

ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE

January 17, 2008
8:05 a.m.

MEMBERS PRESENT

Representative Bob Lynn, Chair
Representative Bob Roses, Vice Chair
Representative John Coghill
Representative Kyle Johansen
Representative Craig Johnson
Representative Andrea Doll

MEMBERS ABSENT

Representative Max Gruenberg

COMMITTEE CALENDAR

HOUSE BILL NO. 281

"An Act extending the statute of limitations for the filing of complaints with the Alaska Public Offices Commission involving state election campaigns."

- HEARD AND HELD

HOUSE BILL NO. 260

"An Act relating to a State Officers Compensation Commission and establishing how legislators, the governor, the lieutenant governor, and executive department heads shall be compensated; providing for an effective date by repealing the effective dates of certain sections of ch. 124, SLA 1986; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 262

"An Act relating to interfering with or obstructing a peace officer's performance of official duties."

- BILL HEARING POSTPONED to 01/19/08

HOUSE BILL NO. 296

"An Act extending the termination date of the Board of Parole; and providing for an effective date."

- BILL HEARING POSTPONED to 01/19/08

PREVIOUS COMMITTEE ACTION

BILL: HB 281

SHORT TITLE: CAMPAIGN FINANCE COMPLAINTS

SPONSOR(S): REPRESENTATIVE(S) LYNN, GATTO

01/04/08 (H) PREFILE RELEASED 1/4/08
01/15/08 (H) READ THE FIRST TIME - REFERRALS
01/15/08 (H) STA, JUD
01/17/08 (H) STA AT 8:00 AM CAPITOL 106

BILL: HB 260

SHORT TITLE: STATE OFFICERS COMPENSATION COMMISSION

SPONSOR(S): REPRESENTATIVE(S) DOOGAN

05/15/07 (H) READ THE FIRST TIME - REFERRALS
05/15/07 (H) STA, FIN
01/17/08 (H) STA AT 8:00 AM CAPITOL 106

WITNESS REGISTER

MIKE SICA, Staff
Representative Bob Lynn
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 281 on behalf of Representative Lynn, sponsor.

BROOKE MILES, Executive Director
Alaska Public Offices Commission (APOC)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 281.

STEVE CLEARY, Executive Director
Alaska Public Interest Research Group (AKPIRG)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 281.

REPRESENTATIVE MIKE DOOGAN
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced HB 260 as prime sponsor.

SENATOR KIM ELTON
Juneau, Alaska

POSITION STATEMENT: As a private citizen and former member of the salary commission, testified and answered questions during the hearing on HB 260.

NICKI NEAL, Director
Division of Personnel & Labor Relations
Department of Administration
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 260.

KARL KURTZ, Director
NCSL Trust for Representative Democracy Division
National Conference of State Legislatures (NCSL)
Denver, Colorado

POSITION STATEMENT: Provided a comparison of other state legislatures' commissions during the hearing on HB 260.

ACTION NARRATIVE

CHAIR BOB LYNN called the House State Affairs Standing Committee meeting to order at [8:05:04 AM](#). Representatives Roses, Coghill, Johnson, and Lynn were present at the call to order. Representatives Johansen and Doll arrived as the meeting was in progress.

HB 281-CAMPAIGN FINANCE COMPLAINTS

[8:06:45 AM](#)

CHAIR LYNN announced that the first order of business was HOUSE BILL NO. 281, "An Act extending the statute of limitations for the filing of complaints with the Alaska Public Offices Commission involving state election campaigns."

[8:07:33 AM](#)

MIKE SICA, Staff, Representative Bob Lynn, Alaska State Legislature, presented HB 281 on behalf of Representative Lynn, sponsor. He said the proposed bill will extend the statute of limitations on campaign finance complaints from one year to five years. Mr. Sica explained that the extended time limit on the statute of limitations will benefit lawmakers, candidates, the state, and the public. Furthermore, it will make the investigation more credible, give people confidence in the process, and will be fairer to everyone.

MR. SICA said the words "complaints," "investigations," and "violations" have negative connotations, but the actions leading to them are often unintentional. The cases in which someone has intentionally committed a violation are, he said, thankfully few and far between. Mr. Sica noted that since the statute of limitations was lowered from four years to one, certain events have happened that show the need to increase the statute of limitations to at least four years, which is the amount of time that has been recommended by the Alaska Public Offices Commission (APOC).

MR. SICA said a four-year statute of limitations was chosen originally because "that is considered the norm on civil violations that are tied to the election cycle of the longest term of our state lawmakers." He told the committee that he has spoken with representatives of APOC and those in the former administration for an explanation of why the time was decreased in 2003, and the answers he received varied from a desire to streamline the process and save money to a wish to incorporate APOC into the Office of the Attorney General, where the agency would have more "teeth" for enforcement. But the end result, he explained, was a one-year statute of limitation under the auspices of an APOC with limited funding. He said, "What happens is it looks like ... people are running out the clock when that's in fact not what's happening." He continued:

The reason why we decided to go with five years was: If we're going to fix it ..., rather than have four years, why not have five years? If your maximum term is four years and you can campaign as far out as 18 months before you're seated, that really is five and a half years. So, ... if we're going to cover the period, let's legitimately cover it. And I think most of the people I've seen here in the last two sessions are honest, hardworking people who are happy to be held accountable. And I think it will just reflect well on all of us.

[8:11:40 AM](#)

MR. SICA spoke of an expedited adjudication process. He said from the time that APOC decides to investigate a violation to the time that investigation is completed, 60 days have passed, and that is not going to change. He added, "So, you still have that speedy process, which, again, serves lawmakers, as well as the public." Mr. Sica referred to a handout in the committee packet showing statistics in other states. He said the statute

of limitations in other states ranges from none to a five-year statute of limitations. He offered examples. He said some states with shorter statute of limitations don't begin counting the time until the discovery of a violation, as opposed to counting from the time the violation was committed.

MR. SICA said that after speaking with the administrator of the Select Committee on Ethics, he found out that some states have both a longer statute of limitation, plus a clause similar to AS 24.60.170. He cited the last sentence of AS 24.60.170(a), which read as follows:

The time limitations of this subsection do not bar proceedings against a person who intentionally prevents discovery of a violation of this chapter.

MR. SICA explained, "That is not in this bill right now; it's just ... an interesting point we came across after filing it, and it's something you may want to consider." Regarding the \$156,000 fiscal note, Mr. Sica stated that the bill sponsor believes, "If we're going to ... rightly give them enough time to conduct a credible investigation, we should also give them the resources to conduct that."

[8:14:05 AM](#)

MR. SICA said the legislature is learning that it needs to loosen some ethics laws, while tightening others. He offered examples. He said [the statute of limitations] is an area that needs tightening.

[8:15:13 AM](#)

CHAIR LYNN announced that Brook Miles would be retiring in March and he thanked her for her long and dedicated service to the state.

[8:15:43 AM](#)

BROOKE MILES, Executive Director, Alaska Public Offices Commission (APOC), testified in support of HB 281. She said it has become apparent that a one-year statute of limitations does not provide APOC with sufficient tools to respond to the public's concerns regarding violations of the laws that the commission administers. She confirmed Mr. Sica's statement that APOC made the request for the expansion of the statute of limitations from one year to four years. Furthermore, she

assured the committee that the commission would have no problem if that increase were to be to five years, because such a period would "encapsulate the first reporting required of a candidate who ... could begin her campaign 18 months before the date of the election."

MS. MILES reported that APOC worked with the Department of Law (DOL) after determining that it was interested in requesting an expansion of the statute of limitations, and that discussion resulted in a couple suggestions. First, she asked that each applicable law administered by APOC be codified - not only the campaign disclosure law, AS 15.13, but also the regulation of lobbying law, AS 24.45, the financial disclosure for legislators law, AS 24.60.200-260, and the financial disclosure law for executive branch and municipal officials and candidates, found in AS 39.50. She said APOC is requesting a five-year statute of limitations under each one of those laws. Additionally, APOC would request that the statutory requirement for retention of records both by APOC and by the filer be expanded to cover the statute of limitations plus one year, which would equal a six-year retention of records.

[8:19:10 AM](#)

MS. MILES said APOC has placed a fiscal note on the request, because in addition to the tools for responding to the public's concerns regarding violations of Alaska's disclosure laws, the commission would need the resources to ensure that it could expeditiously and competently conduct and conclude the investigations within the required time. The cost of the fiscal note, she said, would cover an investigator position and paralegal that would be dedicated to the area of enforcement related to the disclosure laws.

[8:19:59 AM](#)

REPRESENTATIVE JOHANSEN asked if APOC has an "increment in the operating budget."

[8:20:12 AM](#)

MS. MILES confirmed that since it was difficult for APOC to predict where funding would be needed, it did ask for an increment for contractual services relating to fiscal year 2009 (FY 09). In response to a follow-up question from Representative Johansen, she said APOC saw an increase in its budget over the prior year. She said the increase in last

year's operating budget was to restore the single investigator position that APOC has currently.

[8:21:01 AM](#)

REPRESENTATIVE JOHANSEN stated that he thinks it is important to keep track of all the increments in the fiscal notes and the operating budget.

[8:21:57 AM](#)

REPRESENTATIVE COGHILL noted that HB 281 would be heard by the House Finance Committee. He asked if there is enough work to keep the aforementioned paralegal and investigator continuously working on legislative violations.

MS. MILES pointed out that the people in those positions would be working on other documentation and filing. In response to a follow-up question from Representative Coghill, she said one goal in moving toward electronic filing is to make the work less labor intensive. She stated, "It has always been our consideration that once that system is up and running, ... this agency itself will look at the funding, the reallocations of staff resources, and, in all hope, be able to identify efficiencies that may well result in future budget reductions."

[8:24:32 AM](#)

REPRESENTATIVE DOLL expressed appreciation of the proposed legislation.

REPRESENTATIVE COGHILL referred to Ms. Miles' previous reference to other statutory language, and he said he would be agreeable to considering those other statutes along with the bill.

CHAIR LYNN remarked that he had not considered doing that.

[8:25:58 AM](#)

MR. SICA agreed that those areas in statute could be included in the discussion.

REPRESENTATIVE COGHILL, in response to Chair Lynn, said perhaps the committee would need to expand the title, but that is a point that could be weighed upon by the bill drafter. He said if the committee is going to deal with the statute of

limitations, it would be good to consider all the areas in statute at once, to avoid "unintended consequences."

8:28:36 AM

REPRESENTATIVE JOHNSON asked Ms. Miles if consideration of additional factors related to the statute of limitations would necessitate a higher fiscal note.

MS. MILES answered no. She explained that APOC would receive complaints filed under the other laws, whether or not it expands the statute of limitations under each of them.

REPRESENTATIVE JOHNSON queried, "If you can double your work for the same money, why can't you do the same work for the same money now?"

MS. MILES said currently, with one investigator, it is not always possible to meet the 60-day deadline. Furthermore, she pointed out that with an extended period for the statute of limitations, it would require more effort to find evidence and interview witnesses. In response to a follow-up question from Representative Johnson, she stated, "If you don't expand statute of limitations and you don't give us any funding, things will stay the way they are."

REPRESENTATIVE JOHNSON clarify: "If you can take this fiscal note and double the work with it, could we cut it in half and have you do the same work that you're doing, including just the legislative and the elected officials?"

MS. MILES answered, "Probably not effectively."

REPRESENTATIVE JOHNSON said the math doesn't compute for him, but he will address the issue later.

8:33:35 AM

MS. MILES, in response to a question from Representative Roses, offered her understanding that the proposed legislation, if passed, would not reopen cases that were filed and facts that were alleged beyond the statute of limitations.

REPRESENTATIVE ROSES, in response to a comment made earlier by Ms. Miles, asked who is reviewing the complaints currently, and if the new investigator and paralegal would be working on them in any spare time.

MS. MILES explained that currently, complaints are receiving the most cursory review; they are not being addressed in a manner to which the public expects.

REPRESENTATIVE ROSES said it appears there is more work to do on the bill, and he recommended that the committee set it aside to allow time for other considerations.

[8:35:27 AM](#)

CHAIR LYNN concurred, but said he would like to continue the discussion at this time.

[8:35:43 AM](#)

REPRESENTATIVE JOHANSEN emphasized that he would like to see technology make jobs easier, rather than seeing more jobs added to each employee's check list because of the added technology. He remarked that three half jobs are being done rather than one job done well.

[8:39:04 AM](#)

REPRESENTATIVE DOLL said she hopes there are employees paid a lower wage for data entry rather than paying the investigator and paralegal to do that work. She stated that it is clear that analysts are needed.

[8:40:03 AM](#)

REPRESENTATIVE ROSES said he disagrees with Ms. Miles' previous statement regarding the public's expectations. He said he does not think, for example, that the public expects details regarding how many tenants he has in his apartments, although that information is required in disclosure. What the public expects, he stated, is that elected officials are representing the best interests of everyone in the state - not just a particular group, company, or individual with whom that elected official may have some financial connection. He said a prudent legislator is going to err on the side of caution and report much more than he/she has to.

[8:41:56 AM](#)

CHAIR LYNN remarked that recent ethics training confirms Representative Roses' comment that it is better to err on the side of being overcautious.

[8:43:53 AM](#)

MS. MILES, in response to Representative Coghill, said it has been almost over a decade since there has been a staff initiated complaint. Ms. Miles reported that election cycles are usually when APOC receives the most complaint activity. She noted that in 2007, almost all the complaints filed with APOC were related to the financial disclosure laws. Most complaints are usually filed regarding the campaign disclosure law, although APOC also receives complaints filed under the lobbying law. She said it would be difficult to give the average of the number of complaints. She recollected that APOC received 27 complaints during the 2002 election cycle, approximately 12 complaints during the 2004 cycle, and about 8 complaints during the 2006 cycle.

MS. MILES, regarding APOC's auditing process, said the document would have to show an obvious and clear violation of law for APOC to go forward with a staff-initiated complaint at that point. The first contact, she said, would be to the filer, to identify missing or inconsistent information and ask for clarification from the filer. Since the agency is complaint-driven with respect to its investigations, once a formal investigation is commenced, she explained, the agency needs to make clear to the respondent what is being alleged and offer that respondent his/her full right of due process of law.

REPRESENTATIVE COGHILL said it has been his experience that when he left information off a disclosure form, APOC has contacted him, and he expressed his appreciation for that. Regarding the statute of limitations, he said the committee could conjecture whether or not the work load will increase for APOC; however, he added, "Based on the complaint load, I just don't know that it would." He indicated satisfaction with APOC's treatment of staff-directed complaints as described by Ms. Miles.

[8:48:10 AM](#)

STEVE CLEARY, Executive Director, Alaska Public Interest Research Group (AKPIRG), testified in support of HB 281. He said AKPIRG has been in Alaska for over 30 years and has approximately 1,500 members across the state. The agency works to protect consumers and ensure that government is "responsive

to citizens at all levels." He said AKPIRG has long advocated for stronger tools for and enforcement by APOC, and it sees HB 281 as one tool to use in restoring the public's trust in its elected officials. He related a story about statute of limitations running out. He said in such an instance, it is easy to think that maybe the person regarding whom the complaint was filed may have been hiding something, when it could just as easily be that that person did nothing wrong. The proposed bill, he said, would allow APOC to investigate cases that they didn't get to investigate.

CHAIR LYNN expressed appreciation for Mr. Cleary's having shown both sides of an issue.

[8:51:55 AM](#)

CHAIR LYNN announced that HB 281 was heard and held.

The committee took an at-ease from [8:52:32 AM](#) to [8:56:29 AM](#).

HB 260-STATE OFFICERS COMPENSATION COMMISSION

[8:56:36 AM](#)

CHAIR LYNN announced that the last order of business was HOUSE BILL NO. 260, "An Act relating to a State Officers Compensation Commission and establishing how legislators, the governor, the lieutenant governor, and executive department heads shall be compensated; providing for an effective date by repealing the effective dates of certain sections of ch. 124, SLA 1986; and providing for an effective date."

[8:57:09 AM](#)

REPRESENTATIVE MIKE DOOGAN, Alaska State Legislature, introduced HB 260 as prime sponsor. He said the bill would bring back into existence a Commission that existed [as the Alaska Salary Commission] from 1977 through 1979. He noted that there was an attempt to reestablish the commission in the 1980s, which failed for reasons that Representative Doogan said are not entirely clear to him. He said the commission was tied to a constitutional amendment that was never offered. He added, "And part of the repealer language that you read in the title takes ... those provisions out of the law, which I think are ... essentially the only repealers in there."

REPRESENTATIVE DOOGAN explained that the commission would be comprised of five public members appointed by the governor, with a member recommended from each of the presiding officers of the legislative house. He said the job of the commission would be to examine the compensation of the legislators and principle officers of the State of Alaska and submit a report at least every two years. The members of the commission would serve without compensation. The recommendations of the commission would become law if they were not disapproved by the legislature within a 60-day period of that recommendation. The legislature would essentially keep final authority because nothing recommended would be funded without legislative appropriation. He pointed out that there is a \$7,500 fiscal note accompanying the proposed bill. In response to Chair Lynn, he explained the purpose of having recommendations made by the presiding officers of each legislative house is to ensure that the governor has the ability to choose members who can provide extra information and council for the other members of the commission. He clarified that legislators would not be nominated for the commission.

[9:02:30 AM](#)

REPRESENTATIVE ROSES augmented Representative Doogan's response to Chair Lynn by directing attention to the language of AS 39.23.510, shown on page 3, beginning on line 13, which read:

(a) A member of the commission may not be employed by the state, including the University of Alaska, serve as a member of another state board, commission, or authority, or hold elective state or municipal office during membership on the commission.

REPRESENTATIVE DOOGAN stated his intent in having the bill drafted was to not put legislators in the position they are currently in, which is essentially acting as the arbiters of their own compensation. He described the [Alaska Salary Commission] as "the last thing we've had that actually worked."

[9:03:29 AM](#)

REPRESENTATIVE ROSES directed attention to language on page 3, beginning on line 18, which read as follows:

(b) A member of the commission may not have served in an office or position for which the commission shall submit a recommendation under AS 39.23.540.

REPRESENTATIVE ROSES asked Representative Doogan if it is his intent that a former legislator not be able to serve.

REPRESENTATIVE DOOGAN explained that he was attempting to put the legislature at arms length; however, if the committee wants to include former members, that would be fine.

CHAIR LYNN suggested the language could specify that it be someone who has been out of office for a certain period of time.

REPRESENTATIVE DOOGAN illustrated that a former legislator who had just served the prior year, being put in the position of making salary decisions for those legislators he/she worked with who are still in office, would not be very far removed from serving on the commission while still in office.

[9:05:52 AM](#)

REPRESENTATIVE DOLL suggested the need for further study of the bill issue - perhaps through a subcommittee.

CHAIR LYNN noted that the next committee of referral is the House Finance Committee.

[9:06:57 AM](#)

REPRESENTATIVE JOHANSEN asked why the bill sponsor included a handout in the committee packet showing age groups of legislators.

REPRESENTATIVE DOOGAN responded that he wanted to confirm his suspicion that "the level of compensation in the Alaska Legislature skews the composition of that body compared to the [general] population." He said there are more legislators serving who are of advanced maturity than those serving who are "out there trying to raise families and make a living." He said one possibility for that statistic is that the compensation for legislators is not sufficient for the latter group. He stated that Alaskans in the 30- to 50-year-old range are substantially underrepresented in the legislature, while those 50 and older are overrepresented compared to their numbers in the general population. He concluded, "I think it would be difficult to imagine a reason for that happening that didn't include the compensation."

[9:09:19 AM](#)

SENATOR KIM ELTON told the committee that he was testifying, not as a senator, but as a private citizen who had past experience as a member of the aforementioned salary commission. He reviewed that in 1976, voters - through a referendum - repealed pay raises and a generous retirement system that the legislature had given itself. Subsequently, the five-member salary commission was established by law.

SENATOR ELTON related that, unlike the proposed commission, the original commission was charged not only with looking at the salaries of the legislature, the governor, the lieutenant governor, and the commissioners, but also to make recommendations on deputy commissioners, division directors, sitting members of the commissions, and judicial salaries. He said the original commission members were appointed by the governor, as they would be to the proposed commission. He recollected that given the overwhelming voice of the electorate, what struck him about the public hearing process was that "most of the people that showed up were people whose salaries we were going to be adjusting or making recommendations about." The law related to the original commission was a "take-it-or-leave-it" law. He explained, "You couldn't cherry pick from the different recommendations." He stated his understanding of HB 260 is that "it would not take a vote of the legislature unless they were prepared to reject the recommendations of the salary commission." He said that is a different and perhaps better approach, "given what happened back then."

SENATOR ELTON told the committee that the original commission recommended a salary of \$11,750 and a schedule for payment of that salary to address the fact that the vast majority of a legislator's expenses are spent at the start of the session in order to move to the capital. Furthermore, that commission even voted to provide one round-trip airfare for the legislator to use to fly back to his/her district to meet with constituents. The commission also recommended some benefits that he said now he is not certain were good ideas. For example, for every bi-annual term, a legislator reelected would be given a \$500 pay increase. Senator Elton said the legislature accepted the \$11,750 component, but did not accept the rest of the recommendations. He stated that the former commission spent a lot of time trying to figure out whether, regarding parity issues, to "start at the bottom and work up" or "start at the top and work down." He explained that because the purview of the salary commission was broader than envisioned in HB 260, it wanted to ensure that the scale of pay was commensurate with

rank. He said that was a difficult challenge, but it is one that is mostly avoided in the proposed legislation.

[9:16:13 AM](#)

SENATOR ELTON commented on the length of time since that original commission made decisions. He stated, "I think the problem that actually prompted that salary commission informs this bill, and it is certainly, perhaps, a better alternative than asking legislators to do what they did in ... 1975, which is to set their own salary." He noted that the State of Washington uses an ongoing salary commission.

[9:17:51 AM](#)

REPRESENTATIVE ELTON, in response to a question from Representative Roses, said the original commission did not require confirmation of the legislature, but was strictly appointed by the governor. He said the purpose was to try to separate the legislature as far from "any of the product that might be presented back to them."

[9:18:38 AM](#)

SENATOR ELTON, in response to Representative Doll, regarding what led to the commission's demise, said he thinks one issue that became problematic was the notion that that salary commission would present something; "it was kind of an all or nothing." Also problematic was the broad scope of the commission. The proposed legislation would have a much narrower scope.

[9:19:59 AM](#)

REPRESENTATIVE COGHILL asked Senator Elton to discuss the public's expectation and the commission's expectation regarding what a reasonable compensation package was.

[9:21:00 AM](#)

SENATOR ELTON recollected that there was not a lot of angst from the public. Voters accepted the fact that the commission method was a fairer process, because those getting raises were not setting them for themselves. He said the angst occurred mostly inside the building, where legislators would react to the recommendations of the commission. For example, when the one round-trip ticket was proposed, some legislators asked why it

would only be one, while others were concerned that their constituents might feel one was too many.

9:24:20 AM

NICKI NEAL, Director, Division of Personnel & Labor Relations, Department of Administration, answered questions during the hearing on HB 260. She stated that the department has no opinion on the bill at this time, but did prepare the fiscal note. She stated that in preparing the fiscal note, the division accounted for the cost of conducting meetings and associated travel expenses. She noted that the division has the means within its existing staff to, for example, survey other states; however, if a more comprehensive study were needed, there would be an added cost, because the state would have to "contract out" to have it done.

9:25:18 AM

REPRESENTATIVE COGHILL asked Ms. Neal to tell him what the scope of availability is regarding contracting.

MS. NEAL said there are contractors available to conduct studies. The division, she said, has a method of surveying other states quickly and efficiently. She interpreted the proposed legislation as providing that "it would be up to the committee if they wanted us to go out and do something more extensive; it would get their direction."

9:26:36 AM

REPRESENTATIVE DOOGAN added:

One of the reasons for reducing the scope - the people who are covered under this bill, as opposed to the last salary commission - was to reduce the complexity of the task in front of the salary commission I tried to take what I considered to be the politically sensitive salaries and limit it to that, so ... it wouldn't have the necessity of going through any expensive salary studies or anything like that, because we're not going far enough down in the pecking order or broadly enough, in terms of numbers, to require that in all probability. At least that was my thinking.

REPRESENTATIVE COGHILL said he concurs with Representative Doogan in terms of bargaining, because that is a complicated subject. He commented that everyone is competing for a smaller workforce, he mentioned the demographics of the legislature, and he indicated that he needs time to ponder what other states are doing.

[9:28:46 AM](#)

REPRESENTATIVE DOOGAN said he does not think people run for the legislature because they want to get rich, or become commissioners because they cannot make money some place else. He stated his intent is to keep the compensation from being a barrier. He explained, "It's not really a recruitment and retention issue to me so much as not just erecting a complete barrier to people who would otherwise at least attempt to do what it is we're doing."

REPRESENTATIVE COGHILL concurred. He said the commission would be tasked to look at equitable rate, so the word equitable is a huge issue. He said he thinks "this public record" will help the commission to find some direction in that regard. He added, "Because otherwise they have to look at what ... probably could be termed competitive rates rather than equitable rates."

REPRESENTATIVE DOOGAN reiterated his aforementioned point regarding removing the barrier to public service.

[9:31:03 AM](#)

KARL KURTZ, Director, NCSL Trust for Representative Democracy Division, National Conference of State Legislatures (NCSL), provided a comparison of other state legislatures' commissions during the hearing on HB 260. He said he would talk about what legislators are paid around the country compared to Alaska, and what methods are used to calculate their compensation.

MR. KURTZ directed attention to a handout in the committee packet, entitled, "Perspectives on Legislative Compensation." He said it is often difficult to find out what legislators are paid, because, for example, in extreme cases, some legislators are paid only \$5 a day in salary, but they get a lot of other payments that the Internal Revenue Service (IRS) would count as compensation. Mr. Kurtz said he did his best to show an estimate of what an average legislator in each state earns from legislative service, and he did that by combining salary, any taxable per diem payment, and any other expense payments without

voucher that members could keep for themselves if they wished to do so. Not included in his estimate, he said, are the additional compensations given to Senate Presidents, Speakers of the House, Majority Leaders, or committee chairs in many states.

9:34 a.m.

MR. KURTZ drew attention to a map in the aforementioned handout, labeled, "Estimated Annual Compensation, 2007." The map shows the 50 states, color-coded based upon the salaries of the legislators. The categories are: more than \$60,000 a year, which includes California, Illinois, Michigan, Pennsylvania, New York, Massachusetts, and Maryland; from \$45,000-\$59,000, which includes Washington, Oklahoma, Missouri, Wisconsin, Ohio, New Jersey, and Delaware; from \$30,000-\$44,999, which includes Louisiana, Mississippi, Alabama, Florida, South Carolina, North Carolina, West Virginia, Tennessee, Kentucky, Iowa, Minnesota, Colorado, Oregon, Alaska, and Hawaii; from \$15,000-\$29,999, which includes Idaho, Arizona, Kansas, Nebraska, Arkansas, Georgia, Indiana, West Virginia, Vermont, and Maine; and less than \$15,000, which includes Nevada, Utah, New Mexico, Wyoming, Montana, North Dakota, South Dakota, and New Hampshire. Mr. Kurtz said he figured the average for Alaska legislators is approximately \$33,000, which he arrived at by taking the \$24,000 salary and adding the average \$9,000 in interim per diem payments. He noted that there are a number of Alaska legislators who do not claim any interim payments, while others claim substantially more. He noted that the states in the over \$60,000 category, for the most part, are those with the largest population, in which the members of the legislature serve full-time; therefore, it may seem surprising that the big state of Texas pays its legislators such a low salary, but that state's salaries are embedded in its state constitution, and the state has had difficulty in changing that. The members of the legislature in New Hampshire, he said, are paid \$100 a year, plus mileage compensation for their vehicles.

[9:38:47 AM](#)

MR. KURTZ directed attention to the next map, entitled, "Red, White & Blue Legislatures." Those states shown in red have legislators who are virtually full-time, well-paid, and have large staffs. Those states are: California, Wisconsin, Illinois, Michigan, Ohio, Pennsylvania, New York, New Jersey, Massachusetts, and Florida. Those states shown in blue are the classic citizen legislatures that meet only two or three months of the year, have low pay and small staffs. Those states are:

Nevada, Utah, New Mexico, Idaho, Montana, Wyoming, North Dakota, South Dakota, Arkansas, Mississippi, Georgia, Indiana, West Virginia, Vermont, New Hampshire, Maine, and Rhode Island. Those states shown in white are "hybrid." Those states include: Hawaii, Alaska, Washington, Oregon, Arizona, Colorado, Nebraska, Kansas, Oklahoma, Texas, Louisiana, Minnesota, Iowa, Missouri, Kentucky, Tennessee, Alabama, South Carolina, North Carolina, Virginia, Maryland, Delaware, and Connecticut.

MR. KURTZ directed attention to the next page of the handout, which shows, "Compensation of Legislators." The chart shows the average pay of legislators in 2007 versus 1972, for "red," "white," and "blue" states, with Alaska shown separately, and the U.S. Congress included, as well. Alaska is slightly below the average of those states in the white category, he noted. Mr. Kurtz said he chose the year 1972, because that is the year in which he began work for NCSL.

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MR. KURTZ turned to the next page, which shows "Real Compensation" in "Constant Dollars," which uses the same groups for comparison as the prior compensation chart. He stated, "In most categories, there's been virtually no change in real terms in the amount of compensation given to legislators over this 35-year period of time;" however, both U.S. Congress and the State of Alaska have suffered a significant decline in the value of their salary against inflation.

MR. KURTZ highlighted the information on the next page, which shows "Compensation Methods." The first category is states that either have no commission at all or whose commission is on the books, but is inactive. Well over 30 of the states fall into that category, he noted. The second category is states in which there is a commission, but that commission only makes recommendations that can be accepted or rejected either by the legislature or some other entity. Those states include: Connecticut, Maine, Minnesota, Virginia, and West Virginia. The third category is states in which commission actions take effect unless they are rejected by - depending upon the state - the legislature, the governor, or - in the case of the State of Arizona - a vote of the people. The fourth category is states that have tied their salaries automatically to some kind of an index in the state. He explained that that index could be related to some kind of category of state workers or a cost of living index or some other kind of economic index. The states in this category are, with one exception, large population

states - Florida, Illinois, Massachusetts, Pennsylvania, and Wisconsin - but also include Montana.

MR. KURTZ said the fifth and final category applies only to the State of Washington, where the commission has the complete power to determine the compensation for the governor, the cabinet officers, and the legislature, and according to that state's constitution, the only way to overturn the Washington commission's recommendation is through a citizen initiated referendum. Mr. Kurtz remarked that in the course of the 20-some years that the State of Washington's commission has been in existence, that has never happened. He stated that the Washington commission is comprised of 16 members, nine of which are randomly drawn from the list of registered voters - one from each district. Then there are seven other members selected from five specific professions set forth in law. Those seven members are selected by the Speaker of the House and the Senate President.

[9:49:33 AM](#)

REPRESENTATIVE JOHANSEN described the proposed bill as a positive step in considering the matter of compensation.

[9:51:06 AM](#)

REPRESENTATIVE DOOGAN, in response to a question from Representative Johansen, said the reason that the bill would form a compensation commission as opposed to a salary commission is that the legislation recognizes the fact that there are other elements to compensation beside what is strictly called salary. He said he has attempted to not be too prescriptive in terms of what the commission would do, but he has in mind that the commission would consider all elements of the compensation package for "the people who are listed here." He said he thinks that while there may be comparisons to other compensation packages, he does not think there would be "any direct effect on those from what the commission might do."

[9:52:33 AM](#)

REPRESENTATIVE ROSES moved to adopt Amendment 1, which read as follows:

Page 3, line 18, following "not":

Insert ", in the four years preceeding [sic] that member's appointment"

REPRESENTATIVE ROSES explained, "I hate to see us eliminate the possibility of having anybody that's served in public office either at a state or municipal level be excluded from this commission. Had we done that, the commission 30 years ago would have been absent some of the members that they had."

REPRESENTATIVE COGHILL objected to Amendment 1. He explained that he has not had time to study limitation regarding the bill. He said he wants to see the amendment in writing.

[9:54:21 AM](#)

REPRESENTATIVE JOHANSEN mentioned a candidate for office who is a former legislator who has been out of the legislature for four or five years. He indicated that it might not look good for someone who has been out of office for four years to get a position on the commission, support a major change, and then file to run for office the following year. He concurred with Representative Coghill that the committee needs some time to work out the issue.

[9:55:10 AM](#)

CHAIR LYNN, in response to Representative Johnson, said he had hoped the bill would move out of committee today, but he recognizes that there is an amendment to discuss and perhaps other concerns to address. He said he would be willing to hold the bill.

REPRESENTATIVE JOHNSON said he will hold his questions.

REPRESENTATIVE COGHILL stated that not only would he object to moving the bill out of committee today, he may even object to it at the next meeting. He repeated that there are bigger issues to tackle. One question is whether or not a full-time legislator would ever be considered. He said he thinks history needs to be studied. He mentioned considerations related to staffing levels, as well.

[9:56:23 AM](#)

REPRESENTATIVE DOOGAN responded that he does not believe the current proposed language of the bill would preclude even city or municipal officials from serving on the commission, "because it's a limited scope in terms of whose salaries are affected."

9:56:49 AM

CHAIR LYNN announced that HB 260 was heard and held with Amendment 1 pending.

9:57:17 AM

CHAIR LYNN discussed the upcoming meeting schedule.

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 9:58:08 AM.