

Presented by: The Manager  
Introduced: 05/15/2006  
Drafted by: J.W. Hartle

## RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2357

### **A Resolution Urging the Alaska Congressional Delegation to Support Retaining the Current Cost of Living Adjustment Compensation Rates for Federal Employees in Alaska.**

WHEREAS, in 1948, Congress enacted the Cost of Living Adjustment authorizing statute, 5 USC § 5941, to provide Federal employees in Alaska and other locations an additional allowance based on “living costs substantially higher than the District of Columbia” and “conditions of environment which differ substantially from conditions of environment in the continental United States and warrant an allowance as a recruitment incentive”; and

WHEREAS, according to 2002 Office of Personnel Management figures, approximately 12,000 Federal employees in Alaska, including employees in Juneau, currently receive a 25 percent Cost of Living Allowance; and

WHEREAS, on August 4, 2005, the United States Office of Personnel Management published a proposed rule, 5 CFR Part 591, pertaining to a reduction in the Cost of Living Allowance for Federal employees in Alaska and other locations; and

WHEREAS, the proposed reductions to COLA are based on surveys comparing the cost of living in Alaska communities with the cost of living in Washington, DC; and

WHEREAS, based on the results of these cost of living comparisons, the August 4, 2005, proposed rule would reduce the Cost of Living Allowance for those Federal employees working in Juneau, Anchorage, and Fairbanks, by 1 percent annually until the COLA rate reaches 19 percent for Juneau, 16 percent for Anchorage, and 14 percent for Fairbanks; and

WHEREAS, the Office of Personnel Management is expected to issue its final rule between March and June, 2006; and

WHEREAS, a reduction in the total compensation received by Juneau’s Federal employees affect the net dollars contributed to Juneau’s economy; and

WHEREAS, the proposed reduction in COLA compensation will reduce the incentives for qualified new Federal employees to relocate to Juneau; and

WHEREAS, unlike in the Lower 48, where Federal employees' "locality pay" is calculated into retirement pay, Alaska employees' COLA is not calculated into retirement pay; and

WHEREAS, any reduction in COLA will therefore further reduce the incentives for retiring Juneau Federal employees to conclude their Federal service in Juneau and to remain in Juneau upon retirement; and

WHEREAS, comparisons between the cost of living in Alaska and in Washington, DC are inapposite and do not satisfy the overall purpose of the COLA statute, nor fully recognize the unique conditions of Alaska; and

WHEREAS, as a result, COLA compensation should instead remain at current levels, regardless of cost of living survey results.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1.** The CBJ Assembly hereby expresses its opposition to a reduction in COLA for Federal employees working in Alaska.

**Section 2.** The CBJ Assembly urges the Alaska Congressional Delegation to oppose implementation of the Office of Personnel Management's final rule, and take other appropriate action to retain current COLA compensation rates for Alaska's Federal employees.

**Section 3.** Resolution No. 2357 will be forwarded to the Alaska Congressional Delegation upon adoption.

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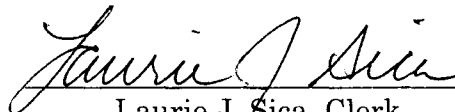
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**Section 4. Effective Date.** This resolution shall be effective immediately upon adoption.

Adopted this 15<sup>th</sup> day of May, 2006.

  
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Bruce Botelho, Mayor

Attest:

  
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Laurie J. Sica, Clerk