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*Proposed*  
CS FOR SENATE BILL NO. 113 (STATE AFFAIRS)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Public Officers Compensation Commission; relating to the  
2 compensation of the governor, lieutenant governor, members of the legislature, heads of the  
3 principal departments of the executive branch of government, supreme court justices, judges  
4 of the court of appeals, judges of the superior court, and district court judges; and  
5 providing for an effective date."

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

7 \* Section 1. AS 22.05.140(a) is repealed and reenacted to read:

8 (a) The compensation of a supreme court justice shall be established by order of the  
9 Public Officers Compensation Commission.

10 \* Sec. 2. AS 22.07.090(a) is repealed and reenacted to read:

11 (a) The compensation of a judge of the court of appeals shall be established by order of  
12 the Public Officers Compensation Commission. The compensation of a judge may not be  
13 diminished during the term of office, unless by general law applying to all salaried officers of

1 the state.

2 \* Sec. 3. AS 22.10.190(a) is repealed and reenacted to read:

3 (a) The compensation of a superior court judge shall be established by order of the Public  
4 Officers Compensation Commission.

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 AS 22.15.220(a) is repealed and reenacted to read:

6 (a) The compensation of a district court judge shall be established by order of the Public  
7 Officers Compensation Commission.

8 \* Sec. 5. AS 22.15.230 is amended to read:

9 Sec. 22.15.230. ADDITIONAL COMPENSATION. Subject to rule of the supreme court,  
10 a [DISTRICT JUDGE OR] magistrate shall receive a per diem allowance and a transportation  
11 allowance commensurate with that authorized for other state employees.

12 \* Sec. 6. AS 24.10.100 is repealed and reenacted to read:

13 Sec. 24.10.100 COMPENSATION OF LEGISLATORS. The salary for each member  
14 of the legislature shall be established by order of the Public Officers Compensation Commission.  
15 The commission may authorize per diem for legislators. The commission may also authorize  
16 additional compensation for the president of the senate and the speaker of the house of  
17 representatives.

18 \* Sec. 7. AS 24.10.110 is repealed and reenacted to read:

19 Sec. 24.10.110. ADDITIONAL ALLOWANCES. The Public Officers Compensation  
20 Commission may authorize an annual allowance for postage, stationary, stenographic services,  
21 and other expenses for each member of the legislature.

22 \* Sec. 8. AS 24.10.120 is amended to read:

23 Sec. 24.10.120. METHOD OF PAYMENT. Salaries, and, if authorized by the Public  
24 Officers Compensation Commission, per diem [,] and additional allowances for members of the  
25 legislature shall be paid by warrants drawn on vouchers approved by the legislative fiscal officer.  
26 The legislative fiscal officer shall, by January 31 of each year, file with the legislature's fiscal  
27 office a report of all vouchers approved for payment under this section during the preceding  
28 calendar year. The report must include [SHALL PROVIDE], by legislator, the date of each  
29 voucher, the amount paid, and the basis for approval for payment. The report is a public record.

30 \* Sec. 9. AS 39.20.010 is repealed and reenacted to read:

31 Sec. 39.20.010. COMPENSATION OF GOVERNOR. The compensation of the governor

1 shall be established by order of the Public Officers Compensation Commission.

2 \* Sec. 10. AS 39.20.030 is repealed and reenacted to read:

3 Sec. 39.20.030. COMPENSATION OF LIEUTENANT GOVERNOR. The compensation  
4 of the lieutenant governor shall be established by order of the Public Officers Compensation  
5 Commission.

6 \* Sec. 11. AS 39.20.050 is amended to read:

7 Sec. 39.20.050. EXCLUSIVE COMPENSATION. The compensation established by  
8 order of the Public Officers Compensation Commission and other benefits established  
9 [FIXED] by law for the governor and lieutenant governor are compensation [IS] in full for all  
10 services rendered by each of them in any official capacity or employment whatsoever during their  
11 respective terms of office, and shall be paid throughout their respective terms of office unless the  
12 office becomes vacant.

13 \* Sec. 12. AS 39.20.080(a) is repealed and reenacted to read:

14 (a) The compensation of the head of each principal executive department shall be  
15 established by order of the Public Officers Compensation Commission.

16 \* Sec. 13. AS 39.23 is amended by adding a new section to read:

17 Sec. 39.23.201. COMPENSATION COMMISSION ESTABLISHED. (a) The Public  
18 Officers Compensation Commission is established in the Office of the Governor. The  
19 commission is composed of seven members appointed by the governor. Members serve staggered  
20 terms of four years. Commission membership shall include at least one business executive, one  
21 person with experience in public administration, one person with experience in personnel  
22 management, one economist, one lawyer, and a former elected public officer of the state. A  
23 vacancy shall be filled for the balance of the unexpired term. A commission member may serve  
24 no more than two complete consecutive terms.

25 (b) The commission shall elect a member to chair its meetings. A majority of the  
26 commission members constitutes a quorum to transact business. The affirmative vote of four  
27 members is required to approve the commission's report or an order on compensation.

28 (c) The commission shall meet every other year at the call of the chair. Notice of a  
29 meeting shall be mailed to each member at least 15 days before the date scheduled for the  
30 meeting.

31 (d) The commission shall hold a public hearing to discuss its findings before submitting

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1 its report or an order to the legislature.

2 \* Sec. 14. AS 39.23.230(a) is amended to read:

3 (a) If requested by the commission, the Department of Administration [LEGISLATIVE  
4 AFFAIRS AGENCY] shall provide staff for the commission.

5 \* Sec. 15. AS 39.23 is amended by adding a new section to read:

6 Sec. 39.23.241. DUTIES OF THE COMMISSION. (a) The commission shall review  
7 the compensation of the governor, lieutenant governor, members of the legislature, heads of the  
8 principal departments of the executive branch of state government, supreme court justices, judges  
9 of the court of appeals, judges of the superior court, and district court judges. The commission  
10 shall submit a report on its findings every odd-numbered year, during the first 10 days of the  
11 regular session of the legislature. A commission member who does not concur in the report may  
12 file a minority report.

13 (b) The commission may submit an order with the report making changes to the  
14 compensation of a public office. Before submitting a report or order on compensation, the  
15 commission shall give reasonable public notice of its preliminary findings, solicit public  
16 comments, and give due regard to the public comments.

17 (c) An order changing the compensation of a public officer does not take effect if a bill  
18 disapproving the order in its entirety is enacted into law before the effective date of the change  
19 to compensation. Unless disapproved, an order increasing the compensation of a public officer  
20 is subject to funding through legislative appropriation and takes effect on the later of July 1 of  
21 the next fiscal year and the effective date of the first appropriation to fund the increase. Unless  
22 disapproved and except as provided in (d) of this section, an order decreasing the compensation  
23 of a public officer takes effect July 1 of the next fiscal year.

24 (d) An order decreasing the compensation of persons currently holding office as the  
25 governor, lieutenant governor, justices of the supreme court, or judges of the court of appeals,  
26 superior court, or district court may not take effect until the later of July 1 of the next fiscal year  
27 and the effective date of a general law applying to all salaried officers of the state that diminishes  
28 compensation with which the order is consistent.

29 \* Sec. 16. AS 39.23.250 is amended to read:

30 Sec. 39.23.250. FILING WITH LIEUTENANT GOVERNOR AND CERTIFICATION.  
31 The commission shall, upon transmitting an order on [ITS FINAL RECOMMENDATIONS FOR

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1 THE] compensation [OF LEGISLATORS] to the legislature, file the order  
2 [RECOMMENDATIONS] in the office of the lieutenant governor. When the order becomes  
3 [RECOMMENDATIONS BECOME] effective, the commission shall certify the copy of the  
4 order [RECOMMENDATIONS] on file in the office of the lieutenant governor.

5 \* Sec. 17. AS 39.23.260 is amended to read:

6 Sec. 39.23.260. POLICY OF THE LEGISLATURE. It is the policy of the legislature  
7 that the commission determine an equitable rate and form of compensation [, BENEFITS, AND  
8 ALLOWANCES] for the governor, lieutenant governor, members of the legislature, heads  
9 of the principal departments of the executive branch, supreme court justices, judges of the  
10 court of appeals, judges of the superior court, and district court judges. In determining the  
11 compensation for each office, the commission shall consider the following factors:

12 (1) the skill required;

13 (2) the time required;

14 (3) the opportunity for other earned income;

15 (4) the value of public services as performed in other states and in the federal  
16 government;

17 (5) the value of similar services when performed in the private sector of this  
18 state and in other states based on the responsibility and discretion required in the office;

19 (6) the reasonable expenses incurred in performing the public service;

20 (7) the percentage change in the Consumer Price Index for Anchorage,  
21 Alaska, as determined by the United States Department of Labor, Bureau of Labor  
22 Statistics since the last compensation adjustment;

23 (8) the compensation presently received by the public officers and all other  
24 benefits received;

25 (9) the interests and welfare of the public and the financial ability of the state  
26 to meet the costs;

27 (10) the geographic cost-of-living based on a public officer's primary place  
28 of assignment;

29 (11) the cost-of-living differential between Anchorage, Alaska, and other  
30 locations in the United States; and

31 (12) other factors that are normally or traditionally considered in the

1 determination of compensation [LEGISLATORS].

2 \* Sec. 18. AS 39.23 is amended by adding a new section to read:

3 Sec. 39.23.401. DEFINITIONS. In this chapter,

4 (1) "commission" means the Public Officers Compensation Commission;

5 (2) "compensation" means the salary, per diem, and allowances paid a public  
6 officer.

7 \* Sec. 19. AS 22.05.140(c); AS 22.10.190(c); and AS 22.15.220(d) are repealed.

8 \* Sec. 20. AS 39.23.200, 39.23.240, and 39.23.400 are repealed.

9 \* Sec. 21. AS 24.10.101 and 24.10.105 are repealed.

#C-1 10 \* Sec. 22. Notwithstanding AS 39.05.055(5) and the provisions of AS 39.23.201 enacted by sec. 13  
11 of this Act, one of the initial members appointed to the Public Officers Compensation Commission shall  
12 serve a one-year term, two members shall serve two-year terms, two members shall serve three-year  
13 terms, and two members shall serve four-year terms.

14 \* Sec. 23. When the Public Officers Compensation Commission files its first order changing the  
15 compensation of justices of the supreme court or judges of the court of appeals, superior court, or district  
16 court, it shall address the compensation of all of those public offices in the order. The commission shall  
17 include both the governor and the lieutenant governor in the first order it issues addressing the  
18 compensation of either of those public offices.

19 \* Sec. 24. Sections 1 - 5 and 19 of this Act take effect on the date that the first order changing the  
20 compensation of justices and judges issued by the Public Officers Compensation Commission takes  
21 effect.

22 \* Sec. 25. Sections 6 - 8 and 21 of this Act take effect on the date that the first order changing the  
23 compensation of members of the legislature issued by the Public Officers Compensation Commission  
24 takes effect.

25 \* Sec. 26. Sections 9 - 11 of this Act take effect on the date that the first order changing the  
26 compensation of the governor and the lieutenant governor issued by the Public Officers Compensation  
27 Commission takes effect.

28 \* Sec. 27. Section 12 of this Act takes effect on the date that the first order changing the  
29 compensation of the heads of the principal departments of the executive branch of state government  
30 issued by the Public Officers Compensation Commission takes effect.

31 \* Sec. 28. Sections 13 - 18, 20, 22 and 23 of this Act take effect immediately under AS 01.10.070(c).

1 determination of compensation [LEGISLATORS].

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27 Commission takes effect.

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29 compensation of the heads of the principal departments of the executive branch of state government  
30 issued by the Public Officers Compensation Commission takes effect.

31 \* Sec. 28. Sections 13 - 18, 20, 22 and 23 of this Act take effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. SB 113

Revision Date: \_\_\_\_\_ Department Affected: Office of the Governor  
 Title: "An Act establishing the Public Officers Compensation Commission;..." BRU: Commissions and Special Offices  
 Component: Public Officers Compensation Commission  
 Sponsor: Senate Rules Committee  
 Requestor: Senate State Affairs COMPONENT SERIAL NO. 

N	A		
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	24.8	-0-	7.4	-0-	7.4	-0-
CONTRACTUAL	36.1	7.2	33.9	7.2	33.9	7.2
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>60.9</b>	<b>7.2</b>	<b>41.3</b>	<b>7.2</b>	<b>41.3</b>	<b>7.2</b>

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	60.9	7.2	41.3	7.2	41.3	7.2
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>60.9</b>	<b>7.2</b>	<b>41.3</b>	<b>7.2</b>	<b>41.3</b>	<b>7.2</b>

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME						
TEMPORARY						

Estimate of current year impact: none

ANALYSIS: (Attach a separate page if necessary.)  
  
See attached analysis

Prepared By: Michael A. Nizich, Director Phone: 465-3616  
 Division: Administrative Services Date: \_\_\_\_\_

Approved by Commissioner: D. Max Hodel, Chief of Staff  
 Agency: Office of the Governor Date: \_\_\_\_\_

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Proposed legislation replaces State Officers Compensation Commission. Fiscal note assumptions are based on the activity of the State Officers Compensation Commission which held four meetings in first fiscal year for organizational and first report purposes. Subsequent years reflect "every other year" meeting and report to the legislature.

PERSONAL SERVICES -0-

Fiscal note assumes staff and related expenses will be provided by the Department of Administration per Sec. 14 AS 39.23.230(a)

TRAVEL 24.8

Fiscal note assumes 4 meetings and two teleconferences for public comment prior to Commission report/order in the first fiscal year. Subsequent years reflect no travel activity during off-reporting years and one meeting with two public teleconferences each reporting year. Travel and per diem calculations figures average air fare and per diem expenses for the seven public members.

First Year

Public members:

Airfare	3856 x 4 =	15,424	
Per diem	1470 x 4 =	5,880	21,304

Administrative travel:

Airfare	479 x 3 =	1,437	
Per diem	210 x 3 =	630	2,067

Teleconference per diem for Commission members	1,400	1,400
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TOTAL TRAVEL: 24,771

"Every Other" year

Public members:

Airfare	3856 x 1 =	3,856	
Per diem (per diem based on 3 day meeting)	2100 x 1 =	2,100	5,956

Teleconference per diem for Commission members	1,400	1,400
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TOTAL TRAVEL: 7,356

CONTRACTUAL 36.1

Contractual calculations vary according to reporting/non-reporting years.

First year:

Communication:

Teleconference charges -- 2 @ 4740	9,480	
Postage -- 300/mo x 12	3,600	13,080

Transportation:

Freight and express charges -- 150/mo x 12		1,800
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Advertising, Printing & Binding:

Subscriptions	250	
Advertising -- 6 meetings x 750	4,500	
Annual report	15,000	
Forms, misc.	1,500	21,250

TOTAL CONTRACTUAL: 36,130

Off-reporting year:

Communication:

Postage -- 300/mo x 12		3,600
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Transportation:

Freight and express charges -- 150/mo x 12		1,800
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Advertising, Printing & Binding:

Subscriptions	250	
Forms, misc.	1,500	

TOTAL CONTRACTUAL: 7,150

CONTRACTUAL (continued)

Reporting year:

Communication:

Teleconference charges -- 2 @ 4740	9,480	
Postage -- 300/mo x 12	3,600	13,080

Transportation:

Freight and express charges -- 150/mo x 12		1,800
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Advertising, Printing & Binding:

Subscriptions	250	
Advertising -- 3 meetings x 750	2,250	
Annual report	15,000	
Forms, misc.	1,500	19,000

TOTAL CONTRACTUAL:		33,880
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TESTIMONY BY MIKE MCMULLEN ON SB 113

MCMULLEN: Thank you. My name is Mike McMullen. I am the Personnel Manager in the Division of Personnel. I guess it is my dubious honor to present the Administration's position on the bill. I don't think you'll be surprised that the Administration is not in favor of another commission receiving more authority. You've heard several instances what the Governor's position is on boards and commissions, and the same view applies to granting this one here. The position paper and fiscal note is in the process and I apologize that they're not here in time for the meeting, but they will be here and you will see that same information in print.

Besides the general attitude towards boards and commissions, the view of particularly my commissioner is that the legislative salary setting responsibility is that of the legislature. And I appreciate the dialogue between you, Senator Rodey, and Senator Pourchot on that attitude. And the commissioner believes that the legislature should be the body to stand up and take the public scrutiny of adopting legislative salaries. And so in that regard, having legislative salaries set by an independent board and commission, he is opposed to that approach. We are the intent of the legislation because the request is primarily to ensure that the judiciary gets properly paid so that they may retain qualified jurists and.... [END OF SIDE ONE]

[SIDE TWO]

...we are not opposed to a mechanism for dealing with those people, to the same extent that we're opposed to a third party or fourth party making recommendations on legislative and executive branch salaries.

An idea which I ran across that hasn't been floated by anyone -- an approach encompassed in Chapter 47, SLA 1974, may be a mechanism that would deal with judiciary salaries only and it had a formula for increasing salaries annually based on cost of living, that once it is enacted would operate annually and not require a return to the legislature in any sort of manner, that the court has to come begging for pay increases for the judiciary. Just an idea that the committee may want to look at and may find some mileage there.

The fiscal note from the Department of Administration will be a zero fiscal note. The experience we've had with prior salary commissions is that if they indeed ask for assistance from us, it is very minimal assistance -- we can take care of it normally with only a matter of a weeks worth of work from one of our staff members and, therefore, no additional appropriation would be required.

I'd be happy to answer questions.



## Alaska Court System

State of Alaska

303 "K" STREET  
ANCHORAGE, ALASKA  
99501

ARTHUR H. SNOWDEN II  
ADMINISTRATIVE DIRECTOR

(907) 274-8611

February 14, 1991

The Honorable Pat Rodey  
Chairman, Senate State  
Affairs Committee  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Rodey:

Thank you for scheduling Senate Bill 113, establishing a Public Officers' Compensation Commission. This bill was introduced at the request of the Alaska Supreme Court.

SB 113 creates a new Public Officers' Compensation Commission to take the place of the existing State Officers' Compensation Commission. As you know, the existing commission recommends compensation levels for certain state officers to the legislature; its proposals frequently go unheeded for reasons unrelated to their merits.

In contrast, the commission created by SB 113 would have the authority to actually establish compensation levels for the governor, lieutenant governor, members of the legislature, heads of the principal departments, supreme court justices, judges of the court of appeals, judges of the superior court and district court judges. This commission, appointed by the governor, could submit proposed salary, per diem and allowances for those officers to the legislature every two years. These compensation levels would take effect unless disapproved by a bill that was enacted into law within 60 days.

Approximately 26 states, as well as the federal government, currently operate compensation commissions. In nine of those jurisdictions, the commission has the authority to establish compensation amounts. The purpose behind the existence of these

The Honorable Pat Rodey  
February 14, 1991  
Page 2

commissions is simple: to see that fair decisions are made regarding the compensation of certain government officials, and to reduce the political battles that inevitably surround such salary decisions.

An essential goal of the Alaska Court System is to attract and retain highly qualified jurists. Achieving this goal requires salaries that are commensurate with the qualifications and responsibilities of the office, which has proven problematic. Last session, the legislature approved the first pay increase for judges since 1985. During the 18 month period preceding that pay raise, the judiciary lost 20 percent of its members.

It is equally important to attract and retain highly qualified legislators and executive branch officials. An independent commission will be able to set fair and reasonable salaries for these officers without fear of voter backlash or charges of conflict of interest.

I hope that you will agree with the supreme court on the need for SB 113. Please feel free to contact my office if you require any additional information on this piece of legislation.

Very truly yours,



Arthur H. Snowden, II  
Administrative Director

AHS:bh

Public Officers  
Compensation Commission  
(establishing)

SENATE BILL NO. 113, by the SENATE RULES COMMITTEE BY REQUEST. Seeks to establish the Public Officers Compensation Commission in the Office of the Governor to review the compensation of the governor, lieutenant governor, members of the legislature, heads of principal departments of the executive branch of state government, and the judiciary. Membership of the commission will include at least one business executive, one person with experience in public administration, one person with experience in personnel management, one economist, and one lawyer.

The commission will be required to submit a report on its findings every odd-numbered year, during the first ten days of the regular legislative session. The commission can submit an order with the report making changes to the compensation of a public office, but before submitting the report, the commission will have to give reasonable public notice and solicit public comments. It must also give due regard to the public comments received. An order making changes to the compensation rates will become effective 60 days after submission, or at the end of the legislative session during which it was submitted to the legislature, whichever is earlier, unless a bill disapproving the order in its entirety is enacted into law during that period.

—Changes language in sections of Title 22 (The Judiciary) to provide that the compensation of judges of the supreme court, the court of appeals, the superior court, and the district court will be established by order of the Public Officers Compensation Commission.

—Changes language of AS 24.10.100 (Legislature. Officers, Employees and Compensation. Salary of Legislators) to provide that the salary of each member of the legislature will be established by order of the Public Officers Compensation Commission. The commission will be allowed to authorize additional compensation for the president of the senate and the speaker of the house. The commission will also authorize an annual allowance for postage, stationary, stenographic services, and other expenses for each member of the legislature.

—Changes language of AS 39.20.010, 39.20.030, and 39.20.080 (Public Officers and Employees. Compensation and Allowances. Compensation of Governor; Compensation of Lieutenant Governor; Salary of Executive Department Head and Deputy) to provide that the compensation of the governor, lieutenant governor, and heads of departments of the executive branch will be established by order of the Public Officers Compensation Commission.

—Amends AS 39.23.260 (State Officers Compensation Commission. Policy of the Legislature) to provide: "It is the policy of the legislature that the commission determine an equitable rate and form of compensation for the governor, lieutenant governor, members of the legislature, heads of the principal departments of the executive branch, supreme court justices, judges of the court of appeals, judges of the superior court, and district court judges. In determining the compensation for each office, the commission shall consider the following factors: (1) the skill required; (2) the time required; (3) the opportunity for other earned income; (4) the value of public services as performed in other states and in the federal government; (5) the value of similar services when performed in the private sector of this state and other states based on the responsibility and discretion required in the office; (6) the reasonable expenses incurred in performing the public service; (7) the percentage change in the Consumer Price Index for Anchorage ... since the last compensation adjustment; (8) the compensation presently received by the public officers and all other benefits received; ..."

—Repeals AS 22.05.140(c) (Judiciary. The Supreme Court. Compensation); AS 22.10.190(c) (Judiciary. The Superior Court. Compensation); AS 22.15.220(d) (Judiciary. District Courts. Compensation).

—Repeals AS 39.23.200 (State Officers and Employees. State Officers Compensation Commission. Compensation Commission Established); AS 39.23.240 (Duties of the Commission); AS 39.23.400 (Definition).

—Repeals AS 24.10.101 (Legislature. Officers, Employees and Compensation. Compensation of Legislators).

Sections of the bill relating to compensation become law on the date that the orders changing the compensation of the governor, lieutenant governor, members of the judiciary, members of the legislature, and heads of departments are issued by the Public Officers Compensation Commission. Other sections take effect the day after the bill is signed by the Governor.

Introduced February 11, 1991 and referred to State Affairs; Finance.

FEB. 19, 1991  
LEGISLATIVE REPORTING SERVICE  
REPORT # 4

1991 LEGISLATION  
POSITION PAPER  
DEPARTMENT OF ADMINISTRATION

Division Personnel Bill Number SB113

Bill Title Public Officers Compensation Commission

**Position Statement:** Explain briefly what bill does, its impacts and Department's position, i.e. a) support, b) do not support, c) neutral or d) oppose.

The Department of Administration opposes expansion of the authority of the Public Officers Compensation Commission.

Senate Bill 113 would expand the authority of the renamed Public Officers Compensation Commission. The new authority includes setting the compensation of the governor, lieutenant governor, members of the legislature, heads of principal departments of the executive branch, and all judges and justices of the Alaska Court System. Currently, the commission can issue only findings and recommendations. Under SB 113, the commission would issue an order that in the absence of legislative action changes the compensation of the Public Officers listed in the bill. The Commission's order becomes effective 60 days after submission to the legislature unless a legislative bill disapproving the order in its entirety is enacted into law before the effective date.

The intent of this bill is to assign responsibility for setting the salaries of elected and top level officials to the Commission. It will not work. The final authority for approving or disapproving changes to the salary structure still rests with the legislature. The expansion of the authority of the Public Officers Compensation Commission does not change that fact. Elected officials should vote on and assume direct responsibility for increases to the salaries of the positions that they hold.

We support the current role served by the Commission.

**APPROVED:**

Director David K. F. Otto Division Personnel  
print name

Signature *Lynda Ruff (acting Director)* Date 2-20-91

Commissioner Millett Keller

Signature *Millett Keller* Date 2/20/91

(For more information, call Barbara Pritchett 465-2200)

Rev. 1/23/91

**1991 LEGISLATION  
POSITION PAPER  
DEPARTMENT OF ADMINISTRATION**

**Division** Labor Relations **Bill Number** SB 113

**Bill Title** An Act Establishing the Public Officers Compensation Commission

**Position Statement:** Explain briefly what bill does, its impacts and Department's position, i.e., a) support, b) do not support, c) neutral or d) oppose.

The bill effectively transforms the current Public Officers Compensation Commission (POCC) from an advisory body on salaries for various public officers, into a formal salary setting body whose pay orders are subject to express legislative rejection but do not require express approval before taking effect. The POCC would set salaries for legislators, judges, justices, magistrates, the Governor, the Lt. Governor, and all commissioners; none of these officers are subject to collective bargaining. Nevertheless, the de facto ability of the POCC to grant pay raises to upper management may set undesirable precedent for wage negotiations with collective bargaining units. The factors to be used by the POCC in salary setting are largely the same factors used in bargaining. Consequently, there exists a strong possibility of conflicting wage-setting policies, with deleterious effects on the employers' position as the bargaining table.

We oppose this proposal.

**APPROVED:**

**Director** Bruce Cummings **Division** Labor Relations

**Signature** *Bruce Cummings* **Date** 2/10/91

**Commissioner** Millett Keller  
**Signature** *Millett Keller* **Date** 2/21/91

(For more information, call Barbara Pritchett 465-2200)

Rev. 01/28/91

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. SB 113

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

Department Affected: Administration

Title: Public Officers Compensation Commission

BRU: Personnel

Sponsor: Rules by Request (of Court System)

Component: Personnel

Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

Experience with the two earlier compensation commissions indicate that the level of assistance requested is minor, and consists of readily available information. The added costs have been, and we expect them to continue to be, negligible.

Prepared by: David K. F. Otto *DKFO*  
Division: Personnel

Phone: 465-4430  
Date: February 19, 1991

Approved by Commissioner: Millett Kelle *Millett Kelle*  
Agency: Administration

Date: 2/21/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).