

ALASKA STATE LEGISLATURE
LEGISLATIVE COUNCIL
FEBRUARY 09, 2017
7:00 AM
-DRAFT-

MEMBERS PRESENT

Representative Sam Kito, Chair
Senator Bert Stedman, Vice Chair
Representative Matt Claman
Representative Bryce Edgmon
Representative David Guttenberg
Representative Charisse Millett
Representative Dan Ortiz
Representative Louise Stutes
Representative Harriet Drummond, Majority Alternate
Representative David Eastman, Minority Alternate
Senator Lyman Hoffman
Senator Pete Kelly
Senator Anna MacKinnon
Senator Kevin Meyer
Senator Peter Micciche
Senator Gary Stevens

MEMBERS ABSENT

Senator Cathy Giessel, Alternate

AGENDA

APPROVAL OF AGENDA
RATIFICATION OF CHARITY EVENTS
CONTRACT APPROVALS
OTHER COMMITTEE BUSINESS

SPEAKER REGISTER

Tina Strong, Procurement Officer, Legislative Affairs
Agency
Pam Varni, Executive Director, Legislative Affairs Agency

7:01:14 AM

- I. **CHAIR SAM KITO** called the Legislative Council meeting to order at 7:01 a.m. in Room 519 (House Finance) of the State Capitol. Present at the call were Representatives Claman, Edgmon, Millett, Ortiz, Stutes, Eastman (alternate), and Kito; Senators Kelly, MacKinnon, Meyer, Micciche, Stevens, and Stedman. Representatives Drummond (alternate) and Guttenberg, and Senator Hoffman joined the meeting after the roll call. Senator Giessel (alternate) was absent.

II. **APPROVAL OF AGENDA**

7:03:04 AM

VICE CHAIR STEDMAN moved that Legislative Council approve the agenda as presented.

The motion was approved without objection.

III. **RATIFICATION OF CHARITABLE EVENTS**

- a. **Catholic Community Services Formal Gala**
- b. **17th Annual Thanksgiving in March**

7:04:00 AM

VICE CHAIR STEDMAN moved that Legislative Council ratify the Chair's sanctioning of the following charitable events per AS 24.60.080(a)(2)(B):

- Catholic Community Services Formal Gala
- 17th Annual Thanksgiving in March

The motion passed without objection.

IV. **CONTRACT APPROVALS**

a. **Ketchikan Office Lease Space Extension**

TINA STRONG, Procurement Officer for the Legislative Affairs Agency, said that original lease between the Legislative Affairs Agency and Ketchikan Gateway Borough for Ketchikan office space was for five years beginning March 1, 2012, and terminating February 28, 2017. There are five renewals of lease available under the lease agreement, each for a one year period. Senator Stedman, Representative Ortiz, and the LIO would like to proceed with Renewal No. 1 for the period March 1, 2017, through February 28, 2018. If Legislative Council approves Renewal No. 1 today, it will leave four more renewals of lease available before we have to go out to bid or do a lease extension. She said this lease exceeds \$35,000 in one fiscal year, and therefore requires approval by Legislative Council.

DISCUSSION FOLLOWED regarding arrangements for legislative staff to share space with the LIO in Ketchikan.

7:07:21 AM

VICE CHAIR STEDMAN moved that Legislative Council approve Renewal No. 1 of the Lease Extension with Ketchikan Gateway Borough in the amount of \$47,412.72.

The motion passed with no objection.

V. OTHER COMMITTEE BUSINESS

a. FY 16 Legislature Audit

b. FY 18 Legislative Council Proposed Budget

a. FY 16 Legislature Audit

PAM VARNI, Executive Director of the Legislative Affairs Agency, said that per statute the Legislature has an annual independent audit of all their expenditures. In 2014, the Agency did an RFP and contracted with Elgee, Rehfeld, and Mertz, LLC, for a one year contract, with two one-year renewals, in the amount of \$18,300 per year; they have audited the Legislature for FY 14, FY 15, and FY 16. She noted that it was a clean audit and an unqualified opinion. Members of Legislative Budget & Audit and Legislative Council are provided copies of the management letter and schedule of appropriations, expenditures, and encumbrances.

SENATOR MACKINNON asked committee members to review pages 7, 8, and 9, where the auditor talks about the new reporting requirements for pension systems.

MS. VARNI noted for Council that the Agency will issue an RFP and award a contract for the FY 17 legislative audit. In response to a question from the Chair, Ms. Varni confirmed that the Agency has arrived at the end of the contract and renewals with Elgee, Rehfeld, and Mertz, so will need to issue an RFP.

b. FY 18 Legislative Council Proposed Budget

7:11:03 AM

VICE CHAIR STEDMAN moved that Legislative Council put the FY 18 Legislative Council proposed budget on the table.

CHAIR KITO objected for purposes of discussion and asked Ms. Varni to speak to this item.

MS. VARNI summarized each of the 14 budget components and 4 RDUs of the Legislative Council Proposed FY 18 Budget (summary attached).

During Ms. Varni's summary, members occasionally interjected with questions about specific budget items. Ms. Varni stated in response to a question by Senator Stevens regarding a surplus in the State Facilities Rent component for FY 17 and FY 18 due to the fact that Wells Fargo leased space in the recently purchased legislative office building in Anchorage. She responded to a question by Representative Eastman that, of the NCSL requested dues of \$123,900 for FY 18, the amount budgeted was \$107,000, which was the same as was approved in FY 17. She further noted that dues for various organizations were not being fully funded at the FY 18 budget request of \$224,300; if dues were fully funded, including Energy Council which had been completely eliminated, there would need to be an increase of \$97,900. In response to a question from Representative Claman, she said that it was her understanding that there had been no reduction in positions in the last ten years in the Office of Victims' Rights. In response to a request for a clarification by Representative Guttenberg, Ms. Varni explained that, with a decision by Legislative Council, LIOs around the state are closed on Friday afternoons; 16 Information Officers do not work on Friday afternoons during the interim, which took them from 12 months to 11.3 months, with the subsequent cut in pay.

7:20:40 AM

Also during Ms. Varni's summary, at the request of Chair Kito, Linda Lord-Jenkins, Ombudsman for the State of Alaska, spoke to the need for a new case management system, which would be a one-time cost of up to \$500,000.

CHAIR KITO noted that there would be a few budget items discussed during executive session and asked for a motion.

7:35:01 AM

VICE CHAIR STEDMAN moved that Legislative Council go into executive session under uniform rule 22(b)(2)(3), discussion of subjects that tend to prejudice the reputation and character of a person; and discussion of a matter that may, by law, be required to be confidential. Any Legislators not on Council are welcome to stay and the following staff will be invited back in the room to answer questions if there are any: Pam Varni, Doug Gardner, and Skiff Lobaugh.

After a brief at-ease, Vice Chair Stedman clarified his motion to say that only Legislators were invited to stay during executive session, and that Ms. Varni, Mr. Gardner and Mr. Lobaugh may be asked into executive session to answer questions.

SENATOR HOFFMAN commented that the Legislature heard from Chief Justice Stowers that set a standard whereby he suggested that the Courts receive a 3.5% reduction; he recommended Council give very serious consideration to take a strong look at the Legislature's operations and budget because it is showing an increase, which does not set a good example, in his opinion.

NOTE: Initially legislative partisan staff were invited to stay for executive session, but that decision was reversed prior to Council going into executive session and only Legislators remained in the room. Toward the end of executive session, Pam Varni was asked to join the members.

[7:37:28 AM](#)

Legislative Council went into executive session.

[8:36:04 AM](#)

Legislative Council came out of executive session.

CHAIR KITO said that Council had an active discussion and that they did determine that there was still a fair amount of work to be done on the Legislature's budget. He said the plan going forward was to have discussions with the Finance Committee Chairs, the Senate President and the Speaker, to try and figure out how Legislative Council could move a budget into the subcommittee process that has a little bit more deliberation to it. He said that Legislative Council would hold the budget at this point and, as rapidly as possible, go through some further analysis before it is moved on to the subcommittees.

[8:37:26 AM](#)

VICE CHAIR STEDMAN moved that Legislative Council remove the funding associated with the Ombudsman's case management system from the Legislative Council Operating Budget (500.0).

CHAIR KITO explained that the reason for doing so is to identify other sources of funding for the case management system, which is a capital item that doesn't belong in the operating budget.

There was no objection and Council agreed to include that recommendation as they move forward on the operating budget.

There being no further business before the committee, Legislative Council adjourned at 8:39 a.m.

[8:38:32 AM](#)

LEGISLATIVE COUNCIL PROPOSED FY 18 BUDGET RECAP OF CHANGES BY COMPONENT

LEGISLATORS' SALARIES & ALLOWANCES

This component pays for Legislators' salaries, their travel, per diem and moving expenses to and from session, 90 days of session per diem, and Legislators' annual office allowance.

Legislator's salaries are set by statute by the State Officers Compensation Commission at \$50,400 annually. Legislators receive an office allowance of \$20,000 for Senators and \$12,000 for Representatives for postage, stationery and other expenses.

Salary Adjustment increases for benefits from FY 17 to FY 18 are a total of \$155.7.

<i>FY 16 Actuals</i>	<i>\$7,516.9</i>	<i>FY 17 Gov's Figure</i>	<i>\$7,615.5</i>
<i>FY 17 Mgmt. Plan</i>	<i>\$7,459.8</i>	<i>FY 18 Request</i>	<i>\$7,615.5</i>

Total \$0.0

ADMINISTRATIVE SERVICES

This component pays for operation of the Division of Administrative Services. It is the main support division for the Legislature along with the Division of Legal and Research Services and Information and Teleconference. The sections in this component are the Executive Director's Office, Accounting, Information Technology, Maintenance, Personnel, Print Shop, and Supply.

In FY 16 this component was reduced by 16 positions and an overall 7.5% reduction (\$741.0). In addition, Information and Teleconference Section was moved to its own component.

For FY 18 in Personal Services there is a decrease from our Governor's figures of \$91.0. We are deleting a 4th Floor Copier position for the Print Shop and reducing

an Administrative Assistant position in the Executive Director's Office from full time to seasonal.

Dues for the Legislature are budgeted in Administrative Services and FY 17 Authorized is being requested in FY 18. If we were to request full funding for NCSL, CSG, Pacific Fisheries Legislative TF, Western Legislative Forestry TF, & PNWR (also full funding for Energy Council that was eliminated last year) it would be an increase of \$97.9 to our budget.

With the purchase of 1500 W. Benson Blvd. there will be \$514.0 in revenue in FY 17 and \$531.5 in FY 18. This revenue will pay for our operating costs which are budgeted in Administrative Services for all our legislative owned buildings.

Salary Adjustment increases for benefits from FY 17 to FY 18 are a total of \$163.1.

Administrative Services has been absorbing increases for the last several years and lapsed only \$133.9 in FY 16, \$40.7 in FY 15, \$1.7 in FY 14 and \$3.7 in FY 13.

<i>FY 16 Actuals</i>	<i>\$9,087.2</i>	<i>FY 17 Gov's Figure</i>	<i>\$9,575.3</i>
<i>FY 17 Mgmt. Plan</i>	<i>\$8,880.7</i>	<i>FY 18 Request</i>	<i>\$9,484.3</i>

Total -\$91.0

COUNCIL & SUBCOMMITTEES

This component pays for the operation of the Legislative Council Committee, Joint Armed Services Committee and task forces or special committees established by statute or resolution. In FY 17 and our request for FY 18 there is funding for the Senate Special Committee on the Arctic and the House Sp. Committee on Arctic Policy/Econ Dev/Tourism.

A full time Legislative Secretary and a temporary position were eliminated in the Legislative Council Chair Account. The Professional Assistant position was also reduced from a Range 24 to a Range 22. A reduction of \$10.0 in services and a reduction in commodities of \$15.5. A total reduction of \$221.2 to the Legislative Council Chair Account.

Council Chair - \$672.0 Jt. Armed Services - \$10.0 Senate Sp. Comm. on the Arctic - \$27.8 House Sp. Comm. Arctic Policy/Econ Dev/Tourism - \$27.9

Salary Adjustment increases for benefits from FY 17 to FY 18 are a total of \$5.8.

<i>FY 16 Actuals</i>	<i>\$1,092.8</i>	<i>FY 17 Gov's Figure</i>	<i>\$958.9</i>
<i>FY 17 Mgmt. Plan</i>	<i>\$ 953.1</i>	<i>FY 18 Request</i>	<i>\$737.7</i>

Total -\$221.2

LEGAL AND RESEARCH SERVICES

This component pays for the operation of the Division of Legal and Research Services including bill drafting, legal services, legislative library and research services.

In FY 16 this component was reduced by 7 positions and an overall 13.4% reduction.

Salary Adjustment increases for benefits from FY 17 to FY 18 are a total of \$77.1.

<i>FY 16 Actuals</i>	<i>\$4,176.5</i>	<i>FY 17 Gov's Figure</i>	<i>\$4,166.9</i>
<i>FY 17 Mgmt. Plan</i>	<i>\$4,089.8</i>	<i>FY 18 Request</i>	<i>\$4,166.9</i>

Total \$0.0

SELECT COMMITTEE ON ETHICS

This component pays for the operation of the Select Committee on Legislative Ethics.

Salary Adjustment increases for benefits from FY 17 to FY 18 are a total of \$4.6.

<i>FY 16 Actuals</i>	<i>\$216.4</i>	<i>FY 17 Gov's Figure</i>	<i>\$253.5</i>
<i>FY 17 Mgmt. Plan</i>	<i>\$248.9</i>	<i>FY 18 Request</i>	<i>\$253.5</i>

Total \$0.0

OFFICE OF VICTIMS' RIGHTS

This component pays for the operation of the Office of Victims' Rights (OVR). OVR provides free legal services to victims of crime to help them obtain the rights they are guaranteed under the Alaska Constitution and statutes with regard to their contacts with police, prosecutors, judges and other criminal justice agencies in this State.

Salary Adjustment increases for benefits from FY 17 to FY 18 are a total of \$19.4.

<i>FY 16 Actuals</i>	<i>\$893.9</i>	<i>FY 17 Gov's Figure</i>	<i>\$971.6</i>
<i>FY 17 Mgmt. Plan</i>	<i>\$952.2</i>	<i>FY 18 Request</i>	<i>\$971.6</i>

Total \$0.0

OFFICE OF THE OMBUDSMAN

This component pays for the operation of the Office of the Ombudsman. The Ombudsman investigates citizens' complaints against state executive and court branch agencies including boards and commissions, corporations and the University system. By doing so the Ombudsman serves as a resource for the Alaska Legislature in its oversight of state government. The current Ombudsman's term is up the end of FY 17.

The Ombudsman is requesting funding for a new Case Management System to track complaints, inquiries, investigations, findings, determinations and produce reports - \$500.0.

Salary Adjustment increases for benefits from FY 17 to FY 18 are a total of \$27.3.

<i>FY 16 Actuals</i>	<i>\$1,173.9</i>	<i>FY 17 Gov's Figure</i>	<i>\$1,277.0</i>
<i>FY 17 Mgmt. Plan</i>	<i>\$1,249.7</i>	<i>FY 18 Request</i>	<i>\$1,777.0</i>

Total \$500.0

LEGISLATURE STATE FACILITIES RENT

This component pays for leased space rental by the Legislature statewide. We have 22 Legislative Information Office (LIO) sites outside of Juneau. Many of these sites also have interim office space for Legislators interim offices. There are two sites for Legislators interim offices which are not comingled with an LIO (North Pole and Eagle River).

There is a \$58.9 decrease in this component from the Governor's figure to our FY 18 request. The Wrangell and Ketchikan office space for Legislator or legislative staff space was eliminated for our FY 18 request. We do have Wrangell and Ketchikan LIO and Legislator space still in our FY 18 request. We also did not receive an anticipated large increase to our Barrow LIO space. These three reductions resulted in the \$58.9 savings. We need full funding of \$1,594.2 to restore base level funding for all of our lease obligations.

<i>FY 16 Actuals</i>	<i>\$5,531.6</i>	<i>FY 17 Gov's Figure</i>	<i>\$1,653.1</i>
<i>FY 17 Mgmt. Plan</i>	<i>-0-</i>	<i>FY 18 Request</i>	<i>\$1,594.2</i>

Total -\$58.9

LEGISLATURE STATE FACILITIES RENT- OTHER THAN ANCH 716 W. 4TH AVE.

This component in FY 17 paid for our leased space statewide with the exception of our Anchorage 716 W. 4th Avenue leased space. We are not requesting funding named like this in FY 18.

<i>FY 16 Actuals</i>	<i>-0-</i>	<i>FY 17 Gov's Figure</i>	<i>-0-</i>
<i>FY 17 Mgmt. Plan</i>	<i>\$1,499.6</i>	<i>FY 18 Request</i>	<i>-0-</i>

Total \$0.0

INFORMATION AND TELECONFERENCE

This component pays for the operation of the Information & Teleconference Section. There are 23 Legislative Information Offices (LIO) facilitating communication between the Legislature & the public through teleconferencing services, publications & maintaining online access.

In FY 16, 4 full time positions were reduced to 4 permanent part time positions in Barrow, Kotzebue, Fairbanks and MatSu. It was an overall 7.5% reduction to the component. In FY 17, 16 positions were reduced from full time to seasonal. It was a reduction of \$250.0. We presently do not have any full time LIO staff statewide.

Salary Adjustment increases for benefits from FY 17 to FY 18 are a total of \$77.4.

<i>FY 16 Actuals</i>	<i>\$3,254.6</i>	<i>FY 17 Gov's Figure</i>	<i>\$3,183.5</i>
<i>FY 17 Mgmt. Plan</i>	<i>\$3,106.1</i>	<i>FY 18 Request</i>	<i>\$3,183.5</i>

Total \$0.0

LEGISLATIVE OPERATING BUDGET

This component pays for the interim staff of most of the House and Senate personal staff which includes majority and minority staff, committee expenses during the interim such as travel for Legislators and staff, supplies, phones, contracts and equipment, minority expenses, etc. Funds are discretionary to the Senate President and the Speaker of the House.

There is a \$72.8 technical correction to this component transferring reduction for 5 day furlough from House and Senate Finance components to the House and Senate Operating Budgets.

Salary Adjustment increases for benefits from FY 17 to FY 18 are a total of \$250.1.

<i>Senate Operating FY 17 Authorized -</i>	<i>\$5,042.8</i>	<i>FY 18 Senate Request -</i>	
<i>\$5,171.3</i>			
<i>House Operating FY 17 Authorized -</i>	<i>\$6,372.3</i>	<i>FY 18 House Request -</i>	
<i>\$6,566.7</i>			

<i>FY 16 Actuals</i>	<i>\$10,135.3</i>	<i>FY 17 Gov's Figure</i>	<i>\$11,665.2</i>
<i>FY 17 Mgmt. Plan</i>	<i>\$11,415.1</i>	<i>FY 18 Request</i>	<i>\$11,738.0</i>

Total \$72.8

SESSION EXPENSES

This component pays for the operation of the 90 day session. There are 224 positions for the House and Senate. The majority of the personal staff working for Legislators is coded to Session Expenses during the regular session. The Rules Chairs control these funds with the exception of travel which is approved by the Presiding Officers and Security personnel hired by the Agency. In FY 17 all special session funding was appropriated in a separate component instead of contained in the Session Expenses component.

Salary Adjustment increases for benefits from FY 17 to FY 18 are a total of \$195.6.

Change to Revenue -3.5/-3.5GF

-1.5 Revenue – decrease revenue for Alaska Statute inter-agency receipts

-2.0 Revenue – decrease revenue for Legislative Subscription program receipts

FY 16 Actuals \$9,542.0

FY 17 Gov's Figure \$9,111.3

FY 17 Mgmt. Plan \$8,915.7

FY 18 Request \$9,107.8

Total -\$3.5

SPECIAL SESSION/CONTINGENCY

This component pays for Special Session expenses or needed contingency funds.

FY 16 Actuals \$215.5

FY 17 Gov's Figure \$1,076.6

FY 17 Mgmt. Plan \$1,066.0

FY 18 Request \$1,076.6

Total \$0.0

LEGISLATURE STATE FACILITIES RENT ANCH 716 W. 4TH AVE.

This component in FY 17 paid for our leased space statewide with the exception of our Anchorage 716 W. 4th Avenue.

We are not requesting funding named like this in FY 18.

FY 16 Actuals -0-

FY 17 Gov's Figure -0-

FY 17 Mgmt. Plan \$844.9

FY 18 Request -0-

-DRAFT-

Total \$0.0

GRAND TOTAL OF CHANGES TO ALL COMPONENTS

\$198.2

[8:38:32 AM](#)