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ALASKA SALARY COMMISSION

FINAL REPORT

[1976?]

COMMISSION MEMBERS:
KATHLEEN DIEBELS, CHAIRMAN
KIM ELTON
CONNEL MURRAY
ROBERT HEATH

January 18, 1977

The Honorable John Rader
President of the Senate of the State of Alaska

The Honorable Hugh Malone
Speaker of the House of the State of Alaska

In accordance with AS 39.23, the Alaska Salary Commission is submitting this report to you. Copies may be obtained from the Division of Personnel and Labor Relations, Department of Administration.

Sincerely,



Kathleen (Kay) Diebels
Chairman
Alaska Salary Commission

KD/kpk

Purpose of Establishment of Salary Commission

The written policy as expressed in House and Senate committee substitute for Senate Bill #499, "An Act relating to compensation, benefits and classifications of public officers and employees; creating the Alaska Salary Commission; and providing for an effective date" states that the commission is to determine salary and retirement benefits for public officers based upon equitable relationships being maintained among the various positions.

The commission believes that the purpose for this policy is, in general, to remove establishment of salaries from the political arena and therefore to divorce it from one area of potential public criticism. More than two dozen other states have established such commissions, although the powers vested in them vary greatly from state to state. Further, establishment of the salary commission permits setting of salary and other compensation schedules without exposing the system to charges of potential manipulation. If legislative pay were pegged to the salary of a district court judge, for example, and the legislature itself were given the responsibility and/or the authority for establishing the pay scale for district judges, the potential conflict of interest becomes apparent.

FOREWORD

The Commission first met on September 21, 1976, at which time it was apparent its report would need to be completed under severe time constraints. The Act establishing the Salary Commission called for submission of a preliminary report by November 15, and the necessity for soliciting public comments prior to submission of final recommendations within 10 days of the opening of the 1977 legislature.

Although AS 39.23 specified that the Commission members were to be appointed by July 25, actual appointment did not take place until the final week in August.

As provided in AS 39.23, the Division of Personnel and Labor Relations, Department of Administration, provided staff support, and the commission wishes to thank those men and women for their support. Also, as provided by the enabling legislation, the Commissioner of Administration did provide the commission with an initial recommendation regarding compensation and retirement benefits.

During its organizational meeting, the Commission immediately established:

1. an overall plan for achieving its objective;
2. a timetable consistent with provisions of the Act;
3. staff liaison and support personnel and facilities;
4. a method of gathering data necessary to meet commission requirements;
5. meeting dates and public hearing dates.

Again as provided by the AS 39.23, the commission called upon various state agencies for information, and the information was provided in a prompt manner. The Salary Commission, therefore, wishes to acknowledge the valuable assistance of numerous individuals and divisions within state government.

Resource materials utilized in arriving at this final recommendation include Department of Labor Cost of Living Statistics, comparative data from "The Book of the States," comparative data from the Council of State Governments, statistical data from the Department of Administration, and comparative data from the "1975 Citizens' Conference on State Legislators." The "Survey of Salaries and Benefits" compiled and published in December, 1975, by the Division of Personnel and Labor Relations also provided valuable aid for the commission.

During the approximately four months between the commission's initial appointment and submission of this report, the commission met a total of 15 days and conducted public hearings in Fairbanks, Anchorage and Juneau. One of the hearings was conducted on television to permit maximum public participation.

We have sometimes been asked why, following results of the August 1976 referendum, we were recommending any raises for public officials at all. The results of the referendum only let the commission know that voters were opposed to at least some part of the total package of raises and retirement enacted by the legislators in 1975, and we had to assume voters were not necessarily opposed to the entire package or to more modest increases. Considering the length of time since raises were originally voted on, inflation since 1975, modest recommended increases by the commission in most categories, our charge of recognizing parity, public comment at open hearings, salaries in government in other states, salaries in private sector vs. public sector, etc., we think we are acceding to the wishes of the voters, offering increases that are reasonable and acceptable.

RECOMMENDATIONS

1) GOVERNOR

The Salary Commission recommends:

- A) A salary of \$52,992 annually for the Governor of Alaska.
- B) The Governor remain in the Public Employees Retirement System.

2) LT. GOVERNOR

The Salary Commission recommends:

- A) A salary of \$47,304 annually for the Lt. Governor of Alaska.
- B) The Lt. Governor remain in the Public Employees Retirement System.

3) DEPARTMENT COMMISSIONERS

The Salary Commission recommends:

- A) A salary of \$47,304 annually for Department Commissioners.
- B) The department commissioners remain in the Public Employees Retirement System.
- C) Longevity pay increases at the discretion of the Governor equal to 3.75 per cent of the annual salary for each two years of continuous service with service accrual beginning January 1, 1977.

4) DEPUTY COMMISSIONERS

The Salary Commission recommends:

- A) No change in the annual salary of \$42,372 for beginning Deputy Department Commissioners.
- B) The deputy commissioners remain in the Public Employees Retirement System.
- C) Longevity pay increases at the discretion of the Department Commissioner of 3.75 per cent of the annual salary for each two years of continuous service with service accrual to commence from the date of last step increase or upon date of hire following acceptance of these recommendations.

5) DIRECTORS

The Salary Commission recommends:

- A) No change in the salary level of directors. We do, however, recommend a change in administrative rules establishing the salary entry level of new directors be in the 'A' step of the salary range at which they are hired. We recognize that promotions from Deputy

Director to Director may sometimes necessitate that those receiving the promotion move into a step other than 'A' in order to be assured a salary increase. In such cases, that person receiving the promotion should enter at the lowest step necessary to insure a salary increase. We recognize some directors are now covered by a negotiated agreement and our recommendations will not apply to them until that agreement expires.

B) Salary progression follow the steps outlined in the State salary schedule as outlined in AS 39.27.011.

C) Directors remain in the Public Employees Retirement System.

6) ALASKA PUBLIC UTILITIES COMMISSION

The Salary Commission recommends:

A) That members of the commission be paid \$39,372 annually.

B) The chairman of the commission be paid an additional \$500 annually, prorated as part of the regular salary.

C) Alaska Public Utilities Commission members remain in the Public Employees Retirement System.

D) Longevity pay increases at the discretion of the Governor of 3.75 per cent of the annual salary for each two years of service be given with service accrual beginning January 1, 1977.

7) ALASKA TRANSPORTATION COMMISSION

The Salary Commission recommends:

A) Members of the commission be paid \$39,372 annually.

B) The chairman of the commission be paid an additional \$500 annually, prorated as part of the regular salary.

C) Alaska Transportation Commission members remain in the Public Employees Retirement System.

D) Longevity pay increases at the discretion of the Governor equal to 3.75 per cent of the annual salary for each two years of service be given with service accrual beginning January 1, 1977.

8) ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION

The Salary Commission recommends:

A) A salary of \$39,372 annually for members of the Alaska Commercial Fisheries Entry Commission.

B) The chairman of the commission be paid an additional \$500 annually, prorated as part of the regular salary.

C) Commissioners remain in Public Employees Retirement System.

D) Longevity pay increases at the discretion of the Governor equal to 3.75 per cent of the annual salary for each two years of service be given with service accrual beginning January 1, 1977.

9) ALASKA PIPELINE COMMISSION

The Salary Commission recommends:

A) A salary of \$39,372 annually for members of the Pipeline Commission.

B) The chairman of the commission be paid an additional \$500 annually, prorated as part of the regular salary.

C) Commissioners remain in Public Employees Retirement System.

D) Longevity pay increases at the discretion of the Governor equal to 3.75 per cent of the annual salary for each two years of service be given with service accrual beginning January 1, 1977.

10) SUPREME COURT JUDGES

The Salary Commission recommends:

A) No change in the \$52,992 annual salary of Supreme Court Judges.

B) No change in the retirement benefits now applicable to incumbent Supreme Court Judges.

C) All incumbent judges begin contributing at the rate of 2.5% to the Judicial Retirement System in 1979 and 1980. The step raises we expect to recommend will cover this withholding so that there is no question of their compensation being diminished.

D) All judges appointed after January 1, 1977, become members of the Judicial Retirement System with contribution rate of 7.5%.

11) SUPERIOR COURT JUDGES

The Salary Commission recommends:

A) No change in the \$48,576 annual salary of the Superior Court Judges.

B) No change in the Retirement benefits now applicable to incumbent Superior Court Judges.

C) All incumbent judges begin contributing at the rate of 2.5% to the Judicial Retirement System in 1979 and 1980. The step raises we expect to recommend will cover this withholding so that there is no question of their compensation being diminished.

D) All judges appointed after January 1, 1977 become members of the Judicial Retirement System with contribution rate of 7.5%.

12) DISTRICT COURT JUDGES

The Salary Commission recommends:

A) No change in the \$41,068 annual salary of the District Court Judges.

B) No change in the retirement benefits now applicable to incumbent District Court Judges.

C) All incumbent District Court Judges begin contributing at the rate of 2.5% to the Judicial Retirement System in 1979 and 1980. The step raises we expect to recommend will cover this withholding so that there is no question of their compensation being diminished.

D) All judges appointed after January 1, 1977 become members of the Judicial Retirement System with contribution rate of 7.5%.

13) LEGISLATORS

The Salary Commission recommends:

A) A salary of \$11,750 annually for State Legislators. Twenty-five per cent of their salary to be paid to each legislator on the opening day of each regular session of the legislature, 25 per cent of their salary to be paid 30 days after the opening of each regular session of the legislature and 25 per cent of their salary 60 days after the opening of each regular session of the legislature. The remaining 25 percent of the legislator's salary to be paid in equal monthly installments through the rest of the year.

B) The Senate President and House Speaker each receive an additional \$500 per year payable on the opening day of each regular session of the legislature or upon confirmation by the House or Senate after the opening of a regular session of the legislature.

C) Legislators eligible for automatic pay increases of \$500 for each two years of continuous service. Service accrual begins with the opening of the 1977 regular session.

D) Legislators receive a vouchered annual allowance of \$2500.

E) Participation in Public Employee Retirement System be mandatory for legislators, unless they are already contributing to a state retirement fund and will continue to be a contributing member while a legislator. (For instance, teachers who are on leave of absence but continue to have service credited while on that leave.)

F) Legislators receive per diem at the same rate as State employees, including regional variations where applicable. (See per diem rate schedule for administrative State employees. Appendix V). Those who change city of residence during regular or special legislative sessions will receive per diem at the short term rate for the first 100 days of each session. Per diem will revert to the long term (lower) rate after the first 100 days of each regular or special

session. However, per diem is to be paid at the long-term (lower) rate if a legislator is able to stay in his or her primary home while on legislative business. Interim committee work and special sessions should be paid at the short-term per diem rate, with the "stay in primary home" exception noted above.

G) Recognizing the need for maintaining constituent contact, each legislator shall be reimbursed at cost, and upon presentation of proof, for one round-trip to his home district during each regular session.

Appendix I

Some Amplification on the ASC Recommendations

1) GOVERNOR

While we see the advisability of longevity pay increases for the Governor, the constitutional provision against diminishing compensation for the Governor might tie future salary commissions to increases they did not favor. We, therefore, register our intent to grant a longevity pay increase to incumbent governors for every two years of service accrual. Service accrual commences January 1, 1977, or upon date of election.

2) LIEUTENANT GOVERNOR

While we see the advisability of longevity pay increases for the Lieutenant Governor, the constitutional provision against diminishing compensation for the Lieutenant Governor might tie future salary commissions to future increases they did not favor. We, therefore, register our intent to grant a longevity pay increase to incumbent Lieutenant governors for every two years of service accrual. Service accrual commences January 1, 1977, or upon date of election.

3) JUDICIARY

While we see the advisability of longevity pay increases for members of the judiciary, the constitutional provision against diminishing compensation for the judiciary might tie future salary commissions to future increases they did not favor. We, therefore, register our intent to grant a longevity pay increase to judges and justices for every two years of service accrual. Part of those salary increases will be used to bring the retirement contribution of incumbent judges to a total of 7.5% by 1983.

4) LEGISLATURE

A) It is the position of the commission that undue financial stress may be placed upon legislators through the necessity of maintaining two households during the session itself. This is the reason for our recommendation that 75 per cent of each legislator's salary be paid on a monthly basis during the period of the actual session.

B) Legislators should be encouraged to use service and supplies furnished by the State.

5) ALASKA PUBLIC UTILITIES COMMISSION

A) From testimony at public hearings, from the public as well as APUC commissioners and people dealing with the APUC, it is the consensus that our originally suggested qualifications were unduly restrictive. For that reason we suggest instead that qualifications for the commission be written as follows:

"One member shall be a graduate engineer, or possess equivalent professional experience in Alaska engineering. One member shall be a graduate with a major in finance, accounting or business administration, or possess equivalent experience in Alaska in one of these fields; one member shall be a graduate of an accredited school of law, or possess substantial practical experience in Alaska law; and two members shall be consumers who are registered voters in Alaska, and who have lived in the state for a continuous period of at least five years prior to appointment."

6) ALASKA TRANSPORTATION COMMISSION

In conjunction with the salary recommendation for members of the commission, we urge that qualifications for the commission be rewritten as follows:

"One member shall be a graduate engineer, or possess equivalent professional experience in Alaska engineering. One member shall be a graduate with a major in finance, accounting or business administration, or possess equivalent experience in Alaska in one of these fields; one member shall be a graduate of an accredited school of law, or possess substantial practical experience in Alaska law; preferably people with the transportation aspects of their respective field will be appointed.

7) ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION

We expect to review the duties and responsibilities of these commissioners with the intent of comparing duties with compensation during the life of the Limited Entry Commission. As limited entry is implemented, we would expect duties to decrease allowing compensation to decrease or cease. We would expect the legislature and the administration to also monitor those duties with the intent of making the commission a non-salaried advisory commission as soon as possible.

8) ALASKA PIPELINE COMMISSION

At the conclusion of this commission's current responsibilities regarding the Alaska natural gas pipeline, we recommend transfer of this commission's regulatory functions to the Alaska Transportation Commission, as recommended in the governor's Management and Efficiency Review Report.

APPENDIX II

General philosophical views of the Salary Commission responsibilities

Because the act creating the Salary Commission specifies that the commission shall be responsible for compensation and retirement benefits only for the 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, the Alaska Pipeline Commission, the Alaska Transportation Commission, the Alaska Commercial Fisheries Entry Commission and the Judiciary, specific recommendations will apply only to these positions. However, because of the inseparable relationship between public officers - particularly appointive positions - and the balance of the state employment system, the commission feels it would be derelict in its responsibilities if it did not include additional comments and suggestions relative to establishment of proper parity within its legitimate or designated areas.

A) One practice for establishing salary schedules is to start at the top - presumably the Governor and establish parity steps downward. An alternate method is to build from the lowest entry level in state service up. This lowest point on the pay scale is fairly high because the first five entry levels have been eliminated which increases the salary level of lowest paid employees. The Commission has elected to use a compromise system. Since middle managers are at the top of the classified employee scale and their wages set through negotiated agreements, we have been forced to use this position as our base, instead of lowest level of the state pay scale, working upward from it in our recommendations. Because of the upward thrust this places on all salaries above those of middle managers, we urge that middle managers be removed from the collective bargaining system to prevent inequities in the total salary structure.

B) The present salary schedule abounds with examples of supervisors who receive less than their employees. The intent of the salary commission is to restore parity between Commissioners, Deputy Commissioners and Directors where possible, recognizing that in some cases, longevity and experience will dictate higher salaries for lower ranking employees.

C) Because relatively high entry levels into state employment have a marked effect on parity thus resulting in inequities in many areas within the system, the commission suggests that the first five entry levels be restored.

D) While recognizing that individual circumstances may require otherwise, the commission wishes to establish its belief that at all levels of state government, entry into service should begin at Step A.

E) It shall be the stated intent of the commission that individuals whose salaries may be affected by commission recommendations receive no diminishment in compensation.

F) It is the belief of the commission that the constitutional prohibition against diminution of compensation in the case of the judiciary does not apply, since we suggest that repeal of Chapter 205 SLA 1975 was indeed a general law pertaining to all salaried public officials. However, in view of the possibilities of lengthy litigation - plus the fact that judicial salaries do not seem excessive when compared to salaries of other state officials and compared to other states - the commission has elected to retain the salaries as proposed in Chapter 205.

G) Because the state-subsidized retirement system affects so dramatically the financial futures of both its members and the citizens of Alaska, the commission recognizes its grave responsibility in recommending procedures for the common good. Therefore, we recommend the ultimate aim should be to unify and standardize state-subsidized retirement programs (within the Public Employees Retirement System) ultimately even to include teachers and standardizing employer and employee contributions, vesting periods and benefits of judicial, legislative, police and fire programs.

H) It is the expressed intent of the Salary Commission to recognize experience in office through additional compensation. For this reason, we are recommending longevity increases in all categories covered by the statute with the exception of Governor, Lieutenant Governor and the Judiciary. In these latter three cases, while it is the desire of the commission that longevity increases be allocated by future salary commissions, the constitutional prohibition against diminution in compensation forces us to remove these categories from our official recommendation. Since, because of this provision, future commissions may not reduce the salary of the Governor, Lieutenant Governor or the Judiciary, we feel it would not be in the best interests of the state to tie them to projected longevity increases past the two year ability of this commission. In all other instances the commission wishes to reward tenure in office with higher compensation, regardless of whether the office is appointive or elective.

I) The very nature of the present system establishes inequities among appointed officials. Some administer large and complex departments and divisions - others very small ones. Some demand a high degree of specialized knowledge, while others are essentially political in nature. In prior years - both in territorial government and early state government - these differences were recognized, and compensation varied depending upon the complexity of the position. These salaries have now been standardized, presumably for efficiency and to prevent charges of manipulation. Future salary commissions may wish to address themselves to re-examining the possibility or feasibility of salaries based upon the worth of the job to be done.

APPENDIX III

Recommended Legislative Salary:

\$11,750 salary
2,500 annual allowance
5,000 (per diem, based on 100-day session, \$50/day)
\$19,250

Repealed:

\$14,720 salary
4,000 annual allowance
4,800 (per diem, based on
100-day session \$48/day)
\$23,520

Now:

\$ 9,000 salary
4,000 annual allowance
3,500 (per diem at \$35/day for 100 days)
\$16,500

APPENDIX IV

STATUTORY SALARIES

POSITION	ALASKA STATUTE	ENACTED BY CHAPTER 205	BEFORE CHAPTER 205	AFTER REPEAL OF CHAPTER 205	RECOMMENDED BY SALARY COMMISSION
Governor	39.20.010	No Change	\$50,000	No Change	\$52,992.00
Lt. Governor	39.20.030	No Change	\$44,000	No Change	\$47,304.00
Chief Justice	22.05.140 (a)	\$52,992.00	\$44,000	\$52,992.00(44,000)*	\$52,992.00
Associate Justice	22.05.140 (a)	\$52,992.00	\$44,000	\$52,992.00(44,000)*	\$52,992.00
Superior Court Judge	22.10.190 (a)	\$48,576.00	\$40,000	\$48,576.00(40,000)*	\$48,576.00
District Court Judge	22.15.220 (a)	\$41,068.80	\$33,500	\$41,068.80(33,500)*	\$41,068.80
House Speaker	24.15.020	\$15,220.00	\$ 9,500	\$ 9,500.00	\$12,250.00
Senate President	24.15.020	\$15,220.00	\$ 9,500	\$ 9,500.00	\$12,250.00
Senator	24.15.020	\$14,720.00	\$ 9,000	\$ 9,000.00	\$11,750.00
Representative	24.15.020	\$14,720.00	\$ 9,000	\$ 9,000.00	\$11,750.00
Commissioner	39.20.080 (a)	\$48,576.00	\$40,000	\$40,000.00	\$47,304.00
Deputy Commissioner	39.20.080 (b)	\$42,372.00	\$42,372	\$42,372.00	\$42,372.00
Commissioner, AC FEC	16.43.060	\$41,068.80	\$33,500	\$33,500.00	\$39,372.00
Commissioner, APUC	42.05.091	\$41,068.80	\$33,500	\$33,500.00	\$39,372.00
Commissioner, APC	42.06.090	\$41,068.80	\$33,500	\$33,500.00	\$39,372.00
Commissioner, ATC	42.07.071	\$41,068.80	\$33,500	\$33,500.00	\$39,372.00

* Amounts in parentheses are for Judges beginning new terms. Each incumbent judge and justice receives the higher salary enacted by Chapter 205.

APPENDIX V
PER DIEM RATES

<u>LOCATION</u>	<u>SHORT-TERM PER DIEM RATE</u>	<u>LONG-TERM PER DIEM RATE</u>
<u>Inside Alaska</u>		
Alaska - Basic Allowance	\$ 45.00	\$ 27.00
Anchorage	50.00	30.00
Barrow	70.00	42.00
Bethel	65.00	39.00
Cordova	58.00	34.80
Fairbanks	58.00	34.80
Haines	54.00	32.40
Homer	54.00	32.40
Juneau	50.00	30.00
Kenai	54.00	32.40
Ketchikan	50.00	30.00
Kodiak	54.00	32.40
Kotzebue	67.00	40.20
Nome	67.00	40.20
Palmer	52.00	31.20
Petersburg	52.00	31.20
Seldovia	54.00	32.40
Seward	54.00	32.40
Sitka	52.00	31.20
Skagway	54.00	32.40
Soldotna	54.00	32.40
Valdez	58.00	34.80
Wrangell	52.00	31.20
Pipeline Corridor *	58.00	34.80
<u>Outside Alaska</u>		
Outside - Basic Allowance	40.00	24.00
New York City	50.00	30.00
Washington, D. C.	50.00	30.00

* In all communities along the pipeline corridor from Valdez to Prudhoe Bay, except the communities of Valdez and Fairbanks, the State will pay either the established per diem or actual costs for lodging and meals. Actual costs must be supported by paid receipts or billings.

Exhibit B

ENABLING LEGISLATION



1976

Chapter No.

263

Source

FCCS HCS CSSB 499

AN ACT

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

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 annual 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.

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

(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.

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* 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).

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)