

Sponsor Statement

HB 361

This bill provides options for the State of Alaska in its efforts to recruit and retain in-demand workers.

Alaska's current state employee pay plan is based entirely on a job classification system that is defined in law by the principle of "like pay for like work." This system serves the state well in maintaining pay equity but it doesn't allow the state to respond to the current competitive job market.

This legislation authorizes the [Personnel Board](#) to adopt regulations defining pilot programs for positions that a state agency has difficulty filling as well as recognizing exceptional employee performance. Payments made under this legislation would not be considered "base pay" nor is it included in retirement calculations. Any [HB 361](#) bonuses would not be a part of collective bargaining during the pilot period. Further, the departments must absorb the expenses within their budget systems.

The pilot pay program options include:

- payment of a recruitment bonus
- excellence bonuses and retention bonuses or
- other bonuses or incentives that the Board determines will help a state agency compete for high demand job fields or for employees who perform exceptionally.

Last year the Alaska Legislature passed [HB 242](#) – Retiree Return, which partially addressed the issue of critical skill or knowledge loss through *retirement*. To date, 64 valuable retirees have returned to work for 26 employers statewide. Now, the State of Alaska seeks this additional tool in order to maintain a high quality public employee work force.

The pilot pay program would sunset on July 1, 2007.