

ALASKA STATE LEGISLATURE

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Senate Bill 145 ***Prohibiting Retroactive Per Diem***

SPONSOR STATEMENT

In 2018, the legislature passed an ethics reform bill in HB 44. This legislation was deemed substantially similar to a citizen's initiative signed by over 40,000 Alaskans — Removing the issue from the ballot. One of the key components of the initiative was to end per diem payments if a budget had not been passed by the end of the 121-day session, and not to allow per diem payments to resume until after a budget had been passed. The public reportedly viewed this provision as an incentive for legislators to finish their work without subjecting government employees to the uncertainty brought on by perpetual pink slips.

To the dismay of many supporters of the initiative, legislative council later decided that legislators could receive retroactive back-pay for their missed per diem payments once the budget passed. This apparent circumvention of the process strikes many voters as dishonest and erodes public trust. Very simply, the lack of per diem payments provides an incentive to finish our one true job of providing a budget in a timely fashion before the end of the regular session. Allowing either per diem payments or retroactive per diem payments creates an incentive to not pass a budget on time.

SB 145 seeks to remedy the situation by prohibiting retroactive per diem payments after a failure to pass a budget during the regular session and disallowing per diem payments to resume until after a budget is passed. I believe this bill takes a step toward restoring that public's trust and aligns the law with the intent of the citizens.