



Alaska State Officers Compensation Commission
Attn: Kate Sheehan, Secretary to the Commission
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January 3rd, 2022

Dear Members of the Commission:

The following testimony is a synthesis of general themes and specific observations offered by members of the Alaska House Republican Caucus. Rather than soliciting and generating up to 18 different sets of comments, many caucus members supported testimony reflecting the diversity of opinions on the matter.

LOCATION OF THE LEGISLATIVE SESSION

Any conversation regarding legislative compensation that does not consider the location of the legislative session is, at best, incomplete or, at worst, misleading.

Over the last 18 months, the ongoing COVID pandemic has made Juneau's competitive housing market even tighter than legislators or staff can recall, at least in recent memory. For example, the LAA housing list that starts being published in October will generally have several dozen options at any given time. This year rarely were there even a dozen at any one time.

The economic law of supply and demand dictates that with a decrease of supply there is a corresponding increase in price. This is reflected in housing prices noted within the last 10 days in the Juneau housing market. Examples are an unfurnished studio apartment for \$1,185/mo., a room for rent for \$1,000/mo., or a furnished 2 br/1 ba apartment for \$3,200/mo.

Compound this year's session housing market with the annual tourism season that periodically overlaps special sessions, and the situation becomes bleaker still.

Something important that must be mentioned during the discussion of per diem and the location of the session is the sheer number of members of the Legislature that would be ineligible for any per diem. Between members from Anchorage and MatSu, more than half (33) of the entire legislature (under current rules) would be prohibited from accepting per diem as compared with the 3 that are currently ineligible.

While this testimony is not intended to debate all the respective merits of relocating the legislative session, which is admittedly outside the purview of this commission, the cursory evidence provided is sufficient to justify the assertion that the consideration of the issue is at least warranted in the Commission's deliberations prior to issuing recommendations.

ELECTORAL EFFECTS OF LEGISLATIVE COMPENSATION

Far beyond the immediate impact on any member of this caucus or the legislature are the implications for the competitiveness of future elections.

There is no suggestion that any member of the Legislature ran with the intent to financially enrich themselves and it is doubtful that the Alaska voters would elect someone who intended to. It is important to provide reasonable compensation so that potential candidates don't have to weigh the desire to serve our state with the prospect of losing money to do so. Sufficient compensation to allow the possibility of service should not be a barrier to entry for any Alaskan who is otherwise legally eligible to be elected.

It is widely known that in the past decade the demands of legislative service have increased exponentially. At the time of statehood, it was expected that members would be "citizen legislators". It is still an ideal to which many current members would like to return. Because of the number, complexity, and controversy of the public policy issues with which the legislature wrestles, it is unlikely the ideal of the "citizen legislator" will return in the foreseeable future. This is relevant because it is becoming ever more difficult to maintain regular employment outside of legislative service.

The concern of this caucus is that a reduction in total compensation will have a chilling effect on future candidacies, disproportionately so on otherwise underrepresented populations throughout the state.

CONCLUSION

Caucus members would much prefer to be ineligible for per diem, because for those that were it would mean not having to relocate at least twice a year. In addition, likely every current member would like to complete our work in 90-120 days.

We appreciate your time and consideration.

Respectfully,

Heath E. Hilyard, Acting Communications Director
Alaska House Republican Caucus