

**ALASKA STATE LEGISLATURE**  
**JOINT COMMITTEE ON LEGISLATIVE BUDGET AND AUDIT**

April 29, 2003

8:05 a.m.

**MEMBERS PRESENT**

Representative Ralph Samuels, Chair  
Representative Beth Kerttula

Senator Gene Therriault, Vice Chair  
Senator Ben Stevens  
Senator Lyman Hoffman  
Senator Lyda Green, alternate

**MEMBERS ABSENT**

Representative Mike Hawker  
Representative Vic Kohring  
Representative Jim Whitaker  
Representative Reggie Joule, alternate  
Representative Bill Williams, alternate

Senator Con Bunde  
Senator Gary Wilken

**COMMITTEE CALENDAR**

APPROVAL OF MINUTES  
EXECUTIVE SESSION  
AUDIT REPORTS  
OTHER COMMITTEE BUSINESS

**WITNESS REGISTER**

MR. TED POPELY, Majority Counsel  
Majority Legal Office  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Spoke on amending the contract with  
Keesal, Young & Logan in the matter of Grimm v. State, Case No.  
3AN-02-12950.

PAMELA A. VARNI, Executive Director  
Legislative Affairs Agency (LAA)  
Juneau, Alaska

POSITION STATEMENT: Presented information pertaining to the staff longevity plan.

**ACTION NARRATIVE**

**TAPE 03-4, SIDE A**

Number 0001

**CHAIR RALPH SAMUELS** called the Joint Committee on Legislative Budget and Audit meeting to order at 8:05 a.m. Members present at the call to order were Representatives Samuels and Kerttula, and Senators Therriault, Ben Stevens, Hoffman, and Green.

**APPROVAL OF MINUTES**

Number 0048

**SENATOR THERRIAULT** made a motion to approve the minutes of April 9, 2003.

**CHAIR SAMUELS** asked whether there were any objections. There being none, the minutes from the meeting of April 9, 2003, were approved as read.

**EXECUTIVE SESSION**

Number 0060

**SENATOR THERRIAULT** made a motion to move to executive session for the purpose of discussing confidential audit reports under AS 24.20.301. There being no objection, the committee went into executive session at 8:07 a.m.

**CHAIR SAMUELS** brought the committee back to regular, open session at 8:25 a.m.

**AUDIT REPORTS**

Number 0110

**SENATOR THERRIAULT** made a motion for the final audit for the following to be released to the public for response: 1) DCED [Department of Community & Economic Development] Commercial Fisheries Revolving Loan Fund, and 2) DHSS [Department of Health & Social Services] DFYS [Division of Family & Youth Services] Selected Travel Issues.

CHAIR SAMUELS asked whether there were any objections. There being none, the audits were released to the public for response.

#### **OTHER COMMITTEE BUSINESS**

Number 0133

TED POPELY, Majority Counsel, Majority Legal Office, testified that the Joint Committee on Legislative Budget and Audit had approved [a legal contract with] the law firm Keesal, Young & Logan [December, 2002] in response to litigation relating to Senator Thomas Wagoner's election results. Grimm v. State was filed, challenging Senator Wagoner's election success, and the Joint Committee on Legislative Budget and Audit voted to file an amicus brief in support of Senator Wagoner's attorney's position regarding the interpretation of the election statutes. Ultimately, Mr. Wagoner prevailed in litigation and is now seated in the Alaska state Senate.

Number 0302

MR. POPELY continued that the contract amendment relates to payment on a contract [with Keesal, Young & Logan] that, for a variety of administrative reasons, was originally capped at \$20,000. Amending the contract would include payment for additional expenses pertaining to items such as copying, postage, mailing, overnight delivery, and services provided by Westlaw.

Number 0401

SENATOR HOFFMAN asked if the contract was specifically for \$20,000 and if the law firm had been fully aware of that amount.

MR. POPELY responded that the contract was for \$20,000 and that the firm performed \$34,000 worth of billable work, but was not authorized to charge for the additional \$14,000. Other expenses incurred by the firm resulted in the final bill totaling [\$26,266.58].

Number 0438

SENATOR THERRIAULT told the committee that he didn't recall what the total billable amount was, but commented that the work product had been very thorough, and that he had been kept informed of how things were progressing. He said basically the Joint Committee on Legislative Budget and Audit was involved

because of a "separation of powers issue," and the legislature was "looking out for its own" and addressing the challenge of how the winner of an election was being perceived. He said that he was willing to cover the [\$6,266.58] additional costs.

Number 0556

REPRESENTATIVE KERTTULA asked if there were attorney fees against the other party.

MR. POPELY replied that there were no fees for the amicus, saying that the state was strictly an amicus curiae.

SENATOR THERRIAULT commented on the issue of separation of powers, pointing out that the administration looks out for its powers and the legislature needs to aggressively protect its [powers].

REPRESENTATIVE KERTTULA inquired whether the amicus could apply for attorney's fees if its position prevailed.

MR. POPELY answered that generally this was not allowed. She then asked, "Does the rule actually bar it?"

MR. POPELY responded that this was left out in the rule, saying that he didn't know of any instance in which it had even been applied for.

Number 0703

SENATOR THERRIAULT moved that the committee approve the expenditure of the additional \$6,266.58 to cover the costs.

CHAIR SAMUELS asked whether there were any objections. There being none, it was so ordered.

CHAIR SAMUELS announced that the next order of business would be the staff longevity plan.

Number 0725

PAMELA A. VARNI, Executive Director, Legislative Affairs Agency (LAA), testified that in 1988, the House and the Senate adopted an employment policy for legislative staff, which has worked well with the exception of the longevity steps of J through M. She explained that the reason this hasn't worked well is because of the word "continuous", which penalizes legislative staff

because of their switching of ranges due to budget constraints or because of the legislator for whom they work not having that range available. An example would be if a staff member worked in the capacity of a range 19J and then switched to a range 17 during the interim; it wouldn't be possible to place that person at step J - he/she would need to be placed at a range 17F.

Number 0843

MS. VARNI told the committee that there is a lot of switching of ranges and that during February and March [2003], at different committee meetings, a new longevity policy that removes the word "continuous" was approved by the Senate Rules Standing Committee, the House Rules Standing Committee, Legislative Council, Joint Committee on Administrative Regulation Review, Senate Finance Standing Committee, and the House Finance Committee.

Number 0916

MS. VARNI referred to Chair Samuels' memo [dated April 28, 2003, to members of the committee] and said she wanted to emphasize that in giving this ability [to implement policy] to the legislative auditor and to the director of legislative finance, she hoped there would be consistency with [LAA policy], noting that in the past there has been a generous "comp policy" amounting to approximately double the amount that LAA employees receive. She said that the LAA is very consistent with personnel policies, and referred the committee to two resources, the "State of Alaska Legislative Staff Employee Handbook" and the "State of Alaska Legislative Affairs Agency Handbook for Legislative Employees" if there was interest in obtaining additional information.

CHAIR SAMUELS indicated that for [staff hired] directly by the Joint Committee on Legislative Budget and Audit, the proposed longevity policy would be provided and that by statute [AS 24.20.221 and AS 24.20.261] the employees of the Legislative Fiscal Analyst and the Legislative Auditor have the flexibility to come up with their own [employee compensation policy, including longevity, based on the principles of merit and longevity]. In response to a query from Senator Therriault, he confirmed that extensions could be made to the policy that was before the committee.

SENATOR HOFFMAN asked how this pertained to legislative staff [in general].

SENATOR THERRIAULT referred to Ms. Varni's comment regarding various committees' adoption of the policy and asked if the Joint Committee on Legislative Budget and Audit was the last legislative entity to come into compliance.

MS. VARNI confirmed that this was the case.

CHAIR SAMUELS pointed out that legislative staff do not get hired for another legislative session if they don't perform well, suggesting this to be the ultimate test of merit.

Number 1229

SENATOR THERRIAULT moved that the Joint Committee on Legislative Budget and Audit not adopt AS 39.27.022 to pay increments for longevity for state services, but instead adopt its own plan, which better applies to services provided to the committee. This new policy is before the members and would be effective [retroactively] January 16, 2003. The new plan reads as follows [original punctuation provided, with some formatting changes]:

1. For staff hired directly by the Committee the proposed longevity policy would provide

Step J - Fourteen legislative sessions of at least 100 days each, or two full years with the legislature at a comparable or higher level.

Step K - Eighteen legislative sessions of at least 100 days each, or two full years with the legislature at a comparable or higher level.

Step L - Twenty eight legislative sessions of at least 100 days each or five full years with the legislature at a comparable or higher level.

Step M - Thirty six legislative sessions of at least 100 days each, or four full years with the legislature at a comparable or higher level.

2. Consistent with AS 24.20.221 the Legislative Fiscal Analyst will implement an employee compensation policy (including longevity), based on the principles of merit and longevity.

3. Consistent with As 24.20.261 the Legislative Auditor will implement an employee compensation policy (including longevity), based on the principles of merit and longevity.

CHAIR SAMUELS asked whether there were any objections. There being none, it was so ordered.

**ADJOURNMENT**

There being no further business before the committee, the Committee on Legislative Budget and Audit was adjourned at 8:45 a.m.