

**ALASKA STATE LEGISLATURE  
LEGISLATIVE COUNCIL  
SEPTEMBER 01, 2016  
1:05 PM**

**MEMBERS PRESENT**

Senator Gary Stevens, Chair  
Senator Kevin Meyer  
Representative Craig Johnson  
Representative Harriet Drummond, alternate

**MEMBERS ON TELECONFERENCE**

Representative Bob Herron, Vice Chair  
Senator John Coghill  
Senator Lyman Hoffman  
Senator Anna MacKinnon  
Senator Peter Micciche  
Representative Mike Chenault  
Representative Steve Thompson, alternate

**MEMBERS ABSENT**

Senator Charlie Huggins  
Representative Mike Hawker  
Representative Sam Kito  
Representative Charisse Millett  
Representative Mark Neuman

**AGENDA**

APPROVAL OF AGENDA  
RATIFICATION OF CHARITY EVENTS  
OTHER COMMITTEE BUSINESS

**SPEAKER REGISTER**

Pam Varni, Executive Director, Legislative Affairs Agency  
Sue Cotter, Manager, Legislative Information and  
Teleconference, Legislative Affairs Agency

1:05:34 PM

**I. CHAIR GARY STEVENS** called the Legislative Council meeting to order at 1:05 p.m. in the Anchorage Legislative Information Office Auditorium. Present at the call were Senators Stevens, Meyer; Representatives Johnson and Drummond, alternate. Participating via teleconference were Senators Coghill, Hoffman, MacKinnon, Micciche; Representatives Chenault, Herron, and Thompson, alternate. Absent were Senators Huggins, McGuire, alternate, and Giessel, alternate; and Representatives Hawker, Kito, Millett, and Neuman.

**II. APPROVAL OF AGENDA**

REPRESENTATIVE JOHNSON moved that Legislative Council approve the agenda

Agenda was approved without objection.

**III. RATIFICATION OF CHARITABLE EVENT**

1:08:21 PM

REPRESENTATIVE JOHNSON moved that Legislative Council ratify the Chair's sanctioning of the following charitable event per AS 24.60.080(a)(2)(B): Kenai Peninsula Boys-Girls Club Annual Auction Gala.

The motion passed without objection.

**IV. OTHER COMMITTEE BUSINESS**

**a. FY 17 LIO Budget Cuts**

CHAIR STEVENS said that Legislative Council recommended some budget reductions which were sent to the Finance Committee with some wording. What Legislative Council received back from the Finance Committee was the removal of that wording and there is a reduction of \$298,000 that needs to be cut from the Legislative Information and Teleconference (LIO) component. He said there were eleven options being presented to Council for their consideration. His hope was that Council make a decision today that specifies exactly where that reduction of \$298,000 be taken. He said when he was speaking with staff this morning that this was a real "dog's breakfast" of a situation, which is either an unappetizing mess or an Australian rock band, so Council should understand what they're facing.

PAMELA VARNI, Executive Director, Legislative Affairs Agency, said that the House Finance Committee had a zero cut to the LIO budget; the Senate Finance Committee cut \$250,000 and the description said "Bethel, Nome, Seward, and Soldotna LIOs funded for session only." She said this cut was for the FY 17 budget and in the FY 16 budget, there were reductions made to the Information Officer positions in Barrow and Kotzebue (going from full-time to session only); the Information Assistant positions in Fairbanks and Mat-Su (going from full-time to session only); as well as to eight Information Assistants in Juneau going from five months to four months; and also a reduction of some of the Casual Labor Pool for a total reduction of \$358,700 to the LIO budget.

Ms. Varni noted that while the original cut for FY 17 was \$250,000, Conference Committee kept the \$250,000 but changed the language to say "budget savings." Historically, Legislative Council has taken action and wanted to have input when we look at closing an LIO or doing reductions, because the LIOs are really an extension of the 60 Legislator offices. The LIOs have professional staff in 23 Information Offices, and the majority of the Information Officers are at a range 16 and a couple of range 18 positions, such as Regional Information Officers in Anchorage, Fairbanks, and Kenai.

Ms. Varni said she would be presenting a number of options to Council and certainly other options could be considered.

CHAIR STEVENS noted that while members are listening to the options being presented, they should keep track of the pieces they like and don't like of each option.

REPRESENTATIVE DRUMMOND asked what is the Casual Labor Pool and how does it fit into the structure of the LIO.

MS. VARNI said that the Casual Labor Pool works on an hourly basis at a range 13 level. These employees may fill in for salaried staff and supplement existing staff to, for example, staff nighttime or weekend teleconferences; fill in for when salaried staff go on vacation, etc.

SUE COTTER, Manager of Information and Teleconference for Legislative Affairs Agency, added that especially in some of the smaller communities, the LIOs serve as a sort of one-stop shops for other governmental needs, since there is often no other government presence in the vicinity. She said that the LIOs often do a lot of work on behalf of the

Permanent Fund Division. While she realizes that the PFD is another branch of government, this is another service that is provided to constituents who may not have access to a computer, have a difficult time filling out the forms, or for whom English is their second language. We also have been given special dispensation by the Permanent Fund Division to certify documents, such as passports and birth certificates, so people don't have to mail in those original documents to the PFD. This happens in all the communities with LIOs other than Anchorage, Fairbanks and Juneau. She said it's grown a lot over the years: Sitka helped over 500 people during the filing period of January through March; Kenai helped over 600; Glennallen helped almost 200; etc. This is one of the ways we use the casual labor pool, but mostly it is in case an office staffed by one person is sick or out of necessity can't be in the office, an hourly employee will be brought in to cover.

CHAIR STEVENS said the PFD issue is an important one. In his Kodiak office, his legislative staff also spend time doing that in addition to the LIO staff, which is truly not their responsibility, but it's a responsibility that's fallen to the LIOs and legislative offices.

REPRESENTATIVE DRUMMOND asked if information was available on how many constituents are requesting PFD help in the remote LIOs, as well as how many constituents are using the remote LIOs to participate in committee meetings during the interim.

MS. COTTER said that the number of individuals who requested help could involve anything from giving them a paper application to helping them establish their presence online with MyAlaska for online filing. In a lot of the smaller communities, Alaskans don't have access to the internet or may not have a computer, so they come into their local LIO. The PFD is just one example, but the LIO staff also help constituents with the other two branches of government, Ombudsman inquiries, providing federal tax forms, unemployment questions, federal congressional contact information, register voters, general election information, commercial fisheries entry commission forms, etc., and other types of government forms or information they may have a hard time accessing or navigating in some of these communities.

Ms. Cotter, in response to a follow-up question by Chair Stevens, said that casual labor is used approximately 90% during the session to fill in; during the interim, the

offices that are closed (session-only) uses the casual labor pool sparingly to come in maybe once a week to check messages, check the offices, retrieve mail, and respond as appropriate to inquiries. She said that probably half the session-only offices don't even charge the Legislature for these services. She said she gets time sheets for 30-90 minutes a week from some session-only offices for these services, so it's not used very much during the interim.

SPEAKER CHENAULT had two points of clarification: (1) there is no Soldotna LIO, it's the Kenai LIO; and (2) the amount to be deducted was originally \$250,000 but now we're talking about \$298,000; so for public record, please explain that discrepancy and why it's at \$298,000 instead of \$250,000.

MS. VARNI said that the difference between what was authorized in FY 16 and what was requested in FY 17 to make the component whole and what the Legislature looked at approving was a difference of \$298,000. The LIO component needed \$48,000 in order to pay for merit increases, for increases in services, etc., and that request was not approved in addition to the \$250,000 budget cut, which brings the total cut to \$298,000.

SENATOR MICCICHE asked if Council could find a combination where the savings were more substantial than the \$298,000 or what is the Committee's view on that potential.

CHAIR STEVENS said his goal was to get to \$298,000 and most of the options have some reduction in casual labor.

MS. VARNI outlined the following budget reduction options:

1. Reduce the Kenai (Soldotna), Seward, Nome, Bethel LIOs from 12 month positions to six month positions and also reduce the Casual Labor Pool (CLP). This option is what the Senate Finance Committee had originally proposed and was also a recommendation by Legislative Council when the Senate was looking for reductions.
2. Reduce the Kenai, Seward, and Nome LIOs from 12 month positions to six month positions and also reduce the Casual Labor Pool by 50% across all LIOs. If this reduction happens to the CLP to this magnitude, it means that some of the salaried employees will accrue more compensation time.

*NOTE: The reasoning for options 1 and 2 is to not try and spread the reduction to all the LIOs but rather look at trying to identify a few LIOs for session-only offices.*

3. Reduce all year round LIOs with the exception of Anchorage, Fairbanks, and Juneau from 12 months to 11 months (Kenai, Seward, Nome, Bethel, Kodiak, Ketchikan, Sitka, MatSu) and eliminate the CLP.
4. Reduce all year round LIOs from 12 months to 11 months and reduce the CLP.
5. Reduce all year round LIOs by closing all offices on Fridays (7.5 hours) and reduce the CLP by approximately \$10,000.
6. Reduce all year round LIOs with the exception of Anchorage, Fairbanks and Juneau by closing all offices on Fridays throughout the year and reduce the CLP.
7. Reduce all year round LIOs by closing all offices on Friday afternoons (3.5 hours) throughout the year and reduce the CLP.
8. Reduce all year round LIOs by closing all offices on Friday afternoons (3.5 hours) with the exception of Anchorage, Fairbanks, and Juneau during session) and reduce the CLP.
9. Reduce all year round LIOs by closing all offices on Friday afternoons (3.5 hours) during the interim and reduce the CLP. All LIOs will be open full time at all locations during session.
10. Other possible budget cutting options that Legislative Council could consider, including a mixture of some of the above options to realize the \$298,000 reduction:
  - a. Eliminate the Tok LIO - there are already three LIOs on the road system (Glennallen, Delta Junction and Tok) saves \$78,900;
  - b. Reduce Ketchikan staff from 12 months to six months saves \$53,000;
  - c. Reduce the LIOs at Kenai, Seward, Nome, Bethel, Ketchikan, Sitka, Kodiak and MatSu from 12 months to nine months would save \$240,900.
11. Legislative Council, per AS 24.20.140, may direct the Executive Director to transfer \$250,000 from one of the legislative appropriations to the Information and Teleconference appropriation, which is Ms. Varni's preference. It would still realize the \$250,000 cut. One of the items provided to members shows the Legislature lapsed in FY 16 over \$8 million. It would not impact the service or the LIOs by doing that transfer.

SENATE PRESIDENT MEYER asked whether lapsed funds go toward capital projects, which in this case is refurbishing the Capitol Building. He went on to say that there is money

still left over, even after funds go toward the repair of the Capitol Building.

MS. VARNI confirmed that the funds for the renovations of the Capitol Building are already encumbered. The amount that is going into capitol funds will be for future projects.

SENATE PRESIDENT MEYER said it is really hard for him to comment on the LIOs outside Anchorage, Juneau and Fairbanks. For instance, in Option 10, Tok is a relatively small area and he doesn't know what kind of activity they have there and if the LIO staff are doing other functions, such as helping with the PFD applications or other things that probably either (a) aren't in their duties or (b) the Legislator's personal staff should be helping with. Perhaps these are services that shouldn't be provided in these current times. He wanted to know if members could get some feel for the activity level at some of the LIOs where it was suggested that they be reduced or closed.

MS. COTTER said the LIOs spend a lot of time doing outreach to the community; they maintain lists of people that are interested in certain bills and when those are being heard in committees - they reach out to let them know about any changes in schedule or committee changes; let them know that the LIO is available if they want to come and testify. She said, most importantly, unless you are a Legislator or a legislative employee, the process is kind of Greek to most people, so it's really important that somebody be present to inform, explain the process and how constituents can become involved.

SENATE PRESIDENT MEYER said that partially answered his question. For example, does the LIO in Tok have enough of the general public coming in to warrant keeping it open?

MS. COTTER responded that she believed so. Over her tenure, there have been sessions where LIO employees have done a sort of "tick list" for which services the public requests but that hasn't been done for the last six years. She asked members to remember that just like what their own staff deals with, one person's issue could take five minutes and another person's an hour of time, depending on many factors. Even if somebody only had five people come in one day, each person might have had issues that take quite a bit of staff time. She said she would be happy to implement the "tick list" duty again if that was the desire of Council.

SENATE PRESIDENT MEYER said that Ms. Cotter's response begs the question that perhaps a Legislator's own personal staff should be dealing with some of these issues.

MS. COTTER responded that occasionally there are some constituents that want to talk to a non-partisan staff.

SENATE PRESIDENT MEYER said that he thought that Legislators were elected to represent all constituents regardless of party but wouldn't pursue the issue.

SENATOR MACKINNON said she believed Legislators' staff was non-partisan.

CHAIR STEVENS said that a Legislator's staff is partisan.

SENATOR MACKINNON said that was the public's perception she guessed. She went on to say that the budget isn't changing that much and we still have a \$4 billion hole, so, for her, Option 11 was off the table. We shouldn't be robbing from Peter to pay Paul, per se. We have to implement a cut. Not looking at choosing LIOs, she was interested in the option of closing all LIOs during the interim only. Chair Stevens said the closest option to that suggestion was Option 9, closing Friday half-days and reducing the Casual Labor Pool.

CHAIR STEVENS went on to say that where we started was with the recommendation to close specific LIOs. He said that made him very uncomfortable because Council would be picking and choosing winners and losers, there could be a political reason for choosing one and not the other. It seemed to him at that time that it would be best that we all felt the pain, so that's why he supports all LIOs being reduced to some extent. We haven't done the work it takes to know exactly how productive each and every LIO is, so to choose Tok, to choose Bethel, to choose specific LIOs for reduction or closure is hard to do. We have to look very closely in the future about how productive each and every LIO is for possible additional reductions.

Chair Stevens said we haven't really discussed why we have these LIOs. He asked members to keep in mind that the purpose of the LIOs is to be open to the public, to make sure the public has access to their government. No other state has such a system, nor does any other state have the distances that need coverage, so he believed it was wise

whoever thought of doing the LIOs. It brings the entire public into the process.

REPRESENTATIVE JOHNSON said from the documents that it appeared that Information and Teleconferencing lapsed \$226,000 in FY 16.

MS. VARNI confirmed that was the case because Ms. Cotter held back on allowing travel, she did not hold their administrative meeting, for instance. Also, in FY 16, the Information and Teleconference had some vacancies in Barrow and Kotzebue which saved some dollars until replacements were found through recruitment. Ms. Cotter also implemented some cost cutting measures. The section has never lapsed that much money before. We would be over-extended, and the Information and Teleconference is a separate appropriation and Legislative Council would have to move money in if we don't do these cuts.

REPRESENTATIVE JOHNSON said that he has always had a problem with the Legislature lapsing capital money and not going through the same process of every other entity of having to go through the capital budget, have it put in, go through public testimony. He said he sees \$500,000 right there that he'd like to see come out of this. He said pigeon-holing capital money and not putting it out front is not a good thing to do in terms of open and honest government.

SENATOR MICCICHE said he thought Senator MacKinnon's comment about robbing Peter to pay Paul was interesting considering the first two LIOs slated for reduction, Kenai and Seward, are in his district. He said Option 5 affects all LIOs similarly, which spreads the pain, if there is any pain. He said he thought a lot of facilities were closed on Fridays, certainly the Court System has moved in that direction. He said he thinks that works, people know they can come in Monday through Thursday, it's easy to adjust. When an LIO is closed for six months, people just lose faith in the LIO being a resource for them. The Friday closure is effective. He said that if we wanted to do a combination that would probably be the same value, we could close all offices on Fridays and if some chose to be open during the session, we could offer two weeks a year to choose from where they could close to make up that time. The Kenai LIO is very active and relatively speaking we only have one employee, and had over 600 visits in the last few months, but there are times of the year when we are not very busy, so the local LIOs could be offered a choice of perhaps two weeks during the year to also close, to get the

full value of Option 5, and he thought it would deliver something over \$298,000 if folks felt that could work. That way we're not picking winners and losers, and folks that are on Legislative Council may not understand the local importance of the LIO aren't put in the position of having to assume how those operations are working in those communities.

CHAIR STEVENS noted Option 5 is all year round LIOs would be closed on Fridays throughout the year, including session. One concern that was raised is that there is a greater need for LIOs during session than there is during the interims. He thanked Senator Micciche for suggesting the idea of closing on Fridays. We looked into it, thought about it, and actually spoke with the Court System which has done that and, at least talking to management in the Court System, they seem to think it is working very well; in fact, the employees, even though they have a smaller income, do appreciate getting Friday afternoons off.

SENATOR COGHILL said he liked Option 9, but wanted to know what are the actual casual labor dollars left over and how would we spread that amount. For example, there are times when there are family vacations, and ramping up into session, there is the Christmas break, so how would it be spread between the LIOs.

MS. VARNI said it would leave a balance of \$61,000.

CHAIR STEVENS, in response to the comment by Senator Coghill that it doesn't leave much for casual labor, said that his staff in Kodiak, for example, are in the office on Fridays and other times when the LIO staff need to take a break and we cover for each other. If we were to choose to close the LIOs Friday afternoons, it would be important that the Legislators recognize that the LIO is not staffed and personal staff would be there to fill in, which shouldn't be too much to ask.

MS. VARNI, in response to a question by Representative Drummond, confirmed there is money left in the Casual Labor Pool from year to year. Ms. Cotter allocates to each LIO a portion of the Casual Labor Pool money. Some LIOs use all of their CLP funds and others do not. It varies from year to year.

REPRESENTATIVE DRUMMOND further inquired about the fact that a number of committees meet on Fridays currently and

if Council went with closing the LIOs on Fridays for all or a portion of the day, that would need to change.

CHAIR STEVENS said yes, it would be difficult for legislative staff to perform teleconference moderator duties. It would take a little bit of time for people to get comfortable with it, but committee meetings could be rescheduled for other days of the week or Friday mornings. Ms. Varni agreed that was true.

MS. COTTER said that Option 9 closes the LIOs during interim only, not during session, which would not affect their main mission. She said she didn't think it would be a big leap to train people that we can't have teleconferences on Friday afternoons. If we had to for some reason, we could stagger the staff. It would mainly be the Juneau staff. Also, Option 9, after Option 11, seems to be the best option. She cautioned that Anchorage and Fairbanks have a pretty big work load during the interim. Anchorage has 27 legislative offices in the building and Fairbanks also has a number of legislative offices. LIO staff in these locations do quite a bit of interim work with all the Legislators and staff coming back after session.

DISCUSSION FOLLOWED regarding the impact of no audio conferences on Friday afternoons during the interim. Compensatory time and flexible schedules could be utilized if necessary.

SENATE PRESIDENT MEYER said that it would be good if we could start compiling data on usage of the LIOs for future consideration. Referring specifically to the Anchorage office, he asked about whether there would be security on Friday afternoons or if the doors would be locked.

MS. VARNI said security would be present in Anchorage on Friday afternoons. We have a contract through December and then we will go out to bid again. There will be a property manager at the new building to give out keys. We will just have to work through some of these issues to figure out how it's going to work.

CHAIR STEVENS, in response to a follow-up question by Senate President Meyer, said that at least in Kodiak, his staff will be there on Friday afternoons and the door will be open. In many smaller LIOs, it would probably work the same.

SPEAKER CHENAULT said that, if it wasn't already on the table, he'd like to propose that the LIOs be closed all day on Fridays during the interim only. We utilize the LIO staff in Kenai and Seward as much as any other LIO, he assumed, but that during the interim, legislative staff should be in the office and the LIO actually deals with issues that the Legislator or staff should be taking care of anyway. He said he looks at the LIOs as an extension of his staff when his staff is not available to help his constituents. Taking off Fridays completely during the interim should be okay and the legislative staff should be available to help their constituents with whatever issues they have.

DISCUSSION FOLLOWED regarding the Speaker's proposal.

REPRESENTATIVE DRUMMOND said she was concerned about a 20% cut to the professional staff, as well as about training and retention of Casual Labor Pool staff. If we're going to be closing LIOs, we need to consider who would be coming in on an as-needed basis. She reiterated her concern about cutting professional staff 20% and expecting to retain them.

SENATOR MACKINNON noted that while it wouldn't be a 20% cut because professional staff would be working full time for the three months of session, it would definitely be a pay cut for those public servants who have been serving their constituents and the public.

CHAIR STEVENS noted for members that although session is 90 days, for the LIO staff, session will be considered four months full time so that there is overlap and eight months for interim. Should there be a special session, the funding for the LIO staff will come from another appropriation. Ms. Varni confirmed that was so.

DISCUSSION FOLLOWED related to duties currently performed by security, such as security screening visitors, historical issues where other Legislators did not like to have their constituents screened. Further discussion about whether screening would happen all the time or only when the LIO was closed.

CHAIR STEVENS said that it seemed to him that Option 9 was the option most folks were leaning toward. He asked Ms. Varni if she had any concerns with Option 9.

MS. VARNI said that with Option 9, employees would still receive health insurance, which was important. She said if Information and Teleconference was forced to make these cuts, this is probably the best option, but it was very difficult.

CHAIR STEVENS said we are faced with having to make a substantial cut and asked for a motion.

2:05:53 PM

REPRESENTATIVE JOHNSON moved that Legislative Council reduce all year round LIO's by closing all offices on Friday afternoons half day (3.5 hours) during the interim and reduce the casual labor pool. [This corresponds to Number 9 on the option sheet].

SPEAKER CHENAULT said he'd like to offer a friendly amendment to close the offices all day on Friday during the interim and are open full time during session.

DISCUSSION FOLLOWED about the fact that closing full days on Fridays would reduce the amount needed to be cut from the Casual Labor Pool. It was confirmed that LIO employees would still have health insurance coverage because they would not fall below 80% time. Further discussion centered around the fact that these cuts are coming two months into the fiscal year and there is a bottom line number of \$298,000. Concern was expressed that we would be cutting more than is necessary to achieve the goal by going to full day closures on Fridays.

SPEAKER CHENAULT removed his amendment.

A roll call vote was taken on the original motion.

YEAS: Stevens, Meyer, Coghill, Hoffman, MacKinnon,  
Micciche, Johnson, Thompson, Drummond

NAYS: Chenault

The amendment passed 9-1.

There being no further business before the committee, Legislative Council adjourned at 2:13 p.m.

2:12:59 PM