

HB

454

# STATE OF ALASKA THE LEGISLATURE

## LEGISLATIVE AFFAIRS AGENCY

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JUNEAU, ALASKA 99811  
907-465-3800

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

House Judiciary	1/27/86	1:30 pm
" "	2/4/86	1:30 pm
" "	2/5/86	1:30 pm



# Alaska State Legislature



## House of Representatives House Judiciary Committee

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4990

### EXPLANATION OF CSHB 454 (Jud)

CSHB 454 is an act relating to the compensation of state officers and establishing a commission on compensation of state officers.

I. The State Officers Compensation Commission, established in the Office of the Governor, is:

- A. a seven member commission serving staggered four year terms;
- B. appointed by the governor subject to confirmation by a majority of the legislature in joint session;
- C. made up of at least:
  1. one business executive,
  2. one representative of a non-partisan voters' organization,
  3. one public administrator,
  4. one labor organization representative.
- D. not to have on it any employees of the state, including the University of Alaska, members of state boards, commissions, or authorities, or elected state or municipal officers.

II. The duties of the commission:

- A. review salaries, benefits and allowances of legislators, the governor, lieutenant governor, members of the judiciary and heads of principal executive departments;
- B. determine an equitable rate and form of compensation and benefits and allowances for state officers;
- C. submit a report of its findings and recommendations at least once every two years, but not more frequently than every year;
- D. submit preliminary findings and recommendations by November 15;
- E. after giving public notice of the preliminary findings and recommendations, soliciting public comments, and giving due regard to public comments, submit its final report during the first 10 days of a legislative session;

1. amendments to the final report and recommendations may be submitted by the commission;
  2. commission members who disagree with the proposed or final report and recommendations may submit written objections.
- F. file its final recommendations in the lieutenant governor's office upon transmitting those recommendations to the legislature.

III. Final recommendations of the commission:

- A. have the force of law and become effective on the first day of the next regular legislative session after submission unless rejected by a concurrent resolution adopted by 2/3 of the members in each house.
- B. do not have the effect of reducing compensation and benefits of:
  1. a member of the judiciary who is on the bench on the effective date of the commission's recommendations; and
  2. the governor and lieutenant governor who are in office on the effective date of the recommendation unless consistent with a general law applicable to all other salaried officers of the state;
- C. may reduce the compensation and benefits for a person who became a member of the judiciary or became governor or lieutenant governor after the effective date of the recommendation.

IV. The effective dates of the various provisions of the bill are as follows:

- A. immediate effective date:
  1. all provisions of the bill relating to the establishment and organization of the commission and providing for its compensation review, report, and recommendations;
  2. the standard provisions for the first time appointments of the commission (Sec. 12);
  3. the provisions that, notwithstanding the requirement that final reports of the commission be submitted during the first 10 days of a legislative session, the first report the new commission submits must be submitted by January 10, 1987;
- B. effective on the effective date of a state constitutional amendment creating a State Officers Compensation Commission [CSHJR 54 (Jud)] i.e., 30 days after certification of election returns:
  1. the requirements regarding filing and certification of commission final recommendations in the lieutenant governor's

- office;
2. all other provisions of the bill which provide that the commission sets the compensation of all state officers;
  3. Section 13, which provides that all salaries in effect for state officers prior to the effective date of the constitutional amendment shall remain in effect until the commission has made its first final report on January 10, 1987, and the recommendation has taken effect on the first day of the 1987 legislative session (January 19, 1987).
    - a. If CSHB 48 (Jud), relating to the compensation of legislators, passes and becomes law, the salary of legislators will be a Step A, Range 22 (\$4,095) until January 19, 1987 (the first day of the Fifteenth Legislature). On January 19, 1987, the new commission set salary will take effect.
    - b. If CSHB 48 (Jud) passes and becomes law and the constitutional amendment in CSHJR 54 (Jud) fails, legislators will receive their present salaries until the first day of the Fifteenth Legislature. At that time, their salaries will be dropped to a Step A, Range 10 (\$1,845).

#### V. Repealers

- A. 22.05.140 (c) - relates to geographic cost of living adjustments for supreme court justices.
- B. 22.10.190 (c) - relates to geographic cost of living adjustments for superior court judges.
- C. 22.15.220 (d) - relates to geographic cost of living adjustments for district court judges.
- D. 39.20.080 (c) - provides that the salaries of heads of principal executive departments of the state may not be reduced during their tenure in office. (See new AS 39.23.250 (a)).
- E. 39.23.200 (e) - is the provision in this bill setting up the commission in the office of the governor. After passage of the constitutional amendment the commission has a life of its own and exists independently of any state office or agency and this initial provision is no longer necessary.

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No. : CSHB 454 (Judiciary)  
 Title : \_\_\_\_\_  
 \_\_\_\_\_  
 Sponsor : \_\_\_\_\_  
 Requestor : \_\_\_\_\_  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : Governor's Office  
 BRU : \_\_\_\_\_  
 \_\_\_\_\_  
 Components : \_\_\_\_\_  
 \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	0	70.0	70.0	70.0	70.0	70.0
TRAVEL	0	20.0	20.0	20.0	20.0	20.0
CONTRACTUAL	0	1.0	1.0	1.0	1.0	1.0
SUPPLIES	0	-	-	-	-	-
EQUIPMENT	0	-	-	-	-	-
LAND & STRUCTURES	0	-	-	-	-	-
GRANTS, CLAIMS	0	-	-	-	-	-
MISCELLANEOUS	0	1.0	1.0	1.0	1.0	1.0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>112.0</b>	<b>112.0</b>	<b>112.0</b>	<b>112.0</b>	<b>112.0</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND	0	112.0	112.0	112.0	112.0	112.0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY	0	2	2	2	2	2

**ANALYSIS :** Attach a separate page if necessary

Prepared by : John L. Sund  
 Division : \_\_\_\_\_  
 Approved by Commissioner : \_\_\_\_\_  
 Agency : \_\_\_\_\_

Phone : 465-4919  
 Date : 1/27/86  
 Date : \_\_\_\_\_

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Original sponsor: Larson by request

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 454 (Judiciary)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to compensation of state officers;  
7 establishing a commission on compensation of state  
8 officers; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 39.23 is amended by adding new sections to read:

11 ARTICLE 1. STATE OFFICERS COMPENSATION COMMISSION.

12 Sec. 39.23.200. COMPENSATION COMMISSION ESTABLISHED. (a) The  
13 State Officers Compensation Commission is established. The commission  
14 is composed of seven members appointed by the governor subject to  
15 confirmation by a majority of the legislature in joint session.  
16 Members serve for staggered terms of four years. Commission member-  
17 ship shall include at least one business executive, one representative  
18 of a nonpartisan voters' organization, one person with experience in  
19 public administration and one representative of a labor organization.  
20 A vacancy shall be filled for the balance of the unexpired term.

21 (b) The commission shall annually elect a member to chair its  
22 meetings. A majority of the commission members constitutes a quorum  
23 to transact business. The affirmative vote of four members is re-  
24 quired to approve the commission's recommendations on compensation.

25 (c) The commission shall meet at the call of the chair. Notice  
26 of a meeting shall be mailed to each member at least 15 days before  
27 the date scheduled for the meeting.

28 (d) The commission shall hold a public hearing to discuss its  
29 findings and recommendations before submitting its final report to the

1 legislature.

2 (a) The commission shall be established in the Office of the  
3 Governor.

4 Sec. 39.23.210. PROHIBITIONS AGAINST STATE OR MUNICIPAL SERVICE.  
5 A member of the commission may not be employed by the state, including  
6 the University of Alaska, serve as a member of a state board, commis-  
7 sion, or authority, or hold elective state or municipal office during  
8 membership on the commission.

9 Sec. 39.23.220. COMPENSATION. Members of the commission serve  
10 without compensation but are entitled to per diem and travel expenses  
11 authorized for members of boards and commissions under AS 39.20.180.

12 Sec. 39.23.230. STAFF. (a) The commission may contract for  
13 professional services and may employ staff as it considers necessary.

14 (b) If requested by the commission, the director of personnel in  
15 the Department of Administration shall serve as secretary to the  
16 commission.

17 Sec. 39.23.240. DUTIES OF THE COMMISSION. (a) The commission  
18 shall review the salaries, benefits, and allowances of members of the  
19 legislature, the governor, lieutenant governor, members of the judi-  
20 ciary, and the head of each principal department and submit a report  
21 on its findings at least once every two years, but not more frequently  
22 than every year.

23 (b) The commission shall submit its preliminary findings and  
24 recommendations by November 15. The commission shall give reasonable  
25 public notice of its preliminary findings and recommendations, solicit  
26 public comments, and give due regard to the public comments, before  
27 submitting a final report under (c) of this section.

28 (c) The commission shall make a final report of its findings and  
29 recommendations as to the rate and form of compensation, benefits, and

1 allowances for state officers no later than the 10th day of a legisla-  
2 tive session.

3 (d) The commission may submit to the legislature amendments to  
4 the report submitted under (c) of this section.

5 (e) A commission member who does not concur in the proposed or  
6 final recommendations may attach written objections to the commis-  
7 sion's report of its findings and recommendations.

8 **Sec. 39.23.250. RECOMMENDATIONS RELATING TO THE JUDICIARY,**  
9 **GOVERNOR, AND LIEUTENANT GOVERNOR.** (a) A recommendation of the  
10 commission may not have the effect of reducing the compensation or  
11 benefits of a member of the judiciary who is a member of the judiciary  
12 on the effective date of the commission's recommendation; or reduce,  
13 unless consistent with general law applicable to all other salaried  
14 officers of the state, except incumbent members of the judiciary, the  
15 compensation and benefits of the governor or lieutenant governor who  
16 are in office on the effective date of the commission's recommen-  
17 dation.

18 (b) The commission may recommend reduction in compensation or  
19 benefits for individuals who become members of the judiciary or gover-  
20 nor or lieutenant governor after the effective date of the commis-  
21 sion's recommendation.

22 **Sec. 39.23.260. FILING WITH LIEUTENANT GOVERNOR AND CERTIFICA-**  
23 **TION.** The commission shall, upon transmitting its final recommenda-  
24 tions to the legislature, file the recommendations in the office of  
25 the lieutenant governor, and upon the recommendations becoming effec-  
26 tive the commission shall certify the copy of the recommendations on  
27 file in the office of the lieutenant governor.

28 **Sec. 39.23.270. POLICY OF THE LEGISLATURE.** It is the policy of  
29 the legislature that the commission determine an equitable rate and

1 form of compensation, benefits, and allowances for state officers.

2 Sec. 39.23.280. ADMINISTRATIVE PROCEDURE ACT. The regulation-  
3 making provisions of the Administrative Procedure Act (AS 44.62) do  
4 not apply to proceedings of the commission.

5 Sec. 39.23.400. DEFINITIONS. In AS 39.23.200 - 39.23.400

6 (1) "commission" means the State Officers Compensation  
7 Commission;

8 (2) "judiciary" means justices of the supreme court and  
9 judges of the court of appeals and the superior and district courts;

10 (3) "state officer" means members of the legislature, the  
11 governor, lieutenant governor, members of the judiciary, and the head  
12 of each principal department in the executive branch.

13 \* Sec. 2. AS 39.23.240(c) is amended to read:

14 (c) The commission shall make a final report of its findings and  
15 recommendations as to the rate and form of compensation, benefits, and  
16 allowances for state officers no later than the 10th day of a legisla-  
17 tive session. A recommendation has the force of law and becomes  
18 effective on the first day of the next regular legislative session  
19 unless rejected by a concurrent resolution adopted by two-thirds of  
20 the members in each house of the legislature.

21 \* Sec. 3. AS 22.05.140(a) is repealed and reenacted to read:

22 (a) The State Officers Compensation Commission shall set the  
23 compensation and geographic cost-of-living adjustment, if any, of each  
24 justice under AS 39.23.200 - 39.23.400.

25 \* Sec. 4. AS 22.07.090(a) is repealed and reenacted to read:

26 (a) The State Officers Compensation Commission shall set the  
27 compensation of each judge of the court of appeals under AS 39.23.-  
28 200 - 39.23.400.

29 \* Sec. 5. AS 22.10.190(a) is repealed and reenacted to read:

1 (a) The State Officers Compensation Commission shall set the  
2 compensation and geographic cost-of-living adjustment, if any, of each  
3 judge of the superior court under AS 39.23.200 - 39.23.400.

4 \* Sec. 6. AS 22.15.220(a) is repealed and reenacted to read:

5 (a) The State Officers Compensation Commission shall set the  
6 compensation and geographic cost-of-living adjustment, if any, of each  
7 judge of the district court under AS 39.23.200 - 39.23.400.

8 \* Sec. 7. AS 24.10.100 is repealed and reenacted to read:

9 Sec. 24.10.100. COMPENSATION OF LEGISLATORS. The State Officers  
10 Compensation Commission shall set the compensation of legislators  
11 under AS 39.23.200 - 39.23.400.

12 \* Sec. 8. AS 39.20.010 is repealed and reenacted to read:

13 Sec. 39.20.010. COMPENSATION OF THE GOVERNOR. The State Offi-  
14 cers Compensation Commission shall set the compensation of the gover-  
15 nor under AS 39.23.200 - 39.23.400.

16 \* Sec. 9. AS 39.20.030 is repealed and reenacted to read:

17 Sec. 39.20.030. COMPENSATION OF LIEUTENANT GOVERNOR. The State  
18 Officers Compensation Commission shall set the compensation of the  
19 lieutenant governor under AS 39.23.200 - 39.23.400.

20 \* Sec. 10. AS 39.20.050 is amended to read:

21 Sec. 39.20.050. EXCLUSIVE COMPENSATION. The compensation fixed  
22 by the State Officers Compensation Commission [LAW] for the governor  
23 and lieutenant governor is full compensation [IS FULL] for all servi-  
24 ces rendered by each of them in any official capacity or employment  
25 whatsoever during their respective terms of office, and shall be paid  
26 throughout their respective terms of office unless the office becomes  
27 vacant.

28 \* Sec. 11. AS 39.20.080(a) is repealed and reenacted to read:

29 (a) The State Officers Compensation Commission shall set the

1 compensation of the head of each principal executive department under  
2 AS 39.23.200 - 39.23.400.

3 \* Sec. 12. Notwithstanding AS 39.05.055(5) and AS 39.23.200, one of the  
4 initial members appointed to the commission shall serve a one-year term,  
5 two members shall serve two-year terms, two members shall serve three-year  
6 terms, and two members shall serve four-year terms.

7 \* Sec. 13. Notwithstanding secs. 3 - 11 and 15 of this Act, the salary  
8 established for justices of the supreme court in AS 22.05.140, judges of  
9 the court of appeals in AS 22.07.090, judges of the superior court in  
10 AS 22.10.190, judges of the district court in AS 22.15.220, legislators in  
11 AS 24.10.100, the governor in AS 39.20.010, the lieutenant governor in  
12 AS 39.20.030, and heads of each principal executive department in AS 39.-  
13 20.080, as those sections existed immediately before the effective date of  
14 this section shall remain in effect until the commission has recommended a  
15 change in the salary of that office in accordance with AS 39.23.200 -  
16 39.23.400.

17 \* Sec. 14. Notwithstanding the time limit imposed by AS 39.23.240,  
18 enacted by sec. 1 of this Act, the commission shall submit its first final  
19 report to the legislature by January 10, 1987.

20 \* Sec. 15. AS 22.05.140(c); AS 22.10.190(c); AS 22.15.220(d); AS 39.-  
21 20.080(c); and AS 39.23.200(e) are repealed.

22 \* Sec. 16. AS 39.23.260, as enacted by sec. 1 of this Act, and secs.  
23 2 - 11, 13, and 15 of this Act take effect on the effective date of an  
24 amendment to the Constitution of the State of Alaska creating a State  
25 Officers Compensation Commission.

26 \* Sec. 17. AS 39.23.200 - 39.23.250 and 39.23.270 - 39.23.400 as enact-  
27 ed by sec. 1 of this Act, and secs. 12 and 14 of this Act take effect  
28 immediately in accordance with AS 01.10.070(c).  
29

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU ALASKA 99811  
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 5, 1986

SUBJECT: Temporary law for legislative salaries under  
CSHB 454 (Jud)

TO: Representative M. Mike Miller  
Chairman, Judiciary Committee

FROM: Teresa B. Cramer *TBC*  
Legislative Counsel

You have requested an explanation of Section 13 of CSHB 454 (Judiciary) as it applies to legislative salaries. Section 13 is intended to resolve the question of what salary is to be paid a public official affected by the bill after the adoption of the constitutional amendment and before the commission has adopted a recommendation concerning that salary.

Version 1 of the CS retains the listing of legislative salaries in Section 13. It states, in part

Notwithstanding secs. 3 - 11 and 15 of this Act, the salary established for . . . legislators in AS 24.10.100, . . . [as that section] existed immediately before the effective date of this Act shall remain in effect until the commission has recommended a change in the salary of that office in accordance with AS 39.23.200 - 39.23.400.

1. Section 7 of the bill repeals and reenacts AS 24.10.100 to read:

The State Officers Compensation Commission shall set the compensation of legislators under AS 39.23.200 - 39.23.400.

The effective date of sections 7 and 13 is found in section 16, which provides that both sections take effect on the effective date of the constitutional amendment.

Representative M. Mike Miller

Page 2

February 5, 1986

2. The language of AS 24.10.100 "as that section existed immediately before the effective date of this section" will depend on what legislation is enacted this session. If CSHB 48( (Judiciary) is enacted, then, until January 19, 1987, the salary would be \$46,800 per year. Beginning January 19, the salary would change to Range 10, Step A. Under Version 1 of CSHB 454 (Judiciary), that salary would remain in effect until the first day of the next regular legislative session following a recommendation from the commission. (See sections 2 and 13 of Version 1)

3. Under Version 2, which does not include legislators' salaries in section 13, the salary for legislators after the adoption of the constitutional amendment would be the salary set by the commission whether or not the commission had actually recommended a salary. If the commission does not recommend a change before the 1987 session begins, then legislative salaries for that year would not be clearly addressed in statute. It is likely that the salary under AS 24.10.100 before the repeal and reenactment by CSHB 454 would be applied, but it is better legislative practice to speak clearly to this question.

If I may be of further assistance, please advise.

TC:mkr

M2:139

Enclosures

Craner  
2/5/86 ✓  
Version #1

Original sponsor: Larson by request

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BY THE JUDICIARY COMMITTEE

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3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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7 sion's report of its findings and recommendations.

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15 compensation and benefits of the governor or lieutenant governor who  
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3 making provisions of the Administrative Procedure Act (AS 44.62) do  
4 not apply to proceedings of the commission.

5 Sec. 39.23.400. DEFINITIONS. In AS 39.23.200 - 39.23.400

6 (1) "commission" means the State Officers Compensation  
7 Commission;

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9 judges of the court of appeals and the superior and district courts;

10 (3) "state officer" means members of the legislature, the  
11 governor, lieutenant governor, members of the judiciary, and the head  
12 of each principal department in the executive branch.

13 \* Sec. 2. AS 39.23.240(c) is amended to read:

14 (c) The commission shall make a final report of its findings and  
15 recommendations as to the rate and form of compensation, benefits, and  
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17 tive session. A recommendation has the force of law and becomes  
18 effective on the first day of the next regular legislative session  
19 unless rejected by a concurrent resolution adopted by two-thirds of  
20 the members in each house of the legislature.

21 \* Sec. 3. AS 22.05.140(a) is repealed and reenacted to read:

22 (a) The State Officers Compensation Commission shall set the  
23 compensation and geographic cost-of-living adjustment, if any, of each  
24 justice under AS 39.23.200 - 39.23.400.

25 \* Sec. 4. AS 22.07.090(a) is repealed and reenacted to read:

26 (a) The State Officers Compensation Commission shall set the  
27 compensation of each judge of the court of appeals under AS 39.23.-  
28 200 - 39.23.400.

29 \* Sec. 5. AS 22.10.190(a) is repealed and reenacted to read:

1 (a) The State Officers Compensation Commission shall set the  
2 compensation and geographic cost-of-living adjustment, if any, of each  
3 judge of the superior court under AS 39.23.200 - 39.23.400.

4 \* Sec. 6. AS 22.15.220(a) is repealed and reenacted to read:

5 (a) The State Officers Compensation Commission shall set the  
6 compensation and geographic cost-of-living adjustment, if any, of each  
7 judge of the district court under AS 39.23.200 - 39.23.400.

8 \* Sec. 7. AS 24.10.100 is repealed and reenacted to read:

9 Sec. 24.10.100. COMPENSATION OF LEGISLATORS. The State Officers  
10 Compensation Commission shall set the compensation of legislators  
11 under AS 39.23.200 - 39.23.400.

12 \* Sec. 8. AS 39.20.010 is repealed and reenacted to read:

13 Sec. 39.20.010. COMPENSATION OF THE GOVERNOR. The State Offi-  
14 cers Compensation Commission shall set the compensation of the gover-  
15 nor under AS 39.23.200 - 39.23.400.

16 \* Sec. 9. AS 39.20.030 is repealed and reenacted to read:

17 Sec. 39.20.030. COMPENSATION OF LIEUTENANT GOVERNOR. The State  
18 Officers Compensation Commission shall set the compensation of the  
19 lieutenant governor under AS 39.23.200 - 39.23.400.

20 \* Sec. 10. AS 39.20.050 is amended to read:

21 Sec. 39.20.050. EXCLUSIVE COMPENSATION. The compensation fixed  
22 by the State Officers Compensation Commission [LAW] for the governor  
23 and lieutenant governor is full compensation [IN FULL] for all servi-  
24 ces rendered by each of them in any official capacity or employment  
25 whatsoever during their respective terms of office, and shall be paid  
26 throughout their respective terms of office unless the office becomes  
27 vacant.

28 \* Sec. 11. AS 39.20.080(a) is repealed and reenacted to read:

29 (a) The State Officers Compensation Commission shall set the

1 compensation of the head of each principal executive department under  
2 AS 39.23.200 - 39.23.400.

3 \* Sec. 12. Notwithstanding AS 39.05.055(5) and AS 39.23.200, one of the  
4 initial members appointed to the commission shall serve a one-year term,  
5 two members shall serve two-year terms, two members shall serve three-year  
6 terms, and two members shall serve four-year terms.

7 \* Sec. 13. Notwithstanding secs. 3 - 11 and 15 of this Act, the salary  
8 established for justices of the supreme court in AS 22.05.140, judges of  
9 the court of appeals in AS 22.07.090, judges of the superior court in  
10 AS 22.10.190, judges of the district court in AS 22.15.220, legislators in  
11 AS 24.10.100, the governor in AS 39.20.010, the lieutenant governor in  
12 AS 39.20.030, and heads of each principal executive department in AS 39.-  
13 20.080, as those sections existed immediately before the effective date of  
14 this section shall remain in effect until the commission has recommended a  
15 change in the salary of that office in accordance with AS 39.23.200 -  
16 39.23.400.

17 \* Sec. 14. Notwithstanding the time limit imposed by AS 39.23.240,  
18 enacted by sec. 1 of this Act, the commission shall submit its first final  
19 report to the legislature by January 10, 1987.

20 \* Sec. 15. AS 22.05.140(c); AS 22.10.190(c); AS 22.15.220(d); AS 39.  
21 20.080(c); and AS 39.23.200(e) are repealed.

22 \* Sec. 16. AS 39.23.260, as enacted by sec. 1 of this Act, and secs  
23 2 - 11, 13, and 15 of this Act take effect on the effective date of a  
24 amendment to the Constitution of the State of Alaska creating a Stat  
25 Officers Compensation Commission.

26 \* Sec. 17. AS 39.23.200 - 39.23.250 and 39.23.270 - 39.23.400 as enact  
27 ed by sec. 1 of this Act, and secs. 12 and 14 of this Act take effect  
28 immediately in accordance with AS 01.10.070(c).

Version #2 ✓

Carmer  
2/5/86

Original sponsor: Larson by request

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 454 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to compensation of state officers;  
7 establishing a commission on compensation of state  
8 officers; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 39.23 is amended by adding new sections to read:

## 11 ARTICLE 1. STATE OFFICERS COMPENSATION COMMISSION.

12 Sec. 39.23.200. COMPENSATION COMMISSION ESTABLISHED. (a) The  
13 State Officers Compensation Commission is established. The commission  
14 is composed of seven members appointed by the governor subject to  
15 confirmation by a majority of the legislature in joint session.  
16 Members serve for staggered terms of four years. Commission member-  
17 ship shall include at least one business executive, one representative  
18 of a nonpartisan voters' organization, one person with experience in  
19 public administration and one representative of a labor organization.  
20 A vacancy shall be filled for the balance of the unexpired term.

21 (b) The commission shall annually elect a member to chair its  
22 meetings. A majority of the commission members constitutes a quorum  
23 to transact business. The affirmative vote of four members is re-  
24 quired to approve the commission's recommendations on compensation.

25 (c) The commission shall meet at the call of the chair. Notice  
26 of a meeting shall be mailed to each member at least 15 days before  
27 the meeting is scheduled for the meeting.

28 (d) The commission shall hold a public hearing to discuss its  
29 findings and recommendations before submitting its final report to the

1 legislature.

2 (e) The commission shall be established in the Office of the  
3 Governor.

4 Sec. 39.23.210. PROHIBITIONS AGAINST STATE OR MUNICIPAL SERVICE.  
5 A member of the commission may not be employed by the state, including  
6 the University of Alaska, serve as a member of a state board, commis-  
7 sion, or authority, or hold elective state or municipal office during  
8 membership on the commission.

9 Sec. 39.23.220. COMPENSATION. Members of the commission serve  
10 without compensation but are entitled to per diem and travel expenses  
11 authorized for members of boards and commissions under AS 39.20.180.

12 Sec. 39.23.230. STAFF. (a) The commission may contract for  
13 professional services and may employ staff as it considers necessary.

14 (b) If requested by the commission, the director of personnel in  
15 the Department of Administration shall serve as secretary to the  
16 commission.

17 Sec. 39.23.240. DUTIES OF THE COMMISSION. (a) The commission  
18 shall review the salaries, benefits, and allowances of members of the  
19 legislature, the governor, lieutenant governor, members of the judi-  
20 ciary, and the head of each principal department and submit a report  
21 on its findings at least once every two years, but not more frequently  
22 than every year.

23 (b) The commission shall submit its preliminary findings and  
24 recommendations by November 15. The commission shall give reasonable  
25 public notice of its preliminary findings and recommendations, solicit  
26 public comments, and give due regard to the public comments, before  
27 submitting a final report under (c) of this section.

28 (c) The commission shall make a final report of its findings and  
29 recommendations as to the rate and form of compensation, benefits, and

1 allowances for state officers no later than the 10th day of a legisla-  
2 tive session.

3 (d) The commission may submit to the legislature amendments to  
4 the report submitted under (c) of this section.

5 (e) A commission member who does not concur in the proposed or  
6 final recommendations may attach written objections to the commis-  
7 sion's report of its findings and recommendations.

8 Sec. 29.23.250. RECOMMENDATIONS RELATING TO THE JUDICIARY,  
9 GOVERNOR, AND LIEUTENANT GOVERNOR. (a) A recommendation of the  
10 commission may not have the effect of reducing the compensation or  
11 benefits of a member of the judiciary who is a member of the judiciary  
12 on the effective date of the commission's recommendation; or reduce,  
13 unless consistent with general law applicable to all other salaried  
14 officers of the state, except incumbent members of the judiciary, the  
15 compensation and benefits of the governor or lieutenant governor who  
16 are in office on the effective date of the commission's recommen-  
17 dation.

18 (b) The commission may recommend reduction in compensation or  
19 benefits for individuals who become members of the judiciary or gover-  
20 nor or lieutenant governor after the effective date of the commis-  
21 sion's recommendation.

22 Sec. 29.23.260. FILING WITH LIEUTENANT GOVERNOR AND CERTIFICA-  
23 TION. The commission shall, upon transmitting its final recommenda-  
24 tions to the legislature, file the recommendations in the office of  
25 the lieutenant governor, and upon the recommendations becoming effec-  
26 tive the commission shall certify the copy of the recommendations on  
27 file in the office of the lieutenant governor.

28 Sec. 39.23.270. POLICY OF THE LEGISLATURE. It is the policy of  
29 the legislature that the commission determine an equitable rate and

1 form of compensation, benefits, and allowances for state officers.

2 Sec. 39.23.280. ADMINISTRATIVE PROCEDURE ACT. The regulation-  
3 making provisions of the Administrative Procedure Act (AS 44.62) do  
4 not apply to proceedings of the commission.

5 Sec. 39.23.400. DEFINITIONS. In AS 39.23.200 - 39.23.400

6 (1) "commission" means the State Officers Compensation  
7 Commission;

8 (2) "judiciary" means justices of the supreme court and  
9 judges of the court of appeals and the superior and district courts;

10 (3) "state officer" means members of the legislature, the  
11 governor, lieutenant governor, members of the judiciary, and the head  
12 of each principal department in the executive branch.

13 \* Sec. 2. AS 39.23.240(c) is amended to read:

14 (c) The commission shall make a final report of its findings and  
15 recommendations as to the rate and form of compensation, benefits, and  
16 allowances for state officers no later than the 10th day of a legisla-  
17 tive session. A recommendation has the force of law and becomes  
18 effective on the first day of the next regular legislative session  
19 unless rejected by a concurrent resolution adopted by two-thirds of  
20 the members in each house of the legislature.

21 \* Sec. 3. AS 22.05.140(a) is repealed and reenacted to read:

22 (a) The State Officers Compensation Commission shall set the  
23 compensation and geographic cost-of-living adjustment, if any, of each  
24 justice under AS 39.23.200 - 39.23.400.

25 \* Sec. 4. AS 22.07.090(a) is repealed and reenacted to read:

26 (a) The State Officers Compensation Commission shall set the  
27 compensation of each judge of the court of appeals under AS 39.23.-  
28 200 - 39.23.400.

29 \* Sec. 5. AS 22.10.190(a) is repealed and reenacted to read:

1 (a) The State Officers Compensation Commission shall set the  
2 compensation and geographic cost-of-living adjustment, if any, of each  
3 judge of the superior court under AS 39.23.200 - 39.23.400.

4 \* Sec. 6. AS 22.15.220(a) is repealed and reenacted to read:

5 (a) The State Officers Compensation Commission shall set the  
6 compensation and geographic cost-of-living adjustment, if any, of each  
7 judge of the district court under AS 39.23.200 - 39.23.400.

8 \* Sec. 7. AS 24.10.100 is repealed and reenacted to read:

9 Sec. 24.10.100. COMPENSATION OF LEGISLATORS. The State Officers  
10 Compensation Commission shall set the compensation of legislators  
11 under AS 39.23.200 - 39.23.400.

12 \* Sec. 8. AS 39.20.010 is repealed and reenacted to read:

13 Sec. 39.20.010. COMPENSATION OF THE GOVERNOR. The State Offi-  
14 cers Compensation Commission shall set the compensation of the gover-  
15 nor under AS 39.23.200 - 39.23.400.

16 \* Sec. 9. AS 39.20.030 is repealed and reenacted to read:

17 Sec. 39.20.030. COMPENSATION OF LIEUTENANT GOVERNOR. The State  
18 Officers Compensation Commission shall set the compensation of the  
19 lieutenant governor under AS 39.23.200 - 39.23.400.

20 \* Sec. 10. AS 39.20.050 is amended to read:

21 Sec. 39.20.050. EXCLUSIVE COMPENSATION. The compensation fixed  
22 by the State Officers Compensation Commission [LAW] for the governor  
23 and lieutenant governor is full compensation [IN FULL] for all servi-  
24 ces rendered by each of them in any official capacity or employment  
25 whatsoever during their respective terms of office, and shall be paid  
26 throughout their respective terms of office unless the office becomes  
27 vacant.

28 \* Sec. 11. AS 39.20.080(a) is repealed and reenacted to read:

29 (a) The State Officers Compensation Commission shall set the

1 compensation of the head of each principal executive department under  
2 AS 39.23.200 - 39.23.400.

3 \* Sec. 12. Notwithstanding AS 39.05.055(5) and AS 39.23.200, one of the  
4 initial members appointed to the commission shall serve a one-year term,  
5 two members shall serve two-year terms, two members shall serve three-year  
6 terms, and two members shall serve four-year terms.

7 \* Sec. 13. Notwithstanding secs. 3 - 11 and 15 of this Act, the salary  
8 established for justices of the supreme court in AS 22.05.140, judges of  
9 the court of appeals in AS 22.07.090, judges of the superior court in  
10 AS 22.10.190, judges of the district court in AS 22.15.220, the governor in  
11 AS 39.20.010, the lieutenant governor in AS 39.20.030, and heads of each  
12 principal executive department in AS 39.20.080, as those sections existed  
13 immediately before the effective date of this section shall remain in  
14 effect until the commission has recommended a change in the salary of that  
15 office in accordance with AS 39.23.200 - 39.23.400.

16 \* Sec. 14. Notwithstanding the time limit imposed by AS 39.23.240,  
17 enacted by sec. 1 of this Act, the commission shall submit its first final  
18 report to the legislature by January 10, 1987.

19 \* Sec. 15. AS 22.05.140(c); AS 22.10.190(c); AS 22.15.220(d); AS 39.-  
20 20.080(c); and AS 39.23.200(e) are repealed.

21 \* Sec. 16. AS 39.23.260, as enacted by sec. 1 of this Act, and secs.  
22 2 - 11, 13, and 15 of this Act take effect on the effective date of an  
23 amendment to the Constitution of the State of Alaska creating a State  
24 Officers Compensation Commission.

25 \* Sec. 17. AS 39.23.200 - 39.23.250 and 39.23.270 - 39.23.400 as enact-  
26 ed by sec. 1 of this Act, and secs. 12 and 14 of this Act take effect  
27 immediately in accordance with AS 01.10.070(c).  
28  
29



# Alaska State Legislature

## House of Representatives

### Committee on State Affairs

Official Business

Pouch V  
State Capitol  
Juneau, Alaska 99811

1987-413-2083

January 29, 1986

Rep. M. Mike Miller, Chair  
House Judiciary Committee  
P.O. Box V  
Juneau, Alaska 99811

Dear Rep. Miller:

On Monday, January 27, 1986 the House State Affairs Committee passed out CSHB 454 "An Act relating to compensation of state officers; establishing a commission on compensation of state officers." In addition, a motion was passed that a letter be sent to the Judiciary Committee, as next committee of referral, asking members to consider amending Sec. 39.23.270, Policy of the Legislature. It was suggested that the phrase "based upon equitable relationships being maintained among state positions" might make it difficult for legislative salaries to be set at a level less than other state officials.

In addition, the State Affairs Committee asks that Sec. 2 AS 39.23.240(c) regarding the two-thirds vote of the legislature to reject recommendations of the commission be given additional consideration. It was felt that further discussion of this requirement is warranted.

We appreciate your consideration of these points when the Judiciary Committee takes up CSHB 454.

Sincerely,

*Katie Hurley*  
Rep. Katie Hurley  
Chair

Cramer

A M E N D M E N T

Offered in the State Affairs Committee

By Larson and Sund

TO: HB 454

Page 2, after line 1, insert a new subsection to read:

"(e) The commission shall be established in the Office of the Governor"

Page 2, line 28 after "session." through page 3, line 2, delete all material.

Page 4, after line 13 insert a new bill section to read:

"\* Sec. 2. AS 39.23.240(c) is amended to read:

(c) The commission shall make a final report of its findings and recommendations as to the rate and form of compensation, benefits, and allowances for state officers no later than the 10th day of a legislative session. A recommendation has the force of law and becomes effective on the first day of the next regular legislative session unless rejected by a concurrent resolution adopted by two-thirds of the members in each house of the legislature."

Renumber remaining bill sections accordingly

Page 5, line 29, delete "2 - 10 and 13" and insert "3 - 11 and 15"

Page 6, after line 10, insert a new bill section to read:

"\* Sec. 14. Notwithstanding AS 39.23.240(b), enacted by sec. 1 of this Act, the commission shall submit its first report to the legislature by February 17, 1987."

Renumber remaining bill sections accordingly

Page 6, line 11, delete "and"

Page 6, line 12, after "AS 39.20.080(c)" insert "and AS 39.23.200(e);"

Page 6, line 13, delete "This Act takes" and insert

"AS 39.23.260, as enacted by sec. 1. of this Act, and secs. 2 - 11, 13, and 15 of this Act take"

Page 6, after line 15, insert a new bill section to read:

"\* Sec. 17. AS 39.23.200 - 39.23.250 and 39.23.270 - 39.23.400 as enacted by sec. 1 of this Act, and secs. 12 and 14 of this Act take effect immediately in accordance with AS 01.10.070(c)."

TABLE III

## STATE COMPENSATION COMMISSIONS

<u>Name of Commission</u>	<u>Number of Members</u>	<u>Appointing Authority</u>	<u>Scope of Recommendations</u>	<u>Frequency of Recommendations</u>
Arizona Commission on Salaries for State Elective Officers	5	2 by Governor, 1 by Senate President, 1 by House Speaker, and 1 by Chief Justice of Supreme Court	Salaries of legislators and elected state officials (Changes in legislative salaries must be approved by the voters.)	At direction of legislature
Colorado State Officials' Compensation Commission	9	3 by Governor, 2 by Senate President, 2 by House Speaker, and 2 by Chief Justice of Supreme Court	Salaries, allowances, and benefits of legislators, state judges, district attorneys, and elected and appointed officials (advisory only)	Biennially
Connecticut Compensation Commission	11	3 by Governor, 2 by House Speaker, 2 by House Minority Leader, 2 by Senate President Pro Tempore, and 2 by Senate Minority Leader	Salary, expenses, and benefits of legislators, elected officials, and judges (advisory only)	Biennially
Florida Officers' Compensation Commission	9	2 by Governor, 2 by Senate President, 2 by House Speaker, and 2 by Chief Justice of Supreme Court. The 8 members appoint the ninth member.	Salary and expenses of legislators, specified state officials, judges, state attorneys, public defenders, public service commissioners, and county officers (advisory only)	Annually
Georgia Commission on Compensation	12	4 by Governor, 4 by Supreme Court, 2 by Senate President (Lieutenant Governor), and 2 by House Speaker	Compensation of legislators, state officers, and heads of state agencies (Legislature required to introduce commission recommendation as a bill)	Biennially
Hawaii Commission on Legislative Salary	11	Governor	Salary of legislators (Recommendations effective unless rejected by Legislature or Governor. If rejected, existing rates are continued)	Every 8 years
Idaho Legislative Compensation Commission	6	3 by Governor and 3 by Supreme Court	Salary and expenses of legislators (Legislature may reject or reduce recommended rates. If rejected, existing rates are continued.)	Biennially

TABLE III--continued  
STATE COMPENSATION COMMISSIONS

<u>Name of Commission</u>	<u>Number of Members</u>	<u>Appointing Authority</u>	<u>Scope of Recommendations</u>	<u>Frequency of Recommendations</u>
Montana Salary Commission	8	2 by Governor, 2 by Supreme Court, 1 by Senate Majority Leader, 1 by Senate Minority Leader, 1 by House Speaker, and 1 by House Minority Leader	Compensation of legislators, elected officials, and Judges (advisory only)	Biennially
Oklahoma Board on Legislative Compensation	11	5 by Governor, 2 by the Senate President Pro Tempore, and 2 by House Speaker (Chairman of Tax Commission and Director of State Finance are non-voting ex-officio members.)	Salary of legislators (Board recommendations are final)	Biennially
South Dakota Commission on Salaries for Elective State Officials	5	2 by Governor, 1 by Senate President Pro Tempore, 1 by House Speaker, and 1 by Chief Justice of Supreme Court	Salaries of legislators, elected officials, and Judges (advisory only)	Biennially
Washington Committee on Salaries	7	President of University of Puget Sound, President of Washington State University, Chairman of State Personnel Board, President of Association of Washington Business, President of Pacific Northwest Personnel Managers' Association, and President of Washington State Labor Council	Salaries of legislators, state elective and executive officials, and Judges (advisory only)	Biennially
West Virginia Citizens Legislative Compensation Commission	7	Governor	Compensation and expenses of legislators (Legislature may accept or decrease recommended rates)	Quadrennially

SOURCE: Legislative Research review of state statutes

TABLE III--continued  
STATE COMPENSATION COMMISSIONS

<u>Name of Commission</u>	<u>Number of Members</u>	<u>Appointing Authority</u>	<u>Scope of Recommendations</u>	<u>Frequency of Recommendations</u>
Illinois Advisory Committee on Compensation of General Assembly Members	7	3 by Governor, 2 by President of Senate, and 2 by House Speaker	Compensation of legislators (advisory only)	Biennially
Iowa Commission on Compensation, Expenses and Salaries for Elected State Officials	15	5 by Governor, 5 by Senate President (Lieutenant Governor), and 5 by House Speaker	Salary, compensation, and expenses of legislators, elected state officials, and judges (advisory only)	Biennially
Kentucky Public Officials Compensation Commission	5	1 by Governor, 1 by Lieutenant Governor, 1 by House Speaker, 1 by Senate President Pro Tempore, and 1 by Supreme Court	Salaries, benefits, and allowances of legislators and certain elected officials and judges (advisory only)	Biennially
Louisiana Compensation Review Commission	19	5 appointed by Governor, 1 by Chief Justice of Supreme Court, 1 by Chairman of Conferences of Courts of Appeal Judges, 1 by District Judges' Association, and 1 by City Judges' Association (5 Senators and 5 Representatives are also members)	Salary and benefits of legislators, elected officials, judges, and unclassified state employees (advisory only)	Annually
Maryland General Assembly Compensation Commission	9	5 by Governor, 2 by Senate Senate President, and 2 by House Speaker	Salary and allowances of legislators (Legislature may reject or reduce recommended rates. If rejected, existing rates are continued.)	Quadrennially
Massachusetts Advisory Board on Legislative, Judicial and Constitutional Officers' Compensation	5	Governor	Salaries and expenses of legislators, constitutional officers, and judges (advisory only)	Biennially
Michigan State Officers' Compensation Commission	7	Governor	Salaries and expenses of legislators, Governor and Lieutenant Governor, and Justices of Supreme Court (Recommendations effective unless rejected by 2/3 vote of legislature. If rejected, existing rates are continued.)	Biennially

ALASKA LEGISLATIVE PAY HISTORY

<u>DATES</u>	<u>MONTHLY SALARY</u>	<u>YEARLY SALARY</u>	
3/17/61 - 1/22/67	208.33	2,499.96	
1/23/67 - 1/27/69	500.00	6,000.00	
1/28/69 - 7/15/70	541.66	6,499.92	
7/16/70 - 1/10/71	791.66	9,499.92	
1/11/71 - 6/30/75	750.00	9,000.00	
7/1/75 - 10/13/76	1,226.66	14,719.92	* #1
10/14/76 - 5/15/77	750.00	9,000.00	* #2
5/16/77 - 12/31/78	979.17	11,750.04	* #3
1/1/79 - 12/31/79	1,291.66	15,499.92	* #4
1/1/80 - 12/31/80	1,440.00	17,280.00	
1/1/81 - 12/31/81	1,564.00	18,768.00	
1/1/82 - 12/31/82	1,673.00	20,076.00	
1/1/83 - 7/20/83	1,757.00	21,084.00	* #5
7/21/83 - PRESENT	3,900.00	46,800.00	* #6

- \*1 CHAPTER 205 SLA 1975/INCLUDED LEGISLATIVE PAY RAISE REPEALED BY VOTERS--AUGUST 1976 PRIMARY
- \*2 SALARY RETURNED TO \$750.00 PER MONTH 10/13/76
- \*3 SALARY COMMISSION ENACTED 6/25/76  
THIS SALARY WAS RECOMMENDED BY COMMISSION AND ADOPTED BY LEGISLATURE.
- \*4 SALARY COMMISSION ABOLISHED IN 1980. THIS SALARY SET BY LEGISLATORS.
- \*5 1983 BASE + PER DIEM \$34,684-162 DAYS.
- \*6 FIRST BASE SALARY WITH NO PER DIEM-EFFECTIVE 7/21/83 28% INCREASE (\$12,756) OVER PRE-RAISE 1983 SALARY

Public Employees' Retirement System  
Teachers' Retirement System  
Judicial Retirement System  
Elected Public Officers Retirement System  
National Guard Retirement System  
Territorial Retirement System  
Retirees' Voluntary Dental-Vision-Audio Plan  
Supplemental Benefits System  
Group Health/Life Insurance Benefits  
Deferred Compensation Plan  
Public Employers' Social Security Contributions

**DEPARTMENT OF ADMINISTRATION**

**DIVISION OF RETIREMENT & BENEFITS**

PLEASE REPLY TO:

*POUCH CR (MS 0203)*  
JUNEAU, ALASKA 99811  
PHONE (907)465-4460

2600 DENALI ST. SUITE 401  
ANCHORAGE, ALASKA 99503  
PHONE (907) 277-7504

*Bill Sheffield, Governor*

September 27, 1985

Ms. Linda Firestone  
Administrative Assistant  
Senator Mitchell Abood's Office  
1024 W. 6th, Suite 308  
Anchorage, AK 99501

Dear Ms. Firestone:

Re: Comparison of Legislative Retirement Benefits

In response to our phone conversation of September 25, I am enclosing a comparison chart which outlines the differences between the Alaska Public Employees' (PERS), Teachers' (TRS), and Elected Public Officers (EPORS) retirement systems. Also enclosed is a comparison chart showing the differences between legislative retirement systems in California, Michigan, New York and Pennsylvania.

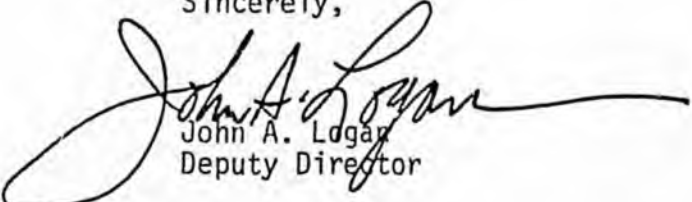
Of the 60 active legislators in Alaska, 42 have elected coverage under the PERS, three are covered under the TRS, 10 are covered under the EPORS, and five have waived participation in the PERS and, therefore, have no coverage.

The PERS was established effective January 1, 1961, and the TRS July 1, 1955. These systems were created to encourage qualified individuals to enter and remain in employment in Alaska. The PERS provides retirement coverage to public employees of the State and participating political subdivisions. The TRS provides coverage to teachers in public schools in Alaska.

The EPORS was established effective January 1, 1976, but was repealed by voter referendum on October 14, 1976. However, the Supreme Court later ruled that the repeal should not affect those elected officials who were at that time participating in the EPORS. Covered under this system are the governor, lieutenant governor, and legislators who were participating prior to the October 14, 1976 repeal.

I hope this information is helpful. If I can be of further assistance, please let me know.

Sincerely,

  
John A. Logar  
Deputy Director

JAL/CS/cam/1  
Enclosures

PUBLIC EMPLOYEES' RETIREMENT SYSTEM / TEACHERS' RETIREMENT SYSTEM / ELECTED PUBLIC OFFICERS RETIREMENT SYSTEM  
A COMPARISON AS OF JULY 1, 1985

	PO/F	PERS All Others	TRS	EPORS
Benefit Multiplier	2% on years 1-10 2½% on years over 10	2%	2%	5% membership 2% other creditable service
Vesting	5 years service	5 years service	8 years of membership service; OR 5 years membership service and 3 years AK BIA; OR 15 years credited service if hired prior to 7/1/75, last 5 years membership service	5 years service
Retirement Age	55 if vested or at any age 20 years PO/F service OR 50 if vested for early reduced benefit	55 if vested OR at any age 30 years service OR 50 if vested for early reduced benefit	55 if vested OR at any age with 20 years membership service; OR 20 years combined membership and AK BIA, last 5 years membership service; OR 25 years credited service, last 5 years membership service OR 50 if vested for early reduced benefit	60 if vested OR 55 if vested for early reduced benefit
Employee Contributions	5%	4.25%	7%	7%
Employer Contributions (actuarially determined)	19.71% consolidated rate	12.77% consolidated rate	17.76%* *8.88% employer and 8.88% State matching	Unfunded System, Annual Appropriations
COLA	10% (or \$50, if less) if domiciled in Alaska	10% (or \$50, if less) if domiciled in Alaska	10% if domiciled in Alaska	NO
Post Retirement Pension Adjustments	Ad Hoc	Ad Hoc	Ad Hoc	Benefits Increase with Last Position's Salary Increase
Health Insurance Coverage After Retirement	YES	YES	YES	YES

LEGISLATIVE RETIREMENT SYSTEMS  
A Comparison - As of September 26, 1985

	California	Michigan	New York	Pennsylvania
Benefit Multiplier	3.36%	4% (Maximum of 16 years)	1.66% - up to 25 years, plus 2% - between 25 and 30 years, plus 1.5% - over 30 years	2%
Vesting	4 years of service	8 years of service	10 years of service	10 years of service
Retirement Age	Age 60 or at any age with 20 years  Early retirement at any age with 15 years (reduced benefit)	Age 55  No early retirement	Age 62  No early retirement	Age 50  Early retirement at any age with 10 years (reduced benefit)
Employee Contributions	8%	7%	3%	6 1/2%
Employer Contributions	18.81%	None - revenue from court filing fees is used to fund system.	16%	17.81%
Post Retirement Pension Adjustments	Annually based on CPI - not actuarially funded.	Annually	Ad hoc	Ad hoc
Health Insurance Coverage After Retirement	Yes, if member is retired within 120 days of termination	Yes	Yes	Yes

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

October 3, 1985

SUBJECT: Annual Salaries for Legislators

TO: Senator Mitch Abood  
Chairman, Legislative Salary Committee

FROM: Teresa B. Cramer *JBC*  
Legislative Counsel

You have asked for information concerning the development of the statutes concerning legislative salaries, allowances, per diem, and travel expenses. I have provided Linda Firestone of your staff with copies of the chapters that adopted or amended the appropriate statutes. The following table sets out the development of each of the relevant statutes.

AS 24.15.010. Legislative per diem.

Ch. 1 SLA 1959

Section 1. Legislative Per Diem. The rate of per diem in lieu of subsistence and other expenses for each member of the Legislature while in session shall be \$40.00 per day.  
Effective: February 11, 1959.

Ch. 26 SLA 1961

Section 1. Legislative Per Diem. The rate of per diem in lieu of subsistence for each member of the legislature whose permanent residence is in Election District 5 is \$25.00 for each day in session. The rate for all other members of the legislature is \$35.00 for each day in session. This per diem shall also be payable for those days of necessary travel to and from sessions.  
Effective: March 18, 1961.

Ch. 100 SLA 1963

Sec. 3 AS 24.15.010 is repealed and re-enacted to read:

Sec. 24.15.010. Legislative Per Diem. The rate of per diem instead of subsistence for each member of the legislature is \$35 for each day in session. The per diem is also payable for those days of necessary travel to and from sessions.  
Effective: May 2, 1963.

Ch. 193 SLA 1970

\* Sec. 8. AS 24.15.010 is amended to read:

Sec. 24.15.010. Legislative Per Diem. The rate of per diem instead of subsistence for each member of the legislature is \$35 for the first 90 days of a legislative session. The per diem is also payable for those days of necessary travel to and from sessions.  
Effective: July 16, 1970.

Ch. 87 SLA 1971

\* Sec. 5. AS 25.15.010 is amended to read:

Sec. 24.15.010. Legislative Per Diem. The rate of per diem instead of subsistence for each member of the legislature is \$35 for each day of a legislative session. The per diem is also payable for those days of necessary travel to and from sessions.

Effective: Retroactive to April 10, 1971.

Ch. 205 SLA 1975

\* Sec. 6. AS 24.15.010 is repealed and re-enacted to read:

Sec. 24.15.010. LEGISLATIVE PER DIEM. (a) For each day of the legislative session and for each day on official legislative business between sessions, legislators (1) on travel status and

away from home overnight shall be allowed, instead of their actual expenses for subsistence a per diem allowance of \$48 for each day; (2) not away from home overnight shall receive an allowance of \$35 for each day. The per diem allowance is also payable for each day of necessary travel.  
Effective: July 1, 1975

Ch. 263 SLA 1976

\* Sec. 6. AS 24.15.010 is repealed and re-enacted to read:

Sec. 24.15.010. LEGISLATIVE PER DIEM. The rate of per diem instead of subsistence for each member of the legislature shall be prescribed in accordance with AS 39.23.

Effective On the effective date of the first recommendation submitted to the legislature by the Alaska Salary Commission.

Ch. 3 SLA 1980

\* Sec. 13. AS 24.15.010 is repealed and re-enacted to read:

Sec. 24.15.010. LEGISLATIVE PER DIEM. (a) Each member of the legislature is entitled to receive per diem at the same rate allowed for a state employee under AS 39.20.110 and 39.20.160, including regional variations in the rate where applicable.

(b) A legislator is entitled to receive per diem at the short-term rate

(1) during a legislative session if he does not live in his place of permanent residence during the session; and

(2) while he is on committee business for an interim committee of the legislature in a place which is not his place of permanent residence.

(c) A legislator is entitled to receive per diem at the long-term rate

(1) during a legislative session if he lives in his place of permanent residence during the session; and

(2) while he is engaged in committee business for an interim committee of the legislature at his place of permanent residence.

(d) In this section

(1) "long-term rate" means the long-term per diem rate established in regulations adopted by the commissioner of administration under AS 39.20.160;

(2) "short-term rate" means the short-term per diem rate established in regulations adopted by the commissioner of administration under AS 39.20.160.

Effective: Retroactive to January 1, 1979

Ch. 83 SLA 1983

\* Sec. 7. AS 24.15.010 is repealed.

Effective: July 21, 1983

AS 24.15.020. Legislative Salaries.

Ch. 1 SLA 1959

Section 2. Annual Salaries. The annual salary for each member of the Legislature shall be \$3,000.00, to be paid at the rate of \$250.00 per month.

Effective: February 11, 1959

Ch. 26 SLA 1961

Sec. 2. Annual Salaries. The annual salary for each member of the legislature is \$2,500.00 to be paid in approximately equal monthly payments. The president of the senate and speaker of the house of representatives shall each be paid an additional \$500.00 per year during tenure of office.

Effective: March 18, 1961

Ch. 149 SLA 1966

\* Section 1. AS 24.15.020 is amended to read:

Sec. 24.15.020. ANNUAL LEGISLATIVE SALARIES. The annual salary for each member of the legislature is \$6,000 to be paid in approximately equal monthly payments. The president of the senate and speaker of the house of representatives are each entitled to an additional \$500 a year during tenure of office.

Effective: January 23, 1967.

Ch. 193 SLA 1970

\* Sec. 9. AS 24.15.020 is amended to read:

Sec. 24.15.020. ANNUAL LEGISLATIVE SALARIES. The annual salary for each member of the legislature is \$9,000 to be paid in approximately equal monthly payments. The president of the senate and speaker of the house of representatives are each entitled to an additional \$500 a year during tenure of office.

Effective: July 16, 1970

Ch. 205 SLA 1975

\* Sec. 4. AS 24.15.020 is amended to read:

Sec. 24.15.020. ANNUAL LEGISLATIVE SALARIES. The annual salary for each member of the legislature is 33-1/3 per cent of Step E, Range 28 of the salary schedule established in AS 39.27.010 for Anchorage, Alaska, to be paid in approximately equal monthly payments. The president of the senate and speaker of the house of representatives are each entitled to an additional \$500 a year during tenure of office.

Effective: July 1, 1975

Ch. 148 SLA 1976

\* Sec. 6. AS 24.15.020 is repealed and re-enacted to read:

Sec. 24.15.020. ANNUAL LEGISLATIVE SALARIES. The annual salary for each member of the legislature is 33-1/3 per cent of Step E, Range 28 of the salary schedule established in AS 39.27.010 for Anchorage, Alaska. The president of the senate and speaker of the house of representatives are each entitled to an additional \$500 a year during tenure of office.

Effective: July 16, 1976

Ch. 263 SLA 1976

\* Sec. 7. AS 24.15.020 is repealed and re-enacted to read:

Sec. 24.15.020. ANNUAL LEGISLATIVE SALARIES. Each member of the legislature is entitled to receive annual compensation prescribed in accordance with AS 39.23 to be paid in approximately equal monthly installments. The president of the senate and speaker of the house of representatives are each entitled to an additional annual sum prescribed in accordance with AS 39.23.

Effective: On the effective date of the first recommendations submitted to the legislature by the Alaska Salary Commission.

Ch. 3 SLA 1980

\* Sec. 14. AS 24.15.020 is repealed and re-enacted to read:

Sec. 24.15.020. ANNUAL LEGISLATIVE COMPENSATION.  
(a) The annual salary for each member of the legislature is \$15,500, payable monthly in 12 equal installments. The president of the senate and speaker of the house of representatives are each entitled to an additional \$500 a year during tenure of office.

(b) Except as provided by a general law applicable to all officials of the state, the compensation of a member of the legislature may not be reduced during his term of office.

Effective: Retroactive to January 1, 1979

Ch. 3 SLA 1980

\* Sec. 28. AS 24.15.020 is repealed and re-enacted to read:

Sec. 24.15.020. The monthly salary for each member of the legislature is equal to Step A, Range 10 of the salary schedule in AS 39.27.011(a) for Juneau, Alaska. The president of the senate and the speaker of the house of representatives are each entitled to an additional \$500 a year during tenure of office.

Effective: Retroactive to January 1, 1980

Ch. 83 SLA 1983

\* Sec. 2. AS 24.15.020 is amended to read:

Sec. 24.15.020. SALARY OF LEGISLATORS. The monthly salary for each member of the legislature is equal to Step A, Range 22 (10) of the salary schedule in AS 39.27.011(a) for Juneau, Alaska. The president of the senate and the speaker of the house of representatives are each entitled to an additional \$500 a year during tenure of office.  
Effective: July 21, 1983

Ch. 87 SLA 1985

\* Section 1. AS 24.15.020 is amended to read:

Sec. 24.15.020. SALARY OF LEGISLATORS. The annual (MONTHLY) salary for each member of the legislature is \$46,800 (EQUAL TO STEP A, RANGE 22 OF THE SALARY SCHEDULE IN AS 39.27.011(a) FOR JUNEAU, ALASKA). The president of the senate and the speaker of the house of representatives are each entitled to an additional \$500 a year during tenure of office.

Effective: July 16, 1985

AS 24.15.030. Additional Allowances

Ch. 1 SLA 1959

Section. 3. Additional Allowances. In recognition of their extra duties the President of

the Senate and the Speaker of the House shall each be paid an additional allowance of \$600.00 per year during tenure of office. These sums shall be paid at the rate of \$50.00 per month.  
Effective: February 11, 1959

Ch. 26 SLA 1961

Sec. 3. Additional Allowances. In addition, each member of the legislature shall receive an annual allowance of \$300.00 for postage, stationery, stenographic services and other expenses.

Sec. 7. Special Provisions: First Session-Second Legislature. Members of the first session-second legislature shall receive the salary, per diem and allowances set out in Ch. 1, SLA 1959 until the effective date of this Act. On the effective date of this Act the salary, per diem and allowances set out in this Act shall apply, except that the additional allowance set out in Sec. 3 shall be reduced one-half for the first session of the second legislature. Payment of this special allowance may be made from the line item appropriation made for the per diem of legislators for the fiscal year ending June 30, 1961.  
Effective: March 18, 1961

Ch. 8 SLA 1970

\* Section 1. AS 24.15.030 is amended to read:

Sec. 24.15.030. ADDITIONAL ALLOWANCES. In addition, each member of the legislature is entitled to an annual allowance of \$1,000 for postage, stationery, stenographic services and other expenses.  
Effective: February 18, 1970

Ch. 193 SLA 1970

\* Sec. 10. AS 24.15.030 is amended to read:

Sec. 24.15.030. ADDITIONAL ALLOWANCES. In addition, each member of the legislature is entitled to an annual allowance of \$4,000 for

postage, stationery, stenographic services and other expenses.

Effective: July 16, 1970

Ch. 263 SLA 1976

\* Sec. 8. AS 24.15.030 is amended to read:

Sec. 24.15.030. ADDITIONAL ALLOWANCES. In addition, each member of the legislature is entitled to an annual allowance prescribed in accordance with AS 39.23 for postage, stationery, stenographic services and other expenses.

Effective: On the effective date of the first recommendations submitted to the legislature by the Alaska Salary Commission.

AS 24.15.050. Travel Allowance

Ch. 36 SLA 1959

Section 1. Each member of the Alaska State Legislature shall be entitled to receive one round trip first class airline fare, or its equivalent, from his place of residence in the election district from which elected or appointed to Juneau for purposes of attending regular, reconvened regular or special sessions of the State Legislature. When needed, an allowance up to fifty pounds for excess baggage each way is hereby authorized.

Sec. 2. This Act shall be effective upon its passage and approval or upon its becoming law without such approval.

Effective: March 13, 1959

Ch. 100 SLA 1963

Sec. 4. AS 24.15.050 is repealed and re-enacted to read:

Sec. 24.15.050. Transportation Allowance. Each member of the legislature is entitled to receive one round-trip transportation fare not to exceed the cost of first-class airline fare from his place of residence in the election district from

which elected or appointed to the capital for purposes of attending regular, reconvened regular, or special sessions of the legislature. Each member receiving transportation fare is entitled to a baggage allowance not to exceed the cost of 100 pounds excess baggage by air each way upon submission of proper documentation to substantiate the baggage shipment.  
Effective May 2, 1963

Ch. 106 SLA 1975

\* Section 1. AS 24.15.050 is amended to read:

Section 24.15.050. TRANSPORTATION ALLOWANCE. Each member of the legislature is entitled to receive one round-trip transportation fare not to exceed the cost of first-class airline fare from his place of residence in the election district from which elected or appointed to the capital for purposes of attending regular, reconvened regular, or special sessions of the legislature. Each member receiving transportation fare is entitled to an allowance not to exceed the cost of 200 pounds air freight each way upon submission of proper documentation to substantiate the baggage shipment.  
Effective June 4, 1975

Ch. 3 SLA 1980

\* Sec. 29. AS 24.15.050 is repealed and re-enacted to read:

Sec. 24.15.050. LEGISLATIVE TRANSPORTATION. A member of the legislature is entitled to reimbursement for the expense of moving between his place of residence and the capital city for the purpose of attending a regular session of the legislature. Reimbursement shall be as provided by regulations covering state employees adopted by the commissioner of administration under AS 39.20.160.  
Effective Retroactive to January 1, 1980

ANNUAL LEGISLATIVE SALARIES ESTABLISHED BY AS 24.15.020

1959-1961	\$ 3,000	Special Senate President \$500 This amount has not changed since 1959.
1961-1966	\$ 2,500	
1967-1970	\$ 6,000	
1970-1975	\$ 9,000	
1975-?	\$14,705	Established at 33.3% of Range 28E of the salary schedule established in AS 39.27.010. Chapter 138 SLA 1975 establishes the monthly rate for Range 28E as \$3,680.  This salary remained in effect until the Alaska Salary Commission submitted its first recommendations to the legislature.
1979	\$15,500	
1980-1982	\$17,280	Set at Range 10A of the salary schedule in AS 39.27.011.
1982	\$20,076	Chapter 50, SLA 1982 amended the salary schedule in AS 39.27.011.
1983	\$46,800	Range 22A of the salary schedule in AS 39.27.011 from 1983 to 1985, then ch. 87 SLA 1985 set this amount by statute.

If I can be of further assistance, please advise.

TC:mkr  
M1:026

Attachments

1/14/86

TUESDAY

No. 12

RECOMMENDATIONS AND FINDINGS  
AS REPORTED BY THE  
JOINT SPECIAL COMMITTEE ON  
LEGISLATIVE SALARIES

TO THE ALASKA LEGISLATURE ON  
JANUARY 13, 1986

SENATOR MITCH ABOOD, CO-CHAIRMAN

REPRESENTATIVE RON LARSON, CO-CHAIRMAN

SENATOR BETTYE FAHRENKAMP

SENATOR BILL RAY

REPRESENTATIVE JOHN SUND

REPRESENTATIVE RANDY PHILLIPS

PUBLIC MEMBERS

Mr. Frank Chapados, Fairbanks  
Mr. Lew Williams, Ketchikan  
Mr. George Sullivan, Anchorage

## EXECUTIVE SUMMARY

This report contains the recommendations and findings submitted to the Alaska Legislature as required by SCR 19, "Establishing a Joint Special Committee on Legislative Salaries." The members of the Committee were: Senator Mitch Abond, Co-Chairman; Representative Ron Larson, Co-Chairman; Senator Bettye Fahrenkamp; Senator Bill Ray; Representative John Sund; Representative Randy Phillips; and serving as public members, Mr. George Sullivan; Mr. Iew Williams; and Mr. Frank Chapados.

In keeping with the directive of SCR 19 the Committee has: examined the streamlining of expenditures and the reduction of operating costs; examined legislative salaries, per diem, and allowances; compared the approach taken by the State of Alaska regarding salaries with the approaches taken by other states.

Along with the above directive, the Committee kept paramount in its considerations the public concern for legislators setting their own salaries and the desire to reduce the retirement benefits of legislators. With this in mind, the Committee, after much deliberation, recommends that a constitutional amendment be placed on the November 1986 ballot to establish a State Officers Compensation Commission to set the salaries of legislators along with other state officials. To accompany this, is the enabling legislation which would take effect when the Commission is established.

The Committee recommends introduction of a salary legislation which will lower the retirement benefits of legislators, as well as save many thousand of dollars in future operating costs. We are recommending that the Legislature set a base salary of \$30,000 and reinstate the per diem system for session only and reimbursement for expenses only during the interim. The Committee does maintain that adequate compensation is essential if public service in the legislature is to be obtainable for the "average citizen" and not just a reality for an elite few.

SUMMARY OF MAJOR AREAS ANALYZED BY  
THE JOINT SPECIAL COMMITTEE ON LEGISLATIVE SALARIES

Due to the wide disparities in legislative salaries, benefits, retirement programs, population, members, budgets, cost of living differentials, and size differences of all fifty states, the committee had to narrow the scope of analysis. Consideration was given to the fact that Alaska has the highest cost of living and at first glance pays the highest compensation. Therefore, in most of the extensive comparisons four states paying comparable legislative compensation were used. The average cost of living for these states is as follows:

Alaska 29% above national average  
California 3% above national average  
New York 1% above national average  
Michigan 3% below national average  
Pennsylvania 1% above national average

1/14/86

No. 12  
HB 454  
HB 455RETIREMENT

A comparison of the above states with Alaska was made by individually contacting each state. Alaska was found to be well within the norm in this comparison.

The EPOPS (Elected Public Officials Retirement System) was established effective January 1, 1976, but was repealed by voter referendum on October 14, 1976. However, the Supreme Court later ruled that the repeal should not affect those elected officials who were at that time participating in the EPOPS. Covered under this system are the governor, lieutenant governor, and legislators who were participating prior to the October 14, 1976 repeal.

The Alaska PERS (Public Employees' Retirement System) was established effective January 1, 1961. The PERS provides retirement coverage to public employees of the state and participating political subdivisions.

Of the 60 current legislators in Alaska, 42 have elected coverage under the PERS, three are covered under the TRS (Teachers' Retirement System), 10 are covered under the EPOPS, and five have waived participation in the PERS and, therefore, have no coverage. In the Senate 17 members are currently vested and only 10 House members are vested. In 1982 the Alaska House of Representatives suffered a 55% turnover rate which was the highest turnover rate of all the states in that year.

ALASKA PROPOSED BASE SALARY AND PER DIEM VS OTHER STATES

In order to reduce the retirement benefits of legislators the base salary needed to be reduced thereby making per diem and a lower base pay a possible solution.

In determining a reasonable per diem rate for Alaska legislators all four comparable states were closely examined. An estimate for each state was based not only on per diem but personal expense accounts used for such things as car leasing and unlimited gas, etc., the average per diem and extras totaled as follows:

	AV. PER DIEM	+ BASE PAY	TOTAL
California	\$20,448	\$33,732	= \$54,180
New York	\$12,835	\$43,000	= \$55,825
Michigan	\$ 6,700	\$36,520	= \$43,220
Pennsylvania	\$15,250	\$35,000	= \$50,250
Alaska			
Non-Juneau	\$14,170	\$30,000	= \$44,170
Juneau	\$ 9,880	\$30,000	= \$39,880

These totals do not reflect additional compensation given to legislators in New York, Michigan, and Pennsylvania. The compensation in these states range from the low end of the scale being Michigan with seven positions in each House receiving extra compensation ranging from \$15,680 to \$4,900 to New York with 82 positions in the Senate and 132 positions in the House receiving from \$30,000 to \$6,500.

According to the Alaska House Research Agency, when session length and potential per diem are factored into a ranking of legislative salaries (using the current legislative salary) in various states, Alaska ranks sixth.

#### LEGISLATIVE COMPENSATION COMPARED WITH EXECUTIVE AND JUDICIAL BRANCHES

Alaska legislative salaries along with the formentioned states were used as a gauge to measure pay scale differentials between the Executive and Judicial branches and to determine whether or not Alaska was within an acceptable range. All salaries included per diem if applicable and as with the last comparison no additional compensation was considered. For Alaska, the current salary of \$45,800 was used. The results were that each legislature received less than the combined average wage of the governor, lieutenant governor, attorney general, supreme court judges, and intermediate appellate court judges. These differences were as follows:

Alaska	\$31,058 less
California	\$ 3,565 less
Michigan	\$28,748 less
New York	\$28,284 less
Pennsylvania	\$17,460 less

#### SALARIES OF OTHER ALASKA STATE EMPLOYEES

The Committee examined research comparing legislative salaries to those received by Alaska teachers, University of Alaska employees, Alaska Railroad employees, and other state employees.

##### Alaska Teachers' Salaries

According to the FY 85 Association of Alaska School Boards survey of Alaska Teacher Salary and Benefits, the statewide average base salary is \$26,770 and the average top salary is \$48,789. Of the total of 7,039 full-time equivalent positions reported in the survey, 654 (about 9 percent) earn salaries greater than \$49,500 per year.

##### University of Alaska Salaries

According to the University Statewide Budget Office most university employees are not paid on a full-time basis. Many teachers work part-time and others are on 9-month contracts. The average annual salary for the 2,873 employees with permanent positions in the university system is \$33,374. There are 544 employees (about 14 percent of the total staff) who make over \$50,000 a year.

##### Alaska Railroad Salaries

The Alaska Railroad Corporation has 541 employees. Between 189 and 195 (about 35 percent) earn more than \$50,000 per year.

##### Alaska State Employees

During 1984, 19,304 state employees in Alaska earned an average salary of \$32,403. There are 1,531 (about 8 percent of the total) who earn salaries greater than \$50,000 per year.

#### A LOOK AT HOW OTHER STATES SET LEGISLATIVE COMPENSATION

Current research indicates:

- 3 states set compensation by the constitution.
- 21 states set compensation by a compensation commission
- 21 state legislatures set their own compensation

The consensus of the Committee was to draft legislation to establish a compensation commission that would not only set the salaries of legislators, but other state officials as well. The Michigan constitutional amendment to establish their State Officers Compensation Commission was used as a basic guide and enabling legislation was drafted to accompany this amendment. This enabling legislation will take affect when the constitutional amendment is approved by the voters.

#### FOOTNOTES

<sup>1</sup>These figures were derived by using a formula supplied by the Institute of Social and Economic Research, University of Alaska, Anchorage to update the 1981 Urban Family Budgets and Comparative Indexes for Selected Urban Areas prepared by the U. S. Bureau of Labor Statistics. The 1981 Urban Family Budgets were updated to 1983 by using the 1983 Consumer Price Index-Selected Cities.

<sup>2</sup>Book of the States 1984-85 (Lexington, Kentucky: The Council of State Governments, 1984), p. 103.

<sup>3</sup>Ibid., pp. 95-102. In addition, each of the four states were individually contacted for current information.

<sup>4</sup>Ibid., pp. 66-71 and p. 150.