



Alaska State Legislature Legislative Council Minutes

FEBRUARY 24, 2011

[5:02:25 PM](#)

The Legislative Council meeting was called to order at 5:02 p.m. by Senator Linda Menard, Chair, in the House Finance Committee Room.

1. ROLL CALL

Chair Menard called the roll. In attendance, in addition to the Chair, were Council members: Senators Davis, Egan, Hoffman, Olson, Stedman and Stevens; Representatives Austerman, Chenault, Herron, Holmes, Johnson, Stoltze and P. Wilson.

Staff present: Varni, Tilton, Billings, Clothier, Cotter, Gardner, Ibesate, Klapperich, Lesh, Lobaugh, Miller, Rovito

2. APPROVAL OF AGENDA

Representative Herron moved that the Legislative Council approve the agenda as presented.

3. APPROVAL OF JANUARY 20, 2011 AND FEBRUARY 3, 2011 MINUTES

Representative Herron moved that Legislative Council approve the following minutes: January 20, 2011 and February 3, 2011.

The motion passed with no objections.

4. SANCTIONING OF CHARITABLE EVENTS

Chair Menard stated that there were three events to be considered for sanctioning:

- Sham Jam
- Kenai River Classic Events
- Legislative Skits

Chair Menard said that Sham Jam is a longstanding event that offers staff, Legislators, and residents of Juneau an opportunity to socialize and celebrate St. Patrick's Day and give back to the community. Funds raised by this event will benefit REACH. REACH provides studio, pottery, and gallery facilities for the Juneau arts community. This year's event takes place on Saturday, March 19.

Speaker Chenault joined the meeting at this time.

Chair Menard said that the Kenai River Classic, Kenai River Classic Junior, and Kenai River Women's Classic are educational opportunities to promote the sustainability of the Kenai River as a world class fishery. Proceeds go to KRSA, which uses the funds for fishery and habitat conservation, research and education programs.

Chair Menard said that next was the infamous Legislative Skits. She said we are very familiar with the Legislative Skits, loosely based on actual or at least plausible events that generally occur in the Capitol Building and other venues. Funds raised from the Skits will go to the Big Brothers/Big Sisters, the Southeast Alaska Food Bank and AWARE (Aiding Women in Abuse & Rape Emergencies).

Representative Herron moved that Legislative Council sanction the following charitable events per per AS 24.60.080(a)(2)(B): Sham Jam, Kenai River Classic Events, and Legislative Skits.

The motion passed with no objections.

Representative Johnson joined the meeting at this time.

5. FY 12 LEGISLATIVE COUNCIL PROPOSED BUDGET

Chair Menard stated that each member should have a copy of the budget and asked Executive Director Pam Varni to speak to this item.

Pam Varni, Executive Director of the Legislative Affairs Agency, testified that before members was a copy of the proposed FY 12 budget. She said that she also provided a recap of changes by component that notes the increases or decreases for each component, as well as a cover memo. The budget before members is an increase of \$71,500 from the Governor's Figure; this has two of the three RDUs in the entire Legislature's budget. Under statute, Legislative Council submits their request to the Finance Committees for their review and action. She said she would be glad to answer any questions.

Representative Austerman said that at the last meeting there was a discussion of the security guard contract for the Anchorage facilities and asked how he would find the funding for that in this budget.

Ms. Varni referred members to page 21 of 86 in the Administrative Services component: code 73750 - Other Services, under LIO Safety for \$15,000, which is the Agency portion of the total amount; the cost of security for the Anchorage LIO is split between Administrative Services, the Speaker of the House (House Operating Budget) and the Senate President (Senate Operating Budget). This expenditure mirrors the lease space cost split for the Anchorage LIO. The other portion of the amount budgeted for this service is found on page 83 of 86 under Office Space Rental, which is where the Presiding Officers have funds to pay for interim lease costs.

Representative Austerman said he did not understand, that the issue was raised about how the contract works and no one has contacted him to provide additional information.

Senator Stedman asked Chair Menard if the Council was going to walk through each component or is this just being presented, allowed to sit for awhile, and then bring it back for further consideration.

Chair Menard responded that this is the proposed budget; it was passed out so members had it ahead of time. She said it is her intent to pass this proposed budget out tonight.

Senator Stedman asked about the first item on page one, an increase in the services of \$500,000. He said \$8.4 million was lapsed, so why is there a budgetary increase when there was such a lapse to hold the overall number down?

Ms. Varni responded that the large lapses are occurring in components that are not in this budget before Legislative Council. The large amounts of lapsed funds are in Committee Expenses such as the Budget & Audit RDU and the House and Senate Finance component, and that goes directly to the Finance Committees. She said that there was some money lapsed from Session Expenses and that was due to the fact that there were no special sessions. She said she would be glad to go through in detail on this budget, item by item, if members would like to, but if we don't budget for the per diem increase for Legislators, where would they like to take that money from. The Department of Defense sets the per diem rate and different people are in charge of different components in this budget; she said she would need direction from Legislative Council and the Leadership as to what component she should take \$200,000 for the per diem increase.

Senator Stedman said that, as the budget moves along in the finance process, they can look at doing some adjustments to hold the overall numbers down and still meet our objectives.

Representative Austerman asked if Ms. Varni would go to page one and please explain again about Legislative Salaries. He said there is a \$749,000, not \$200,000, increase and then there is a deduction of \$992,000 out of Council and Subcommittees.

Ms. Varni said the \$749,300 increase not only contains the per diem increase it is budgeting for the increase in the office allowance. She directed members to turn to page 4 and 5 of 86 in the detailed budget that shows where the increases are: one in the Travel line and the other one in the Services line. She said that Legislative Council has the authority to change the office allowance amount and her instructions were to put this amount in this budget request. She said she is also budgeting for the per diem increase that went into effect on January 1, 2011 by the Department of Defense. There is no change in personal services; the adjusted base includes the health insurance adjustment for Legislators, the salary is set by the Salary Commission and that's at \$50,400.

Representative Austerman asked if the \$229,000 was the per diem increase.

Ms. Varni confirmed that was so.

Representative Austerman asked how much is the increase in the office allowance?

Ms. Varni responded that it is \$520,000.

Representative Austerman said we're basically doubling the office allowance.

Ms. Varni said the money is in the budget but it would take a Legislative Council vote to actually implement the increase and for Administrative Services to issue those checks.

Representative Austerman asked who told Ms. Varni to put the allowance increase in this budget.

Ms. Varni responded that the Legislative Council Chair directed her to.

Chair Menard noted that the proposed allowance increase is the next agenda item.

Senator Stedman asked about the Wrangell LIO. He said he knows it's considered a teleconference center and wanted to know if there was any possibility of extending that to a regular LIO classification. In other words, please explain the difference between the classifications.

Ms. Varni responded that to increase that office to a Legislative Information Office would require some additional Personal Services funds. It is currently a teleconference center and there is no Information Officer, so the staff is paid at a lower range. She stated that an Information Officer would be an increase from a range 13 to a range 16 and additional funds would need to be budgeted. To date, neither Legislative Council nor any Legislator has expressed an interest in making that change; such a change would require the support of Legislative Council or the House and Senate Finance Committees to budget for such a change.

Senator Stedman said he would speak with Representative Peggy Wilson about this issue and bring it back to the Council if appropriate.

Representative Austerman asked if Ms. Varni could return to his original question about the \$922,000 decrease under Council and Subcommittees.

Ms. Varni apologized that she did not finish answering his question. She said Council and Subcommittees starts on page 42 of 86. This component normally pays for Legislative Council Chair and Legislative Council expenses, as well as the Administrative Regulation Review Committee and the Joint Armed Services Committee. In addition, if there is a bill or a fiscal note that might have a task force, it would be funded by this component. She then directed members to turn to pages 44 and 45, which details what is in this budget, what were the FY 10 actuals, the management plan, the Governor's Figure and then the request. She said specifically, there was some spending in FY 10 for the Legislative Outdoor Heritage Council and there is no request for funding that entity in this budget; there was also the Bristol Bay Mine Study, which was in the FY 11 Management Plan and in the Governor's Figure, but there is no request in the FY 12 submittal; also no request is being made for funding the Legislative Task Force on Higher Education or Northern Waters Task Force. She said there is a possibility that the Legislature might feel that maybe the work is not done on this and the funding for any of these items may re-appear in the re-appropriations bill, but at this time her instructions were to not ask for this funding in FY 12.

Representative Austerman asked where that request came from.

Ms. Varni responded that the request came from the Legislative Council Chair.

Chair Menard asked for a motion.

Representative Herron moved that that Legislative Council approve the FY 12 Legislative Council Proposed Budget and transmit it to the House and Senate Finance Committees for their review and action.

Representative Austerman objected for the reason that he is not prepared to move forward out of this Committee the recommendation that we double the office allowance for Legislators.

Chair Menard called the roll.

YEAS: Davis, Olson, Hoffman, Egan, Stedman, Stevens, Herron, Holmes, Menard

NAYS: Chenault, Stoltze, Johnson, P. Wilson, Austerman

The motion passed 9-5.

6. ANNUAL OFFICE ALLOWANCE

Representative Herron moved that Legislative Council approve the annual office allowance accounts for Representatives at \$16,000 and for Senators at \$20,000 for calendar year 2011.

Representative Stoltze objected for the purpose of discussion.

Representative Austerman said he was surprised this item was after the Council voted on the budget. He said it should have been prior to approving the budget to have the discussion about whether we're raising the salary of Legislators again. He said he again wanted to object to doubling the office allowance which is basically a raise to Legislators.

Senator Stedman said he spoke in favor of the increase. He said there are continually increasing costs in dealing with constituents and it has been a fixed amount for quite some time and he thinks it's time the amount was adjusted. It was included in last year's budget and the Committee hadn't taken any action on doing it. He said there's a certain group of folks in the communities that think whatever it costs to run the Legislature, regardless of what it is, if it's a salary or an office allowance account or travel or if it's just the Legislature coming together in Juneau and doing legislative duties, it costs too much. He said it's a reasonable request and he supports it.

Chair Menard stated that she did a survey of all 60 Legislators. As polls run, 74% of the Legislators polled were in favor. She said in this specific Committee there were 11 members that were in favor and so she moved forward with this item. There has not been an increase in 10 years.

Representative Stoltze said he guessed they represented different parts of the Mat-Su Valley because he knows there is no hue and cry for this increase. He said that, either in statute or in the state constitution, the office allowance provides for stationery and stenographic services (secretaries). We now have full-time professional staff and we're not hiring secretaries out of the office allowance. Other items that used to be paid for out of the office allowance are now provided through Supply and other segments of the Legislative Branch. This is a pretty big jump and he represents an area in a pretty tough economy and this is just not the signal he wants to send. He thinks this increase is not really warranted. He said his district is large, not by geographic region, but by population and he thinks he's been getting by just fine. He said he wasn't one of the 74% of those that responded and doesn't think that number is an accurate reflection of the whole body politic. He said he will be voting negative on this motion.

Senator Olson said there are certainly some concerns related to what the expenses are. In talking to many other Legislators, especially the rural Legislators, when they have to travel they are spending in excess of the office account allowance. There are some travels to meet with constituents that are not covered due to ethical concerns, for instance. At least for rural Legislators, the \$10,000 allowance account doesn't even come close to covering these expenses. He said he is in favor of this increase because it gives a fairer playing field for those Legislators that have hundreds of miles between villages and how they have to travel to reach them.

Chair Menard called the roll.

YEAS: Davis, Olson, Hoffman, Egan, Stedman, Stevens, Menard, Herron, Holmes, P. Wilson

NAYS: Chenault, Stoltze, Johnson, Austerman

The motion passed 10-4.

Senator Olson commented that there should be a provision that for those that want to opt out.

Senator Stedman said it's clear that if you don't want to use it, don't use it.

The meeting was adjourned at 5:32 p.m.

[5:32:10 PM](#)