

# **HB 181**

# **Per Diem and the SOCC**

---

Office of Rep. Kreiss-Tomkins

Prepared by Berett Wilber

# **What's the point of HB 181?**

It empowers the State Officer's Compensation Commission to set legislative session per diem.

# How does per diem currently work?

- Per diem is money paid to legislators intended to cover their lodging, meals, and incidental expenses related to their work during session.
- Per diem is direct deposited into a legislator's account unless they actively reach out to Leg Accounting to decline it. Per diem can be declined on a day by day basis.
- Per diem policy for Alaska legislators has been set by the Legislative Council since 1993. The current policy is that legislators receive the highest federal rate of per diem for their location during session.

# What does the highest federal rate mean?

The federal per diem rate for Alaska is set by the Department of Defense. Alaska's rate is tacked to the "highest" federal rate, so legislators receive the a higher rate of per diem than they would if they followed the actual federal guidelines, which varies by short term and long term.

\* All rates are in US Dollars

Locality	Seasons (Beg-End)	Maximum Lodging	Local Meals	Proportional Meals	Local Incidental	Footnote	Footnote Rate	Maximum Per Diem	Effective Date
JUNEAU	05/01-09/15	189	85	50	21			295	03/01/2017
JUNEAU	09/16-04/30	169	85	50	21			275	03/01/2017

↑      ↑      ↑      ↑  
It's this.....plus this...      ...plus this...      ...totalling this: **\$275**

# Two Slide History of SOCC & Leg Per Diem, Pt. 1

- **1986 - 1992:**
  - State Officers Compensation Commission authorized, but had to be approved by constitutional amendment.
  - An objective board to recommend salary and compensation for Legislators (including per diem).
  - In the meantime, per diem guidelines based on the per diem rate for State of Alaska employees on business travel, as set by the Commissioner of Administration, were written into statute, with an end of section note indicating they'd be repealed once the SOCC got off the ground.
  - By 1992, a constitutional amendment had not been passed by — or offered to — voters.
- **1993:**
  - Following the SOA rate was intended to be a short term solution: it was an accounting nightmare.
  - Legislators could receive per diem during session and interim: there was a short-term rate (for legislators who didn't live in their permanent residences during session or while doing legislative business), and a long-term rate (for legislators who did live in their permanent residences), with variations based on each region.
  - After a review by Leg Council, an amendment to a floor vote gave Leg Council the power to set travel reimbursement and per diem for legislators.
- **1994 - 2017:**
  - Leg Council tacks legislative per diem to the federal rate of per diem, set by Dept. of Defense, based on location.

# Two Slide History of the SOCC & Leg Per Diem, Pt. 2

- **2008:**

- Rep. Mike Doogan offers HB 240, a bill to repeal and replace the old SOCC statutes.
- Keep the legislature at arms length from the process, and avoid having to adjust salaries by legislation every 5 years.
- The new law required Leg Council to set per diem “in accordance” with SOCC’s recommendations.
- Passes, and establishes SOCC as we currently know it.

- **2009 - 2017:**

- SOCC makes first recommendations in 2009:
- Raises leg salaries from \$24,000 to \$50,400, axes interim per diem to deal with inequity.
- Ruled that Session per diem, travel expenses, moving allowances, and office expense accounts are not compensation, and that Leg Council should continue to set them.

# Current legal relationship

## **Sec. 24.10.130. Moving expenses and per diem allowance.**

(a) A member of the legislature may be entitled to reimbursement for the expenses of moving between the member's place of residence and the capital city for the purpose of attending a regular session of the legislature.

(b) Legislators and officers and employees of the legislative branch of government may be entitled to a per diem allowance.

(c) The Alaska Legislative Council shall adopt a policy in accordance with AS 39.23.540(d) regarding reimbursement for moving expenses applicable to all legislators and an applicable per diem allowance policy. The policy must set conditions for the reimbursement for moving expenses and payment of per diem and prescribe the amounts of reimbursement adapted to the special needs of the legislative branch as determined by the council.

## **Sec. 39.23.540. Duties of the [State Officer's Compensation] Commission.**

(d) The commission shall make available to the governor and presiding officers of each house of the legislature a final report of its findings and recommendations as to the rate and form of compensation, benefits, and allowances for legislators, the governor, the lieutenant governor, and each principal executive department head during the first 10 days of a legislative session.

# State of the SOCC in 2017.

- Board of five. Appointed by the governor. Speaker of the House puts forward two nominees; Senate President puts forward two nominees. Governor chooses one from each.
- Can't serve on any other state boards/commissions.
- Can't be serve in a group for which SOCC makes recommendations for at least 4 years before becoming an SOCC commissioner.
- Staggered, four year terms. Meet biennially, or annually as needed.
- Set salaries for governor, lieutenant governor, legislators, department heads.
- In order to reject the Commission's recommendations, legislators must pass a bill within the first 60 days of session.
- Must adopt or reject recommendations wholesale — can't pick and choose recommendations.



# SOCC Membership

## Current Membership

NAME	APPOINTED	REAPPOINTED	EXPIRES
<b>Bannock, Duane</b> (Kenai) Public/House of Representatives	05/04/2016		03/01/2018
<b>Clary, Glenn</b> (Anchorage) Public/Governor	05/04/2016		03/01/2020
<b>Duhrsen, Julee</b> (Anchorage) Public/Senate	10/04/2013		03/01/2017
<b>Strutz, Richard</b> (Anchorage) Public/Governor	05/04/2016		03/01/2020
<b>Vacant</b> () Public/Governor			10/01/2016

## Comprehensive Membership Since Beginning of Time (circa 2008)

**Rick Halford** (11/14/2008-3/1/2012), (5/1/2012-3/1/2016)  
**Gordon Harrison** (11/14/2008-3/1/2010), (3/1/2010-3/1/2014)  
**Rick Koch** (11/14/2008-3/1/2011)  
**Thomas McGrath** (11/14/2008-3/1/2012), (5/1/2012-3/1/2016)  
**Mike Miller** (11/14/2008-3/1/2009) (5/27/2009-3/1/2013)  
**Richard Knapp** (7/1/2011-3/1/2015)  
**Kathy Hosford** (11/20/2013-3/1/2015)  
**Julee Duhrsen** (10/4/2013-3/1/2017)

# What would it look like if SOCC set per diem?

- No technical or logistical problems.
- Already use data-driven methods to craft proposals that are fair and logical.
- Serve as an apolitical, impartial body to get legislators out of the awkward position of setting their own compensation, as with salary.
- With authority over both salary and per diem, maintain a balance between compensation and expenses that guarantees a diverse range of good candidates.
- Creates a self-correcting system that can deal with changes without legislation.
- Per diem will stop taking up legislative time, money, resources.

## List of Reports Used by SOCC for 2015 Salary Recommendations

**The SOCC will next meet  
to make recommendations  
later this year.**

- 2015 Compensation of Select Exempt Executives
- 2015 Department Listing
- Schedule of Compensation for Executive Positions
- Executive Branch Employees Who Earned \$125,000 or Greater in CY 2014 (Executive, Judicial, and Legislative Branches)
- Deputy Department Heads as of 9-30-15
- 2015 Book of States Responses with Geographic Comparison to Anchorage, AK
- Governor and Lt. Governor Salaries with CPI and Statutory Increases
- Annual Salary of Commissioners with CPI and Statutory
- Summary of Salary Changes for Governor, Lt. Governor, and Department Heads
- Legislators Monthly Salary History
- Legislative Salaries with CPI and Statutory Increases
- Session and Interim Per Diem History
- Alaska Legislature 2014 Salary and Business Expense Report
- 2014 State Legislator Compensation (NCSL)

# Thanks.

- Jessica Geary, Leg Accounting
- Pam Varni, LAA Executive Director
  - Jennifer Fletcher, Legislative Reference Librarian
- Minta Montalbo, DOA Leg Liaison
- Kate Sheehan, Division Director of Personnel