



Alaska State Officers Compensation Commission

Preliminary Findings and Recommendations

January 4, 2022

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Introduction

The Alaska State Officers Compensation Commission is directed by law to “review the salaries, benefits, and allowances of members of the legislature, the governor, the lieutenant governor, and each principal executive department head and prepare a report on its findings at least once every two years, but not more frequently than every year.” [AS 39.23.540(a)] The commission is to prepare preliminary recommendations by November 15, and, after soliciting public comment, submit final recommendations to the governor and legislature by the tenth day of the next legislative session.

On January 10, 2009, the commission recommended salary adjustments for legislators and department heads and on January 26, 2011, the commission recommended salary adjustments for the governor and lieutenant governor. These salary increases were not rejected by the legislature, and they became law according to AS 39.23.540(d). The commission recommended salary adjustments for executive salaries in 2014: however, those recommendations were rejected by the legislature. Finally, on December 15, 2016, the commission recommended that the salary of a deputy commissioner who accepts the office of department head with the same department with no break in service and is paid a salary higher than the salary authorized for the department head, shall retain his or her current salary while holding the position of department head. This recommendation was not rejected by the legislature and was subsequently became law.

In 2020, the commission recommended no changes for the Governor, Lieutenant Governor, department heads or legislators.

On November 9, 2021, the commission met in Anchorage to consider recommendations for 2022. The commission also met on November 29, 2021, December 16, 2021 and January 4, 2022. The first meeting of the commission was scheduled to take place on September 29, 2021 but due to travel restrictions related to COVID, the meeting was postponed.

Regarding the Governors, Lieutenant Governor, department heads, and legislative salaries, the commission decided to make several recommendations which are laid out below. Public comment and testimony were sought as well as a request for feedback from both the executive branch and legislators.

Preliminary Findings and Recommendations

The commission proposes the following:

- No change in salary for the Governor

- 1% increase for each year, due to inflation, since the last salary increase for Lieutenant Governor and department heads
- Increase legislators' salaries to \$64,000 per year with a cap of \$100 per day for per diem with actual receipts to be processed by legislative affairs
- Changes would be effective January 1, 2023

Discussion

Regarding the Governor, Lieutenant Governor and department heads pay, the commission found salaries had not kept up with the 2% per year cost of inflation. The Governor and Lieutenant Governor last received a salary increase in 2011. Department heads last received an increase in 2015. Therefore, the recommendation was to split the cost of inflation and grant a 1% increase for each year since the last salary increase. For the Governor, this would result in an increase in pay from \$145,000 to \$163,000 and for the Lieutenant Governor, it would result in an increase from \$125,000 to \$141,000. For department heads, the increase would be from \$141,160.50 to approximately \$149,630.00 (final amounts to be determined by Division of Finance).

The commission requested feedback from the executive branch on this recommendation. The Governor responded that he would decline any salary increase for himself. The Governor cannot legally decline salary increases for the Lieutenant Governor or department heads; therefore, those salary increases are included in the preliminary recommendations while the Governor's proposed salary increase is not.

Legislators' salaries are currently \$50,400 per year and have not been increased since 2010. Currently, the per diem rate for legislators is set using the federal per diem rate which was \$293 per day during the 2021 legislative session. Based upon this information, the majority of the commission voted to increase the legislators' salaries to \$64,000 but reduce the per diem rates. The recommendation is to cap the per diem rates at \$100 per day but require actual receipts as proof. There is no cap as to the total amount of per diem allowed as it will depend on the length of the regular session and any special session, whether they call themselves into session or are called in by the Governor.

The commission discussed the desire to attract candidates from all walks of life, not only those whose income allow them to take time off from other employment, which may require a higher salary but acknowledged there is an additional cost to live in Juneau during session so a per diem is still warranted. There was not extensive public comment but of those that did, most believed per diem was too high. Legislative feedback was mixed as well with some acknowledging the high per diem rate but also recommending increasing the wages if per diem were decreased.

This recommendation is not unanimous. The vote was 3-1 in favor.

This report is available on the commission's website www.doa.alaska.gov/dop/socc. The next commission meeting is scheduled for January 18, 2022 at 10 a.m. in the Atwood Building, 550 W. 7th, Suite 1236, Anchorage, Alaska.