 207 (Fin), relating to certain kinds of compensation for public employees.

Section 1 prohibits the state and employee bargaining organizations representing state employees from entering a collective bargaining contract that is contrary to the terms of sections 2 or 4 of the bill.

Section 2 forbids the state, including the executive, legislative, judicial branches and the University of Alaska, from making changes to positions, job classes, or salaries as listed in the section. The regulation of employment practices may be viewed as a legislative infringement on the power of the governor and the chief justice of the Supreme Court to administer those branches of government and the power of the board of regents to administer the University of Alaska. See memo to the Senate Finance Committee dated March 13, 1985, discussion of section 6.

Section 37.07.087 requires departments to provide information on PCN's to the Office of Management and Budget and to revise that information based on current budget authorization. The departments may not change the list unless the division of budget review in OMB concurs.

Section 3 includes determination of job worth based on a single set of criteria within the merit principle of employment.

Section 4 limits the amount that an employee may receive as a pay step differential. The maximum differential would be calculated on a basic salary of \$30,000.

Sections 5 and 6 require an employee to make contributions to the Public Employment Retirement System based on the employee's entire compensation including a cost-of-living differential. However, the employee's benefits will be based on the entire compensation only if the employee received a comparable cost-of-living differential for at least 50 percent of the employee's credited service. If the employee does not receive benefits based on salary including cost-of-living differentials, then the division must refund the amount of contributions the employee made for the differentials. These sections raise equal protection questions. (See memo to the Senate Finance Committee April 1, 1985.)

Section 7 requires that the legislature review geographic pay step differentials after release of a state study on the subject.

Section 8 requires the division of budget review in OMB to develop a master position control system that can match permanent positions against the state's master payroll record.

Section 9 provides that the amendments to the Public Employees' Retirement System only apply to members first hired after the effective date of the sections amending the PERS. (January 1, 1987 -- see section 12)

Section 10 provides that the bill does not terminate or modify a collective bargaining agreement that was in effect on the effective date established in section 13.

Section 11 is a severability clause consistent with AS 01.10.030 which applies to all laws passed by the legislature unless it is specifically exempted.

Section 12 is an effective date for sections 5, 6, and 9.

Section 13 provides that the bill, except for sections 5, 6, and 9, takes effect immediately.

If I may be of further assistance, please advise.

TC:ojb
J14/047



employees political information committee

MEMORANDUM

TO: Representative Katie Hurley

FROM: Employees Political Information Committee

SUBJECT: Senate Bill 207 - Changes to the Geographic
Differential System

DATE: April 23, 1985

The Employees Political Information Committee, the political action arm of the Alaska Public Employees Association, is opposed to Senate Bill 207. It not only discriminates against employees working and living in rural areas, it impinges upon and erodes the concept of collective bargaining.

This legislation defeats the intent of the negotiated geographic differential system. The differentials were implemented in the first collective bargaining contract in 1974 to compensate for the high cost of living in certain areas of the state. The system was established to equalize the purchasing power of the wages earned by the state employees no matter in what area they live. If this bill passes, it automatically curtails negotiations surrounding geographic differential and negates a collective bargaining precedent that was set in 1974.

Limiting the geographic adjustment for the first \$30,000 of salary

This would affect employees in range 10 and above. Unlike employees working in urban areas, they would be unable to maintain their current living standards. The system was designed to increase an employee's salary in an amount equal to the difference in living cost between Anchorage and the worksite location. If the differential is limited to a portion of salary, the result will be pay adjustment equal to less than the difference of living cost.

Side Effects on Communities

The reduction of current salaries in the rural areas would have an effect on the economy of the community itself. If the buying power of the state employee is cut, then business in the communities would have to anticipate a decline in their revenues at a time when growth in Alaska is the key phrase of the Administration.

Geographic Differential Study underway

The state is currently conducting a geographic differential study to determine the validity of the current schedule. The report on the study will possibly be released sometime next month. It would seem appropriate and prudent to read the report before contemplating changes to the system.

Differential not calculated for retirement purposes

The legislation proposes that the differential not be included for the purpose of calculating retirement benefits unless the employee has received a differential in a comparable amount, or, of at least that many steps for at least 50 percent of the employee's credited service. This will create two classes of beneficiaries and will pose considerable problems in the administration of funds. These proposed changes will be challenged as they establish residency requirements for retirement benefits not unlike the longevity bonus program which the courts have rejected unconstitutional.

Legislative approval on classification, ranges and flexing

This will undoubtedly be challenged as an unconstitutional intrusion by the legislature on the administrative powers of the executive branch, the court system and the university.



Alaska Public
Employees Association **APEA**

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

April 23, 1985

APR 24 1985

Representative Katie Hurley
Pouch V
Juneau, AK 99811

Dear Representative Hurley:

On behalf of the Employees Political Information Committee (EPIC), I wish to bring to your attention the attached position paper pertaining to Senate Bill 207.

As you know this legislation deals with changes to the geographic differential compensation system for public employees working in rural areas.

EPIC, APEA's political action arm, is opposed to SB 207. The committee respectfully urges you to consider the ramifications to collective bargaining that this bill evokes and to support the public employees in their opposition to it.

Sincerely,

Cherie Shelley
Executive Director, Alaska Public Employees Association

CS/kb

Revised

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

Anchorage Field Office
833 Gambell Street, Suite A
Anchorage, AK 99501
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Juneau Field Office
227 4th Street
Juneau, AK 99801
Telephone: (907) 586-6305

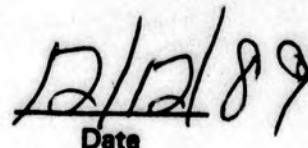


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Signature of Camera Operator


Date

SCOMM

#49:42

Introduced: 2/18/85
Referred: State Affairs, Judiciary
and Finance

1 IN THE SENATE

BY JOSEPHSON

2

SENATE JOINT RESOLUTION NO. 15

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

Proposing an amendment to the Constitu-

6

tion of the State of Alaska creating a

7

commission on compensation of elected

8

officials.

9

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

10

* Section 1. Article II, sec. 7, Constitution of the State of Alaska is

11

amended to read:

12

SECTION 7. SALARY AND EXPENSES. Legislators shall receive

13

annual salaries. They may receive a per diem allowance for expenses

14

while in session and are entitled to travel expenses going to and from

15

sessions. Presiding officers may receive additional compensation.

16

Compensation of legislators shall be set by the Commission on Compen-

17

sation of Elected Officials.

18

* Sec. 2. Article III, sec. 15, Constitution of the State of Alaska is

19

amended to read:

20

SECTION 15. COMPENSATION. The compensation of the governor and

21

the lieutenant governor shall be prescribed by the Commission on

22

Compensation of Elected Officials [LAW] and shall not be diminished

23

during their term of office, unless by order of the commission consis-

24

tent with a general law applying to all salaried officers of the

25

State.

26

* Sec. 3. Article XII, Constitution of the State of Alaska is amended

27

by adding new sections to read:

28

SECTION 14. COMPENSATION COMMISSION. There is established a

29

Commission on Compensation of Elected Officials. The commission is

1 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
2 tion laws of the state.

14-1373
Cramer
9/23/85

1 IN THE SENATE

2 SENATE JOINT RESOLUTION NO.
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska relating to
7 salaries for legislators.

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

9 * Section 1. Article II, Sec. 7, Constitution of the State of Alaska,
10 is amended to read:

11 SECTION 7. SALARY AND EXPENSES. Legislators shall receive
12 annual salaries of \$ _____. They may receive a per diem allowance
13 for expenses while in session and are entitled to travel expenses
14 going to and from sessions. Presiding officers may receive additional
15 compensation.

16 * Sec. 2. The amendment proposed by this resolution shall be placed
17 before the voters of the state at the next general election in conformity
18 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
19 tion laws of the state.
20
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29

14-1374
Cramer
9/23/85

1 IN THE SENATE

2 SENATE JOINT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska relating to
7 salaries for legislators.

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

9 * Section 1. Article II, Sec. 7, Constitution of the State of Alaska,
10 is amended to read:

11 SECTION 7. SALARY AND EXPENSES. Legislators shall receive
12 annual salaries of \$. For fiscal years beginning after
13 June 30, 1987, the annual salary shall be increased one percent for
14 each percent increase in the consumer price index of Anchorage,
15 Alaska, as determined by the United States Department of Labor, Bureau
16 of Labor Statistics, not to exceed an annual increase of percent.
17 The increase, if any, takes effect not more than 30 days after the
18 release of the consumer price index. The consumer price index that is
19 published immediately after July 1, 1986, is the reference base index.
20 They may receive a per diem allowance for expenses while in session
21 and are entitled to travel expenses going to and from sessions.
22 Presiding officers may receive additional compensation.

23 * Sec. 2. The amendment proposed by this resolution shall be placed
24 before the voters of the state at the next general election in conformity
25 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
26 tion laws of the state.
27
28
29

1 There is established a Commission on Compensation of Elected Officers.
2 The commission is composed of five members appointed for staggered
3 terms of four years. The commission shall be composed of at least one
4 business executive, one representative of a nonpartisan voters'
5 organization, one person with experience in public administration, and
6 one representative of a labor organization. The governor shall
7 appoint the members subject to confirmation by a majority of the
8 members of the legislature in joint session.

9 (b) A member of the commission may not be employed by the State
10 during the term for which appointed or hold elective state office
11 during the member's term or within one year thereafter.

12 (c) The commission shall establish the compensation, including
13 salaries, benefits, and allowances, if any, of elected officials. A
14 decision of the commission takes effect at the beginning of the next
15 fiscal year.

16 (d) The commission shall afford an opportunity for the public to
17 be heard before rendering a decision that changes the compensation of
18 an elected official. Every two years, the commission shall review the
19 compensation of elected officials. The commission shall render its
20 decision with respect to salaries not later than ninety days before
21 the date of the general election.

22 * Sec. 2. The amendments proposed by this resolution shall be placed
23 before the voters of the state at the next general election in conformity
24 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
25 tion laws of the state.
26
27
28
29

14-1375
Cramer
9/20/85

1 IN THE SENATE

2 SENATE JOINT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-
6 tion of Alaska relating to establishment
7 of compensation of elected officials.

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

9 * Section 1. Article II, Sec. 7, Constitution of the State of Alaska is
10 amended to read:

11 SECTION 7. SALARY AND EXPENSES. Legislators shall receive
12 annual salaries. They may receive a per diem allowance for expenses
13 while in session and are entitled to travel expenses going to and from
14 sessions. Presiding officers may receive additional compensation.
15 The compensation of legislators shall be prescribed by the Commission
16 on Compensation of Elected Officers under Section 14 of Article XII of
17 the Constitution and may not be diminished during their term of
18 office.

19 * Sec. 2. Article III, Sec. 15, Constitution of the State of Alaska is
20 amended to read:

21 SECTION 15. COMPENSATION. The compensation of the governor and
22 the lieutenant governor shall be prescribed by the Commission on
23 Compensation of Elected Officers under Section 14 of Article XII of
24 this constitution [BY LAW] and shall not be diminished during their
25 term of office [, UNLESS BY GENERAL LAW APPLYING TO ALL SALARIED
26 OFFICERS OF THE STATE].

27 * Sec. 3. Article XII, Constitution of the State of Alaska is amended
28 by adding a new section to read:

29 SECTION 14. COMMISSION ON COMPENSATION OF ELECTED OFFICERS. (a)



LAWS OF ALASKA

1976

Source

Chapter No.

FCCS HCS CSSB 499

263

AN ACT

Relating to compensation, benefits and classifications of public officers and employees; creating the Alaska Salary Commission; and providing for an effective date.

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

■ Section 1. AS 39 is amended by adding a new chapter to read:

CHAPTER 23. ALASKA SALARY COMMISSION.

Sec. 39.23.010. CREATION OF COMMISSION; COMPOSITION. There is established in the Department of Administration the Alaska Salary Commission consisting of five members appointed by the governor. No member of the commission may be a public officer or employee.

Sec. 39.23.020. TERM OF OFFICE; VACANCIES. (a) Commission members serve at the pleasure of the governor for four-year staggered terms. However, two of the initial members appointed to the commission shall serve one-year terms and the rest shall serve, respectively, for terms of two years, three years and four years, the term to be determined by lot at the first meeting of the commission.

(b) A vacancy shall be filled in the same manner as an original appointment for the balance of the unexpired term.

Sec. 39.23.030. OFFICERS; STAFF. The commission shall select a chairman from among its members annually. The director of the division of personnel and labor relations serves as ex officio secretary to the commission and provides research, technical and administrative services.

Sec. 39.23.040. MEETINGS; QUORUM. (a) A majority of the commission members constitutes a quorum to transact the business of the commission. A majority of the commission

members must approve the commission's recommendations to the legislature.

(b) The commission shall meet at the call of the chairman. Notice of meeting dates shall be mailed to each commission member at least 20 days before the date scheduled for a meeting.

(c) The commission shall meet to discuss its findings and recommendations at least twice before submitting its final report to the legislature under sec. 80 of this chapter.

Sec. 39.23.050. COMPENSATION. Members of the commission are entitled to per diem and travel expenses authorized by law for boards and commissions.

Sec. 39.23.060. REVIEW OF COMPENSATION AND BENEFITS; OFFICERS COVERED. The commission shall conduct an on-going review of compensation and retirement benefits for members of the legislature; the governor; the lieutenant governor; commissioners, deputy commissioners, and division directors of each executive department; members of the Alaska Public Utilities Commission; members of the Alaska Pipeline Commission; members of the Alaska Transportation Commission; members of the Alaska Commercial Fisheries Entry Commission; and the judiciary, to determine the appropriateness of compensation and benefits.

Sec. 39.23.070. STUDIES; REPORTS. (a) The commission may request reports or studies from any state agency concerning compensation and retirement benefits for officers listed in sec. 60 of this chapter. A state agency from which a report or study is requested shall furnish it within a period of time prescribed by the commission.

(b) The commissioner of administration shall make initial recommendations concerning compensation and retirement benefits for the officers listed in sec. 60 of this chapter.

Sec. 39.23.080. RECOMMENDATIONS. (a) Before November 15, 1976, and every two years thereafter, the commission shall submit its preliminary findings and recommendations to the governor, the presiding officers of each house of the legislature and the chief justice of the supreme court.

(b) The commission shall give reasonable public notice of its preliminary findings and recommendations, solicit public comments, and give due regard to the public comments, before submitting a final report under (c) of this section.

(c) The commission shall make a final report of its findings and recommendations as to the rate and form of compensation and retirement benefits for the officers listed in sec. 60 of this chapter 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.

(d) The commission may submit to the legislature amendments to the report submitted under (c) of this section.

(e) A commission member who does not concur in the proposed or final recommendations may attach written objections to the commission's report of its findings and recommendations.

Sec. 39.23.090. RECOMMENDATIONS RELATING TO THE JUDICIARY, GOVERNOR AND LIEUTENANT GOVERNOR. (a) No 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; or reduce, unless by general law applied to all salaried officers of the state, the compensation and retirement benefits of the governor or lieutenant governor who are in office on the effective date of the commission's recommendation.

(b) The commission may recommend reduction in compensation or retirement benefits for individuals who become members of the judiciary or governor or lieutenant governor after the effective date of the commission's recommendation.

Sec. 39.23.100. FILING WITH LIEUTENANT GOVERNOR AND CERTIFICATION. The commission shall, upon transmitting its final recommendations to the legislature, file the recommendations in the office of the lieutenant governor, and upon the recommendations becoming effective the commission shall so certify on the copy of the recommendations on file in the office of the lieutenant governor.

Sec. 39.23.110. 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.

Sec. 39.23.120. ADMINISTRATIVE PROCEDURE ACT. The Administrative Procedure Act (AS 44.62) does not apply to proceedings conducted under this chapter.

Sec. 39.23.130. DEFINITIONS. In this chapter

(1) "commission" means salary commission;

(2) "judiciary" means justices of the supreme court and judges of the superior and district courts.

* Sec. 2. AS 16.43.060 is amended to read:

Sec. 16.43.060. COMPENSATION OF MEMBERS OF THE ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION. Members of the commission are in the exempt service and shall receive an annual salary as established under AS 39.23.

* Sec. 3. AS 22.05.140(a) is repealed and re-enacted to read:

(a) The chief justice and each associate justice are entitled to receive annual compensation prescribed in

accordance with AS 39.23. Compensation of the chief justice or of an associate justice may not be diminished during his term of office, unless by general law applying to all salaried officers of the state.

* Sec. 4. AS 22.10.190(a) is repealed and re-enacted to read:

(a) Each superior court judge is entitled to receive annual compensation prescribed in accordance with AS 39.23. The compensation of a judge may not be diminished during his term of office, unless by general law applying to all salaried officers of the state.

* Sec. 5. AS 22.15.220(a) is repealed and re-enacted to read:

(a) Each district judge is entitled to receive annual compensation prescribed in accordance with AS 39.23. The compensation of a judge may not be diminished during his term of office, unless by general law applying to all salaried officers of the state.

* Sec. 6. AS 24.15.010 is repealed and re-enacted to read:

Sec. 24.15.010. LEGISLATIVE PER DIEM. The rate of per diem instead of subsistence for each member of the legislature shall be prescribed in accordance with AS 39.23.

* Sec. 7. AS 24.15.020 is repealed and re-enacted to read:

Sec. 24.15.020. ANNUAL LEGISLATIVE SALARIES. Each member of the legislature is entitled to receive annual compensation prescribed in accordance with AS 39.23 to be paid in approximately equal monthly installments. The president of the senate and speaker of the house of representatives are each entitled to an additional annual sum prescribed in accordance with AS 39.23.

* Sec. 8. AS 24.15.030 is amended to read:

Sec. 24.15.030. ADDITIONAL ALLOWANCES. In addition, each member of the legislature is entitled to an annual allowance prescribed in accordance with AS 39.23 for postage, stationery, stenographic services and other expenses.

* Sec. 9. AS 39.20.010 is amended to read:

Sec. 39.20.010. ANNUAL SALARY OF GOVERNOR. The annual salary of the governor shall be prescribed in accordance with AS 39.23.

* Sec. 10. AS 39.20.030 is amended to read:

Sec. 39.20.030. ANNUAL SALARY OF LIEUTENANT GOVERNOR. The annual salary of the lieutenant governor shall be prescribed in accordance with AS 39.23.

* Sec. 11. AS 39.20.080 is repealed and re-enacted to read:

Sec. 39.20.080. SALARY OF EXECUTIVE DEPARTMENT HEAD AND DEPUTY. (a) The annual salary of the head of each principal executive department of the state shall be prescribed in accordance with AS 39.23.

(b) The salary of the deputy head of each principal executive department of the state shall be prescribed in accordance with AS 39.23.

* Sec. 12. AS 39.35.680(5)(B) is repealed and re-enacted to read:

(B) means an elected official of a political subdivision currently serving who elects to pay contributions required of an employee and to be included in the system under sec. 125 of this chapter;

* Sec. 13. AS 39.35.680(5)(C)(v) is repealed and re-enacted to read:

(v) justices and judges of the supreme, superior, and district courts of Alaska; or the governor and lieutenant governor; or the heads, deputy or assistant heads, and division directors of each principal executive department of the state; or the members of the Alaska State Legislature.

* Sec. 14. AS 42.05.091 is amended to read:

Sec. 42.05.091. COMPENSATION OF MEMBERS OF THE ALASKA PUBLIC UTILITIES COMMISSION. Members of the commission are in the exempt service and shall receive an annual salary as established under AS 39.23.

* Sec. 15. AS 42.06.090 is amended to read:

Sec. 42.06.090. COMPENSATION OF MEMBERS OF THE ALASKA PIPELINE COMMISSION. Members of the commission are in the exempt service described in AS 39.25 and receive an annual salary as established under AS 39.23.

* Sec. 16. AS 42.07.071 is amended to read:

Sec. 42.07.071. COMPENSATION OF MEMBERS OF THE ALASKA TRANSPORTATION COMMISSION. The commissioners are in the exempt service under AS 39.25 and shall receive an annual salary as established under AS 39.23.

* Sec. 17. The first appointments to the Alaska Salary Commission shall be made within 30 days after the effective date of sec. 1 of this Act.

* Sec. 18. AS 39.50.200(9) is amended by adding a new subparagraph to read:

(LL) Alaska Salary Commission (AS 39.23)

* Sec. 19. AS 39.25.120(8) is repealed and re-enacted to read:

(8) the director and deputy director of the division of tourism in the Department of Commerce and Economic Development.

* Sec. 20. Section 19 of this Act is retroactive to July 1, 1975.

• Sec. 21. Sections 1, 12, 17, 18, 19, and 20 of this Act take effect immediately in accordance with AS 01.10 070(c). Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15 and 16 of this Act take effect on the effective date of the first recommendations submitted to the legislature under AS 39.23.080(c).

-6-

Approved by governor: June 24, 1976
Actual effective date: Secs. 1, 12, 17, 18, 19 and 20: June 25, 1976; Sec. 19 retroactive to July 1, 1975; Secs. 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15 and 16 take effect on the effective date of the first recommendation of the Alaska Salary Commission under AS 39.23.080(c)

TABLE III

STATE COMPENSATION COMMISSIONS

<u>Name of Commission</u>	<u>Number of Members</u>	<u>Appointing Authority</u>	<u>Scope of Recommendations</u>	<u>Frequency of Recommendations</u>
Arizona Commission on Salaries for State Elective Officers	5	2 by Governor, 1 by Senate President, 1 by House Speaker, and 1 by Chief Justice of Supreme Court	Salaries of legislators and elected state officials (Changes in legislative salaries must be approved by the voters.)	At direction of legislature
Colorado State Officials' Compensation Commission	9	3 by Governor, 2 by Senate President, 2 by House Speaker, and 2 by Chief Justice of Supreme Court	Salaries, allowances, and benefits of legislators, state judges, district attorneys, and elected and appointed officials	Biennially
Connecticut Compensation Commission	11	3 by Governor, 2 by House Speaker, 2 by House Minority Leader, 2 by Senate President Pro Tempore, and 2 by Senate Minority Leader	Salary, expenses, and benefits of legislators, elected officials, and judges	Biennially
Florida Officers' Compensation Commission	9	2 by Governor, 2 by Senate President, 2 by House Speaker, and 2 by Chief Justice of Supreme Court. The 8 members appoint the ninth member.	Salary and expenses of legislators, specified state officials, judges, state attorneys, public defenders, public service commissioners, and county officers	Annually
Georgia Commission on Compensation	12	4 by Governor, 4 by Supreme Court, 2 by Senate President (Lieutenant Governor), and 2 by House Speaker	Compensation of legislators, state officers, and heads of state agencies	Biennially
Hawaii Commission on Legislative Salary	11	Governor	Salary of legislators (If rejected, existing rates are continued)	Every 8 years
Idaho Legislative Compensation Commission	6	3 by Governor and 3 by Supreme Court	Salary and expenses of legislators (If rejected, existing rates are continued.)	Biennially

GOVERNOR ONLY

ADVISORY

APPROVED BY VOTERS OR BD ONLY

LEGISLATORS ONLY

TABLE III--continued
STATE COMPENSATION COMMISSIONS

<u>Name of Commission</u>	<u>Number of Members</u>	<u>Appointing Authority</u>	<u>Scope of Recommendations</u>	<u>Frequency of Recommendations</u>
Montana Salary Commission	8	2 by Governor, 2 by Supreme Court, 1 by Senate Majority Leader, 1 by Senate Minority Leader, 1 by House Speaker, and 1 by House Minority Leader	Compensation of legislators, elected officials, and judges [REDACTED]	Biennially
Oklahoma Board on Legislative Compensation	11	5 by Governor, 2 by the Senate President Pro Tempore, and 2 by House Speaker (Chairman of Tax Commission and Director of State Finance are non-voting ex-officio members.)	Salary of legislators (Board recommendations are final)	Biennially
South Dakota Commission on Salaries for Elective State Officials	5	2 by Governor, 1 by Senate President Pro Tempore, 1 by House Speaker, and 1 by Chief Justice of Supreme Court	Salaries of legislators, elected officials, and judges [REDACTED]	Biennially
Washington Committee on Salaries	7	President of University of Puget Sound, President of Washington State University, Chairman of State Personnel Board, President of Association of Washington Business, President of Pacific Northwest Personnel Managers' Association, and President of Washington State Labor Council	Salaries of legislators, state elective and executive officials, and judges [REDACTED]	Biennially
West Virginia Citizens Legislative Compensation Commission	7	Governor	Compensation and expenses of legislators ([REDACTED]) [REDACTED]	Quadrennially

SOURCE: Legislative Research review of state statutes

TABLE III--continued
STATE COMPENSATION COMMISSIONS

<u>Name of Commission</u>	<u>Number of Members</u>	<u>Appointing Authority</u>	<u>Scope of Recommendations</u>	<u>Frequency of Recommendations</u>
Illinois Advisory Committee on Compensation of General Assembly Members	7	3 by Governor, 2 by President of Senate, and 2 by House Speaker	Compensation of legislators [REDACTED]	Biennially
Iowa Commission on Compensation, Expenses and Salaries for Elected State Officials	15	5 by Governor, 5 by Senate President (Lieutenant Governor), and 5 by House Speaker	Salary, compensation, and expenses of legislators, elected state officials, and judges [REDACTED]	Biennially
Kentucky Public Officials Compensation Commission	5	1 by Governor, 1 by Lieutenant Governor, 1 by House Speaker, 1 by Senate President Pro Tempore, and 1 by Supreme Court	Salaries, benefits, and allowances of legislators and certain elected officials and judges [REDACTED]	Biennially
Louisiana Compensation Review Commission	19	5 appointed by Governor, 1 by Chief Justice of Supreme Court, 1 by Chairman of Conferences of Courts of Appeal Judges, 1 by District Judges' Association, and 1 by City Judges' Association (5 Senators and 5 Representatives are also members)	Salary and benefits of legislators, elected officials, judges, and unclassified state employees [REDACTED]	Annually
Maryland General Assembly Compensation Commission	9	5 by Governor, 2 by Senate Senate President, and 2 by House Speaker	Salary and allowances of legislators (If [REDACTED] rejected, existing rates are continued.)	Quadrennially
Massachusetts Advisory Board on Legislative, Judicial and Constitutional Officers' Compensation	5	Governor	Salaries and expenses of legislators, constitutional officers, and judges [REDACTED]	Biennially
Michigan State Officers' Compensation Commission	7	Governor	Salaries and expenses of legislators, Governor and Lieutenant Governor, and Justices of Supreme Court (If [REDACTED] rejected, existing rates are continued.)	Biennially

Compensation Commissions

In ²¹19 states boards, committees, or commissions make recommendations regarding legislative compensation. Several also recommend salaries for certain elected officials and judges. Commissions in 12 states act only in an advisory capacity. They make recommendations to the governor or the legislature, but the legislature has final authority to set salaries, expense allowances, and benefits for its members.

In Hawaii, Idaho, Maryland, and Michigan compensation commissions recommendations become effective unless the legislature enacts a resolution to the contrary. Existing salary levels are continued if the legislature rejects the commission's recommendations. In West Virginia the commission's recommendations must be enacted into law to become effective. The legislature may reduce, but not increase the proposed salary levels. Recommendations made by Oklahoma's commission are final and are not subject to legislative review. In Arizona the commission's recommendations for changes in legislative salaries are submitted to the voters for approval. In many states new salaries do not become effective until the following session of the legislature.

In some states commission members are appointed exclusively by the governor, but in others the appointing authority is shared by the governor and legislative leadership. In Washington persons holding certain positions are automatically appointed to the commission.

Table III summarizes the major organizational and functional aspects of each state commission, including the number of commission members, appointing authority, and scope and frequency of commission recommendations.

Chapter 4.10

COMMISSION ON SALARIES AND EMOLUMENTS

Sections:

- 4.10.010 Commission on Salaries and Emoluments established.
- 4.10.020 Prohibitions with respect to municipal service.
- 4.10.030 Duties of commission.
- 4.10.040 Periodic review of compensation.

4.10.010 Commission on Salaries and Emoluments established.

There is established a Commission on Salaries and Emoluments of Elected Officials. The commission is composed of five members appointed for terms of four years. The commission shall be composed of at least one business executive, one representative of a nonpartisan voters' organization, one person with experience in public administration, and one representative of a labor organization. (Charter, §5.08(a)).

4.10.020 Prohibitions with respect to municipal service.

No member of the commission shall be employed by the municipality during the term for which he is appointed, nor shall he hold elective municipal office during his term or within one year thereafter. (Charter, §5.08(b)).

4.10.030 Duties of commission.

The commission shall establish the compensation, including salaries, benefits, and allowances, if any, of elected officials. A decision of the commission takes effect at the beginning of the next fiscal year of the municipality. A decision by the commission is subject to initiative and referendum in the same manner as an ordinance. (Charter, §5.08(c)).

4.10.040 Periodic review of compensation.

The commission shall afford an opportunity for the public to be heard before rendering any decision that changes the compensation of an elected official. At least every two years, but not more frequently than every year, the commission shall review the compensation of elected officials. The commission shall render its decision with respect to salaries not later than 30 days before the end of the fiscal year of the municipality. (Charter, §5.08(d)).

Section 4.05 Clerk

The Assembly shall appoint a municipal clerk and prescribe the duties of that office. The clerk serves at the pleasure of the Assembly.

Section 4.06 Staff

Pursuant to ordinance, the Assembly may engage such legal counsel, other professional advisors and staff as it requires in the execution of its legislative functions.

Section 4.07 Ombudsman

There is established in the legislative branch of the municipality the office of ombudsman. The ombudsman is appointed by the Assembly and serves at the pleasure of the Assembly. The term of office, powers and duties of the ombudsman shall be prescribed by ordinance.

ARTICLE V THE EXECUTIVE BRANCH

Section 5.01 The Office of the Mayor

(a) The executive and administrative power of Anchorage is vested in the Mayor. The Mayor is elected at-large for a three (3) year term.

(b) A candidate for the office of Mayor:

(1) shall be a qualified voter of Anchorage; and

(2) shall be a resident of Anchorage for at least two (2) years immediately preceding his election.

(c) The Mayor shall remain a resident of Anchorage while in office.

(d) A person who has served as Mayor for two (2) consecutive terms may not be re-elected to that office until one (1) full term has intervened.

(e) The compensation of the Mayor shall be fixed by the Commission on Salaries and Emoluments, and may not be reduced during his term of office without his consent.

Section 5.02 Powers of the Mayor

(a) The Mayor shall appoint all heads of municipal departments, subject to confirmation by the Assembly, on the basis of professional qualifications. Persons appointed by the Mayor serve at the pleasure of the Mayor.

(b) The Mayor may participate in all Assembly meetings to the same extent as an assemblyman, but may not vote.

(c) The Mayor has the veto power. The veto must be exercised and submitted to the Assembly with a written explanation within seven (7) days of passage of the ordinance affected. The Assembly, by two-thirds (2/3) majority vote of the total membership, may override a veto any time within twenty-one (21) days after its exercise.

(d) In case of emergency, the Mayor has the power of a peace officer and may exercise that power as chief executive officer to prevent disorder and to preserve the public health. The Assembly by resolution may declare that the emergency no longer exists.

Section 5.03 Manager

(a) There shall be a manager appointed by the Mayor and confirmed by the Assembly. The manager serves at the pleasure of the Mayor. The manager is selected solely on the basis of professional qualifications. He need not be a resident of the municipality at the time of appointment but must be a resident while in office.

(b) The manager is responsible to the Mayor for the overall conduct of the administrative functions of the municipality.

(c) During the temporary absence or incapacity of the Mayor the manager shall assume the powers and duties of the Mayor, except emergency and veto powers.

Section 5.04 Municipal Attorney

There shall be a municipal attorney appointed by the Mayor and confirmed by the Assembly. The attorney serves at the pleasure of the Mayor. The attorney shall advise and assist the municipal government on legal matters.

Section 5.05 Chief Fiscal Officer

There shall be a chief fiscal officer appointed by the Mayor and confirmed by the Assembly. The chief fiscal officer serves at the pleasure of the Mayor. He is the custodian of all municipal funds. He shall keep an itemized account of money received and disbursed, pay money on vouchers drawn against appropriations, and perform such other duties as the Assembly by ordinance may prescribe.

Section 5.06 Administrative Code

The Assembly by ordinance shall adopt an administrative code providing for:

(a) the identity, function, and responsibility of each executive department and agency;

(b) rules of practice and procedure governing administrative proceedings;

(c) personnel policy and rules preserving the merit principle of employment.

Section 5.07 Boards and Commissions

(a) The Assembly by ordinance may provide for advisory, regulatory, appellate or quasi-judicial boards or commissions. The ordinance shall prescribe the duties, terms and qualifications of members.

(b) The Mayor appoints the members of boards and commissions, unless otherwise specifically provided in this Charter. Appointments are subject to confirmation by the Assembly.

(c) Boards and commissions may make recommendations to the Assembly, the Mayor, and heads of executive departments on matters specified in the ordinance creating the board or commission.

(d) The Assembly by ordinance may create or designate itself to be a board of review, adjustment, or equalization. The ordinance shall prescribe the rules of procedure, including quorum and voting requirements.

Section 5.08 Commission on Salaries and Emoluments

(a) There is established a Commission on Salaries and Emoluments of Elected Officials. The commission is composed of five (5) members appointed for terms of four (4) years. The commission shall be composed of at least one business executive, one representative of a nonpartisan voters' organization, one person with experience in public administration, and one representative of a labor organization.

✓
(b) No member of the commission shall be employed by the municipality during the term for which he is appointed, nor shall he hold elective municipal office during his term or within one (1) year thereafter.

(c) The commission shall establish the compensation, including salaries, benefits, and allowances, if any, of elected officials. A decision of the commission takes effect at the beginning of the next fiscal year of the municipality. A decision by the commission is subject to initiative and referendum in the same manner as an ordinance.

(d) The commission shall afford an opportunity for the public to be heard before rendering any decision that changes the compensation of an elected official. At least every two (2) years, but not more frequently than every year, the commission shall review the compensation of elected officials. The commission shall render its decision with respect to salaries not later than thirty (30) days before the end of the fiscal year of the municipality.

ARTICLE VI EDUCATION

Section 6.01 Public School System

The system of public schools for the municipality shall be operated by a School Board of seven (7) persons elected at-large from seats designated as Seat A, Seat B, Seat C, Seat D, Seat E, Seat F, and Seat G.

Section 6.02 Qualification, Term and Compensation

(a) A candidate for School Board shall be a qualified municipal voter, and a resident of Anchorage for one (1) year immediately preceding the election. A School Board member shall serve a three (3) year term and shall remain a resident of Anchorage while in office.

(b) The compensation of School Board members shall be fixed by the Commission on Salaries and Emoluments.

Section 6.03 Powers of the School Board

The School Board has the powers provided by law, including but not limited to, the power to:

- (1) formulate policy for the operation of the schools;
- (2) appoint and provide for suspension and removal of school personnel, including the superintendent;
- (3) serve as a board of personnel appeals;
- (4) generally supervise School District fiscal affairs, including preparation and submission of the annual budget and six-year plan.

Section 6.04 Joint Conferences

The Assembly and School Board shall meet at least four (4) times yearly in public session to discuss and coordinate financial planning, capital improvement needs, the comprehensive plan, and other matters of mutual concern.

Section 6.05 Budget and Six-Year Plan

(a) The Superintendent of Schools shall submit to the School Board at such time as the board directs a proposed budget for the next fiscal year and a proposed six-year program for capital improvements and fiscal policies. The board shall hold at least one public hearing on the proposed budget and program before they are submitted to the Assembly, and at least one public hearing after Assembly action if the total amount is different. The proposed budget and program shall be approved and submitted to the Assembly at least ninety (90) days before the end of the current fiscal year of the School District.

(b) The Assembly may increase or decrease the budget of the School District only as to total amount.

(c) The Assembly shall approve the budget of the School District as amended and appropriate the necessary funds at least sixty (60) days prior to the end of the fiscal year of the School District. If the Assembly fails to approve the School District budget and make the necessary appropriation within the time stated, the budget proposal shall become the budget and appropriation for the fiscal year of the School District without further Assembly action.

ARTICLE VII VACANCIES IN ELECTIVE OFFICE

Section 7.01 Determining Vacancies

(a) An elective office becomes vacant if the incumbent:

- (1) ceases to meet the qualifications prescribed for the office by this Charter;
- (2) resigns;
- (3) dies;
- (4) is judicially determined to be incompetent;
- (5) is convicted of a felony;
- (6) is removed from office for breach of the public trust.

(b) Proceedings for removal of an elected official for breach of the public trust may be initiated by a majority of all members of the Assembly, or the School Board in the case of removal of a School Board member. In addition, proceedings for removal may be initiated by any duly constituted ethics board. The Assembly by ordinance shall establish procedures for removal of elected officials for breach of the public trust, including provision for notice, a complete statement of the charge, a public hearing conducted by an impartial hearing officer, and judicial review. Removal must be approved by two-thirds (2/3) of the authorized membership of the Assembly or School Board as the case may be.

Section 7.02 Filling Vacancies in Elective Office

(a) If a vacancy occurs on the Assembly or the School Board, the remaining members shall appoint a qualified person to fill the vacancy within thirty (30) days. The person appointed shall serve until the next regular election, at which time a successor shall be elected to serve the balance of the term. If less than thirty (30) days remain in a term when a vacancy occurs, the vacancy shall not be filled. However, if at any time, the membership is reduced to fewer than a quorum, the remaining members, within seven (7) days, shall appoint a number of qualified persons sufficient to constitute a quorum.

SALARIES & EMOLUMENTS

No. on Board/Commission 5

Meeting Time at least once every two years

Staff Support Clerk's Office/Judy Flitter

Staff Phone 264-4311

<u>Members</u>	<u>Employment</u>	<u>Area</u>	<u>Original Appoint- ment date</u>	<u>Expira- tion Date</u>
Pamela Gotham, Chairperson 3100 Capstan Drive Anchorage, AK 99516 (h) 345-4717 (w) 345-4717	Colonial Life	So. Anchorage	9/81	9/87
Dan Alex 9783 Reliance Drive Anchorage, AK 99507 (h) 344-0060 (w) 272-9355 272-8682	Alex & Assoc. (Mgmt. Consult.)	So. Anchorage	9/83	9/87
Robert M. Piazza 333 M Street, #209 Anchorage, AK 99501 (h) 279-6030 (w) 276-6464	Piazza & Assoc. (Independent Labor Relations Consult.)	Downtown	9/82	9/87
Frank Turpin 528 N Street Anchorage, AK 99501 (h) 278-2433 (w) 265-2411	Alaska Railroad	Downtown	9/83	9/87

Awaiting the appointment of one additional member.



OFFICE OF THE MAYOR
MUNICIPALITY OF ANCHORAGE
POUCH 6-650
ANCHORAGE, ALASKA 99502

Re. Firestone:

For your information, our
budget office reports the
following salaries:

Mayor - \$70,000
+ benefits \$95,620
he also has use of
an automobile

Assembly \$14,400
+ benefits \$17,420

Assembly Chair \$18,000
+ benefits \$21,780

Please telephone if you have
further questions.

Clare Rose

264-6880

7/22/85

SALARIES & EMOLUMENTS

No. on Board/Commission 5

Meeting Time at least once every two years

Staff Support Clerk's Office/Judy Flitter

Staff Phone 264-4311

Members	Employment	Area	Original Appoint- ment date	Expira- tion Date
Pamela Gotham, Chairperson 3100 Capstan Drive Anchorage, AK 99516 (h) 345-4717 (w) 345-4717	Colonial Life	So. Anchorage	9/81	9/87
Dan Alex 9783 Reliance Drive Anchorage, AK 99507 (h) 344-0060 (w) 272-9355 272-8682	Alex & Assoc. (Mgmt. Consult.)	So. Anchorage	9/83	9/87
Robert M. Piazza 333 M Street, #209 Anchorage, AK 99501 (h) 279-6030 (w) 276-6464	Piazza & Assoc. (Independent Labor Relations Consult.)	Downtown	9/82	9/87
Frank Turpin 528 N Street Anchorage, AK 99501 (h) 278-2433 (w) 265-2411	Alaska Railroad	Downtown	9/83	9/87

Awaiting the appointment of one additional member.

STATE OF ALASKA THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

October 16, 1985

SUBJECT: Constitutional amendment: state officers
compensation commission
(Work Order No. 14-1391)

TO: Senator Mitch Abood
Chairman Joint Special Committee on
Legislative Salaries

FROM: ^{Dick} Richard A. Bradley *B*
Legislative Counsel

Linda Firestone has requested that a constitutional amendment be prepared that would establish a state officers compensation commission. Such a constitutional amendment is enclosed.

The structure of the amendment is derived, in part, from art. IV, sec. 8 of the Alaska Constitution, the structure for the judicial council.

Linda Firestone also asked that I identify the scope of the amendment as drafted.

It applies to the sixty members of the legislature and to the governor and lieutenant governor. It applies to justices and judges. There are five members of the Supreme Court, three members of the Court of Appeals, and, by my calculation, 28 superior court judges and 16 district court judges according to the February, 1985 state directory. As I suggested to Linda Firestone, there is an open question as to its application to magistrates though probably the supreme court should retain control of those salaries.

2
60
2
3
28
16
144

It applies to the "heads and deputy heads of each principal department". There are fifteen principal departments: Administration, Commerce and Economic Development, Community and Regional Affairs, Corrections, Education, Environmental Conservation, Fish and Game, Health and Social Services, Labor, Law, Military and Veterans Affairs, Natural Resources, Public Safety, Revenue, and Transportation and

Public Facilities. The Department of Education appears to have no deputy; Administration has four deputies; the Department of Transportation and Public Facilities has five deputies; the Departments of Commerce and Economic Development, Corrections, Fish and Game, Health and Social Services, Natural Resources, and Revenue each have two deputies, and the remaining departments each have a single deputy. Thus it seems that the category of heads and deputy heads of principal departments contains, according to the February, 1985 directory, some 42 members. 42

The remaining category is described as "full-time members of a state board or commission. To my knowledge, the only state board or commission whose members are full-time employees of the state is the Public Utilities Commission. There are five members of the commission. 5

James Smith - Commission - + 5
Commission Fisheries

One substantive comment might be made. Existing constitutional law protects the salaries of the governor and lieutenant governor (art. III, sec. 15) and of the justices and judges (art. IV, sec. 13). As a later amendment to the constitution that deals with the question in general terms, it might be argued that the power of the state officers compensation commission established under this resolution, if ratified by the people, included the power to reduce the salaries in question or, perhaps, to make the judicial retirement system contributory. Because these issues will eventually emerge, it is probably appropriate to deal with the questions affirmatively in the resolution.

If I may be of further assistance, please advise. ma 50+1

RAB:mkr
M1:048

Enclosure

Need to pay by -

who pay commission expense - line item
vi by

Approp. is desirable for -

Can provide addition per.

total 114
42
5
161

Ex. Agency



**ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY**

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

January 25, 1985

MEMORANDUM

TO: Representative Katie Hurley
FROM: Gretchen Keiser, Legislative Analyst
RE: Legislative Compensation Commissions
Research Request 85-113

Patty Macklin of your staff requested information regarding commissions established in other states to address the issue of compensation for legislators. She indicated a particular interest in the mechanisms created for determining legislators' pay. In addition, we were asked to review previous bills addressing this issue which have been introduced in the Alaska Legislature.

Legislative Compensation Commissions

According to The Book of the States 1984-1985 (Council of State Governments), legislative compensation provisions have gradually become more flexible, as many states have made compensation a statutory provision rather than rigid constitutional definition. The advent of compensation commissions and the practice of matching salaries of legislators to those of other state employees have led to more frequent adjustments of legislators' salaries in many states.

Table 1 summarizes the methods of setting legislative compensation employed by the 50 states, based on a 1983 survey of state statutes by the Oregon Legislative Research Agency. Legislative salaries are established by constitution in nine states, whereas the legislatures in 22 states, including Alaska, are solely responsible for setting their pay.

A compensation commission, board or committee makes recommendations to the legislature on salaries in 19 states. According to the Oregon Legislative Research report, commissions in 12 states act only in an advisory capacity to the legislature or governor; the legislature has final authority in establishing salaries and benefits. On the other hand, Hawaii, Idaho, Maryland and Michigan compensation commissions' recommendations become effective unless the legislature passes a resolution to the contrary. If the legislative resolution overrules the commission's recommendations, the existing salary levels are continued. The Oklahoma Commission recommendations are final and not subject to legislative review. In order for the West Virginia commission's recommendations to become effective, they must be enacted into law. Finally, Arizona submits its commission's recommendations to the voters for approval.

According to The Book of the States 1982-1983, new legislative salaries in many states do not become effective immediately. Twelve states postpone the salary changes enacted by law until the next legislature; another two adopt the changes during the subsequent session. Under laws enacted in ten other states, salary changes do not become effective during current members' terms. Only ten states, including Alaska, have no restrictions on the effective date of legislative compensation adjustments enacted by law.

Table 2, taken from the Oregon Legislative Research report, summarizes major organizational aspects of the compensation commissions in the 19 states which had them as of January 1983.¹ The number of members on a commission varies between 5 and 19, although 5 and 7 are the most common. The governor appears to be the most common appointing authority (of at least some of the commission members) in the 19 states. Legislative leaders appoint some members in 12 of these states, but do not appear to have sole authority in any state. As indicated in Table 2, the scope of commission recommendations varies among the states. In addition, these salary commissions most commonly meet every two years.

According to Jan Carpenter of the National Conference of State Legislatures, Maine has a state compensation commission which is comprised of citizens who set salaries for the governor, legislators and their staff and the judiciary. According to NCSL, the commissions in Hawaii, Idaho, Maryland and Oklahoma, in addition to Maine, are citizen boards. Unfortunately, Table 2 does not indicate the representation of commission members.

¹We were unable to locate a more recent survey of legislative compensation procedures through the Council of State Governments or the National Conference of State Legislatures.