



Official Business

ALASKA STATE LEGISLATURE

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- Member, Community & Regional Affairs
- Member, Legislative Council
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Sponsor Statement Senate Bill 152

AS 39.27.030 states that a cost of living survey should be conducted at least every five years to review the pay differentials set in statute, AS 39.27.020. The last time a cost of living survey was conducted under this statute was in 1983, more than 20 years ago. It is important to determine if the cost of living in various communities around the state has changed over this twenty-year period. Factors involving access to consumer goods, changing economic conditions in a community and employment growth and opportunities have most likely impacted cost of living conditions around the state.

Currently, statutes provide an adjustment to salary schedules for exempt and partially exempt employees based upon where these employees work and reside. Classified employees receive similar adjustments based on negotiated provisions of the various Collective Bargaining Agreements (CBA). However, since CBA's are negotiated once every three years, the geographic pay differential rates can have significant variations between the statutory pay and those contained in the CBA's. It is in the best interest of the State of Alaska that similarly situated public employees be paid at the same rate as classified employees. The only means to accomplish a more level playing field in employee salaries is to conduct a new cost of living survey based upon current cost around the state.

Senate Bill 152 would appropriate the funds necessary to move forward on a cost of living survey. This study of wage rates and cost of living comparisons is important for establishing compensation amounts for public employees. Over time, some differentials have changed to reflect the change in cost of living, while state statutes remain unchanged since there has not been an update on the Cost of Living survey. The recent School District Cost Study highlights that a cost of living study should be done soon to ensure that the geographic pay differential provided to public employees is up to date.