

**SB**

**143**

<TARGET><BILL>SB 143</BILL><SUBJECT>SB  
143</SUBJECT><COMM>SSTA29</COMM></TARGET>

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# ALASKA STATE LEGISLATURE

## Session

State Capitol, Rm. 419  
Juneau, AK 99801  
(907) 465-2435  
Fax: (907) 465-6615

## Interim

716 W. 4<sup>th</sup> Ave, Ste. 409  
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Resources Committee

State Affairs Committee

Joint Armed Services Committee

Judiciary Committee


Senator.Bill.Wielechowski@akleg.gov

## SENATOR BILL WIELECHOWSKI

### MEMORANDUM

March 25, 2016

**TO:** Senator Bill Stoltze, Chair  
Senate State Affairs Committee

**FROM:** Senator Bill Wielechowski 

**SUBJ:** Hearing Request for SB 143 – Legislative Salary and Per Diem

I am writing to respectfully request a hearing for Senate Bill 143 – Legislative Salary and Per Diem. Senate Bill 143 would ensure that if the Alaska State Legislature does not pass an operating budget within the voter-mandated 90-day session, legislative salary and session per diem will be put on hold until a budget is passed and public service operations are appropriately funded.

Included in this bill packet:

- SB 143 Sponsor Statement
- SB 143 ver H
- SB 143 Supporting Documents
  - ADN Article, Cost of Alaska's Legislative Special Session 8-4-2015
  - ADN Article, Alaska Budget Deficit Just Jumped 3-21-2016
  - Per Diem Payroll Dates 2016

If you have any questions please feel free to contact me or my staff, Brooke Ivy, at 465-2435.

Thank you for your consideration of this request.

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## SENATOR BILL WIELECHOWSKI

### SPONSOR STATEMENT

#### Senate Bill 143

#### *Legislative Salary and Per Diem*

Senate Bill 143 would ensure that if the Alaska State Legislature does not pass an operating budget within the voter-mandated 90-day session, legislative salary and session per diem will be put on hold until the work is accomplished. With a down-graded credit rating, \$4.1 billion deficit and public employee jobs contingent on a completed and balanced budget, Alaska faces an urgent need to get its fiscal house in order this session. This bill serves as both a cost-saving measure, as well as an additional incentive for legislators to buckle down and focus on resolving the State's fiscal challenge.

While the Constitution of the State of Alaska allows for the legislative session to last 120 days, a vote of the people in 2006 by way of a ballot initiative expressed Alaskans' desire to shorten the annual session to 90 days. Therefore, to best fulfill the will of the Alaskan people, Senate Bill 143 intends to help strengthen the 90 day budget deadline.

If enacted, House and Senate members would not receive paychecks, or the additional daily per diem benefit provided to Legislators for living expenses while in session. Regular salaries and benefits would resume once a budget is passed and public service operations are appropriately funded.

# Alaska Dispatch News

Published on *Alaska Dispatch News* (<http://www.adn.com>)

[Home](#) > Cost of Alaska legislative special sessions approaches \$900K

Becky Bohrer | Associated Press  
August 4, 2015

JUNEAU — Alaska's two special sessions, held earlier this year as lawmakers struggled to agree on a state budget, cost more than \$886,000, according to figures provided by the Legislative Affairs Agency.

Jessica Geary, the agency's finance manager, said Tuesday that some claims could still come in and that figure could increase but she expects the vast majority of claims already have been submitted.

The figure doesn't include the cost of extending the regular session by eight days. The costs of the extended session aren't tracked since that is part of the regular session, Geary said in a recent email, though the agency did provide the total for the daily allowance allotted lawmakers, known as per diem, for that period, about \$105,700.

Legislators went into overtime after failing to reach a budget deal. The extended regular session ended April 27, when lawmakers passed a partially funded budget. Gov. Bill Walker called them into a special session that began the next day.

That special session, called for Juneau, featured an 11-day break in floor sessions amid the stalemate during which lawmakers scattered and numerous hearings were held in Anchorage.

On May 21, lawmakers ended that session and convened a special session of their own in Anchorage, citing as a reason for the move renovation work at the Capitol in Juneau. That special session lasted about three weeks, culminating in a budget deal.


The figures provided by Legislative Affairs showed tallied costs of \$440,230 for the first special session and \$446,246 for the second.

**Source URL:** <http://www.adn.com/article/20150804/cost-alaska-legislative-special-sessions-approaches-900k>

# Alaska Dispatch News

Published on *Alaska Dispatch News* (<https://www.adn.com>)

[Home](#) > Alaska budget deficit just jumped \$300M because of low oil prices, Walker administration says

Attachment	Size
 <a href="#">Read the new revenue forecast.pdf</a> <sup>[1]</sup>	117.79 KB

[Nathaniel Herz](#) <sup>[2]</sup>

March 21, 2016

**Main Image:**

[Oil-2015 06.jpg-1432427049](#) <sup>[3]</sup>

**Main Image Caption:**

Drill rigs in Deadhorse on Alaska's North Slope in 2015.

JUNEAU — Alaska's already massive budget deficit has jumped another \$300 million thanks to low oil prices, Gov. Bill Walker's administration said Monday.

The state's unrestricted revenue forecast for the current fiscal year, which ends June 30, dropped to \$1.3 billion from an earlier projection of \$1.6 billion, according to [a new preliminary forecast](#) <sup>[4]</sup> by the revenue department released Monday morning. The exact drop is about 17 percent, the department said, and it's based on sustained low oil prices.

The revised forecast means the expected deficit for the state's \$5.4 billion budget is now \$4.1 billion, up from a previously projected \$3.8 billion. That means current revenue can cover only about 25 percent of the existing state budget.

The picture for the following year is even worse, with the forecast revised downward to \$1.2 billion from a previous \$1.8 billion projection.

Walker, in a news conference at the Capitol on Monday, said the diminished flow of oil revenue underscores the need for lawmakers to pass his financial plan.

Under the plan, the state would pay for government largely based on an annual \$3.3 billion stream of revenue from a restructured Alaska Permanent Fund, instead of from oil revenue. Alaska's oil revenues have crashed as prices dropped to \$39 a barrel last week from more than \$100 two years ago.

"We have reached a point in our state's history that we need to be looking beyond oil a bit," Walker said. "We have that opportunity now. And you're not going to do it by sitting back with a Ouija board hoping the price of oil's going to go to \$110, \$147. It just isn't going to work."

Three-fourths of the state's unrestricted revenue last year came from petroleum revenue, which Alaska has relied on for decades to pay for state government and services. But the price predictions that the Walker administration used to make its preliminary 2016 and 2017 forecasts were overly optimistic.

The [previous 2016 forecast](#) <sup>[5]</sup> called for oil prices at \$50 a barrel — and \$56 in 2017. The state's new prediction calls for oil to stay at \$40 a barrel in 2016 and \$39 in 2017.

The change wipes out 26.5 percent of the state's unrestricted revenue from oil and gas this year.

Since the state's forecast two years ago, projected oil prices for 2016 have dropped 63 percent, down from \$108 per barrel.

"It's all about lower prices," Revenue Commissioner Randy Hoffbeck said in a prepared statement.

Lawmakers are debating Walker's proposals to close the budget gap, which, in addition to the proposed Permanent Fund restructuring, include a personal income tax and increased taxes on consumption and resource extraction.

Monday's report is a preliminary version of the annual spring revenue forecast. Last year's spring revenue forecast was released in early April, but the Walker administration released a preliminary version this year "to aid in the budget discussions," Hoffbeck said in the statement.

**Source URL:** <https://www.adn.com/article/20160321/alaska-budget-deficit-just-jumped-300m-because-low-oil-prices-walker-administration>

**Links:**

- [1] <https://www.adn.com/sites/default/files/Read%20the%20new%20revenue%20forecast.pdf>
- [2] <https://www.adn.com/author/nathaniel-herz>
- [3] <https://www.adn.com/image/oil-2015-06jpg-1432427049>
- [4] <http://www.adn.com/sites/default/files/Read%20the%20new%20revenue%20forecast.pdf>
- [5] <http://www.tax.alaska.gov/programs/documentviewer/viewer.aspx?1240r>

## 2016 Session Salary & Per Diem Schedule for Legislators

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Salary is paid after the pay period and session per diem is paid in advance. Legislators will receive a salary of \$2,100.00 semi monthly. The salary amount is a gross figure. The net amount of each paycheck varies by Legislator depending on individual tax withholding. Legislators-elect will receive their first salary check on February 13, 2015, in the prorated amount of \$1,718.18.

The current federal per diem rate for Juneau is \$223.00 per day from January 19, 2016 through April 17, 2016. Juneau Legislators will receive \$167.25 per day, which is 75% of the federal rate. All Legislators will receive their first session per diem check on January 19, 2016.

<u>Dates of Payment</u>	<u>Salary</u>	<u>Per Diem</u>	<u>Time Period</u>
January 19, 2016		Per Diem	01/19/16-01/31/16
January 30, 2016	2,100.00		01/01/16-01/15/16
February 1, 2016		Per Diem	02/01/16-02/14/16
February 13, 2016	2,100.00		01/16/16-01/31/16
February 15, 2016		Per Diem	02/15/16-02/28/16
February 27, 2016	2,100.00		02/01/16-02/15/16
February 29, 2016		Per Diem	02/29/16-03/13/16
March 13, 2016	2,100.00		02/16/16-02/29/16
March 14, 2016		Per Diem	03/14/16-03/27/16
March 31, 2016	2,100.00		03/01/16-03/15/16
March 28, 2016		Per Diem	03/28/16-04/10/16
April 15, 2016	2,100.00		03/16/16-03/31/16
April 11, 2016		Per Diem	04/11/16-04/17/16