

STATE CAPITOL
P.O. Box 110001
Juneau, AK 99811-0001
907-465-3500



550 West Seventh Avenue, Suite 1700
Anchorage, AK 99501
907-269-7450

Governor Mike Dunleavy
STATE OF ALASKA

December 14, 2021

Ms. Kate Sheehan
Director, Division of Personnel and Labor Relations
P.O. Box 110201
Juneau, AK 99811-0201

Dear Director Sheehan:

I received your letter of December 6, 2021, relaying the information regarding the State Officers Compensation Commission's upcoming December meeting and appreciate you letting me know they are interested in increasing my salary.

At this time, I respectfully decline any increase for myself.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Dunleavy".

Mike Dunleavy
Governor

Sutch, Nancy A (DOA)

From: Sheehan, Kate E (DOA)
Sent: Wednesday, December 15, 2021 11:04 AM
To: Sutch, Nancy A (DOA)
Subject: FW: Legislative Per Diem Prosal

From: Rep. Ken McCarty <Rep.Ken.McCarty@akleg.gov>
Sent: Tuesday, December 14, 2021 6:46 AM
To: Sheehan, Kate E (DOA) <kate.sheehan@alaska.gov>
Cc: Coghill, Clifton D (LEG) <clifton.coghill@akleg.gov>; Hamby, Katie C (DOA) <katie.hamby@alaska.gov>
Subject: Legislative Per Diem Prosal

CAUTION: This email originated from outside the State of Alaska mail system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Kate Sheehan,

The premise of the Alaska Legislature for the citizen representation. This means that elected individuals will become employees of the State of Alaska temporarily until the next election, which will determine continued employment or termination. As an employee of the state under a W-2 classification that employee cannot deduct items for business from their income tax. It is the state's obligation to claim deductions.

The proposed per diem arrangement by the state for legislators is to increase the base income tax pay but limit the per diem expense pay. This formula is a reversal of supporting legislators. A cap of \$5,000 is not sufficient to meet the session functioning needs for a legislator (e.g. housing, food, transportation, travel, incidentals, etc). The suggested \$74,500 base after taxes could amount to \$49,170, which the balance between the two numbers are not allowed to be used as deductions as a W-2 employee. Therefore, the proposal is insufficient, fiscally distracting, and potentially creating vulnerability for legislators to compromise financial ethics.

There is an old saying of "don't muzzle the ox while it is threshing." The meaning is when an ox is pulling a plow that a good farmer puts an oat bucket on the yoke system so the ox can sustain its strength by eating while pulling the plow. The application for legislative employees is to avail the financial strength to do the Peoples work and not be fiscally distracted.

The question of consideration is whether a new proposed formula will promote or muzzle the effectiveness of legislators. Based on analysis of expenses and obligations that the proposed formula will muzzle current legislators. The proposal implication is that future legislators must have financially self-sustaining capability personal assets or paid on the side by some outside entity. I encourage a no vote on the proposal presented in the letter.

Ken McCarty
Representative
House District 13
Chugiak / Eagle River / JBER

Sutch, Nancy A (DOA)

From: Sheehan, Kate E (DOA)
Sent: Wednesday, December 15, 2021 11:04 AM
To: Sutch, Nancy A (DOA)
Subject: FW: changes to salary, per diem

From: Sen. Robert Myers <Senator.Robert.Myers@akleg.gov>
Sent: Thursday, December 9, 2021 8:55 AM
To: Sheehan, Kate E (DOA) <kate.sheehan@alaska.gov>
Subject: changes to salary, per diem

You don't often get email from senator.robert.myers@akleg.gov. [Learn why this is important](#)

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I don't have any objection to lowering the per diem, but I am concerned about the yearly cap. The housing that I used last year and will use again this year cost \$60 per day. For a 120 day session, that amounts to \$7200. Since the legislature has only stuck to the 90 day session limit three times in the last 15 years, that becomes a problem.

Senator Robert Myers
Senate District B
North Pole and Outer Fairbanks
(907)465-3719

Sutch, Nancy A (DOA)

From: Sheehan, Kate E (DOA)
Sent: Wednesday, December 15, 2021 11:04 AM
To: Sutch, Nancy A (DOA)
Subject: FW: SOCC Letter - Response Requested
Attachments: SOCC letter to legislators.pdf

From: Rep. Matt Claman <Rep.Matt.Claman@akleg.gov>
Sent: Wednesday, December 8, 2021 11:15 AM
To: Hamby, Katie C (DOA) <katie.hamby@alaska.gov>
Cc: Sheehan, Kate E (DOA) <kate.sheehan@alaska.gov>
Subject: FW: SOCC Letter - Response Requested

Some people who received this message don't often get email from rep.matt.claman@akleg.gov. [Learn why this is important](#)

CAUTION: This email originated from outside the State of Alaska mail system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Katie:

Thank you for soliciting comment on pay and benefits grant to legislators. I have no comments at this time, but will let the Commission know if I wish to provide comments.

Sincerely,
Matt Claman

From: Hamby, Katie C (DOA) <katie.hamby@alaska.gov>
Sent: Monday, December 06, 2021 3:09 PM
To: Rep. Matt Claman <Rep.Matt.Claman@akleg.gov>
Cc: Sheehan, Kate E (DOA) <kate.sheehan@alaska.gov>
Subject: SOCC Letter - Response Requested

Good afternoon,

Please see the attached letter from the State Officers Compensation Commission. Your response will provide valuable feedback and needs to be received prior to December 15. This is being sent on behalf of Director Kate Sheehan. Please contact her directly if you have any questions or comments.

Thank you,

Katie Hamby
Administrative Assistant 2
Division of Personnel & Labor Relations
Department of Administration
☎465-4425

Sutch, Nancy A (DOA)

From: Sheehan, Kate E (DOA)
Sent: Wednesday, December 15, 2021 11:05 AM
To: Sutch, Nancy A (DOA)
Subject: FW: Per diem raises

From: Sutch, Nancy A (DOA) <nancy.sutch@alaska.gov>
Sent: Monday, December 6, 2021 8:04 AM
To: Sheehan, Kate E (DOA) <kate.sheehan@alaska.gov>
Subject: Fwd: Per diem raises

Do you get these?

Sent from my iPhone

Begin forwarded message:

From: john kobylarz <soldotnadmd@gmail.com>
Date: December 6, 2021 at 6:39:11 AM AKST
To: DOA COM SOCC <DOACOMS OCC@alaska.gov>
Subject: Per diem raises

Sirs,

I am strongly in favor of limiting per diem payments for special sessions called by the legislature or the governor. The per diem payments and salary for the past years extended sessions is obscene, while the rest of us are trying to get by. What a mess, the ordinary citizen has no chance of serving or any input to those in power. You stand no chance of affecting legislation when the capitol is in Juneau, surrounded by the self serving lobbyist's, what a mess!!!!

Sutch, Nancy A (DOA)

From: Sheehan, Kate E (DOA)
Sent: Wednesday, December 15, 2021 11:05 AM
To: Sutch, Nancy A (DOA)
Subject: FW: SOCC Letter - Response Requested

From: Rep. Andy Josephson <Rep.Andy.Josephson@akleg.gov>
Sent: Monday, December 6, 2021 4:25 PM
To: Sheehan, Kate E (DOA) <kate.sheehan@alaska.gov>
Subject: Re: SOCC Letter - Response Requested

Dear Ms. Sheehan:

Thank you for the inquiry from the Salary Commission.

I believe the \$74,500 salary is defensible, fair and adequate.

As you know, we have divided government in Alaska, as well as a 7-year fiscal crisis (which has eased some). These factors have been huge contributors to the number of special sessions.

The Constitution allows for 121 day sessions and 10 day extensions. Legislators need to arrive in Juneau before gaveling in. They cannot instantaneously pack-up and return to their hometowns after adjournment.

Even when the GOP controlled the entire government and we brought in \$6 billion in oil revenue (FY 2013), it was very difficult and atypical to complete our work in 90 days.

I believe a typical apartment for a legislator is in the range of \$1,200 per month. Effectively, a legislator needs that apartment for 5 months, Jan 1-May 31.

A typical dinner in Juneau with a gratuity might be \$30.00. Lunch is about \$11-\$13 in the capitol building. Breakfast might be about \$7.00. (These are very conservative numbers).

Therefore, I think a legislator needs about \$80.00 per day to survive in Juneau. \$100 might be more reasonable. (This is a legislator basically living alone, however).

Given the need to arrive early and depart somewhat late (it's a two-day ferry and drive to Anchorage), I believe per diem should cover 141 days at \$80/day, or about \$11,200. (Typically, we are allowed 5 days prior to gavel-in, and 5 days post-adjournment for per diem--this is extremely defensible).

While it is true that a legislator would be eating in their hometown, this math does not consider the need to purchase extra items to furnish a home in Juneau, etc.

In summary, I believe a salary of \$74,500 and per diem capped at \$11,200 makes some sense.

Finally, there are times when legislators are working incredibly hard during special sessions. (Example: in the Fall of 2017, we had a 30 day session of grindingly hard work, repealing parts of SB 91 with SB 54-55; in the Fall of 2015, we had a 30 day session on the buyout of TransCanada's interest in the gasline). The \$11,200 should not include those times.

Thank you,

Andy Josephson
Alaska State House

From: Hamby, Katie C (DOA) <katie.hamby@alaska.gov>
Sent: Monday, December 6, 2021 3:22 PM
To: Rep. Andy Josephson <Rep.Andy.Josephson@akleg.gov>
Cc: Sheehan, Kate E (DOA) <kate.sheehan@alaska.gov>
Subject: SOCC Letter - Response Requested

Good afternoon,

Please see the attached letter from the State Officers Compensation Commission. Your response will provide valuable feedback and needs to be received prior to December 15. This is being sent on behalf of Director Kate Sheehan. Please contact her directly if you have any questions or comments.

Thank you,

Katie Hamby
Administrative Assistant 2
Division of Personnel & Labor Relations
Department of Administration
☎465-4425

Sutch, Nancy A (DOA)

From: Sheehan, Kate E (DOA)
Sent: Wednesday, December 15, 2021 11:05 AM
To: Sutch, Nancy A (DOA)
Subject: FW: SOCC Letter - Response Requested

From: Hamby, Katie C (DOA) <katie.hamby@alaska.gov>
Sent: Tuesday, December 7, 2021 8:32 AM
To: McCarty, Kenneth E (LEG) <Rep.Ken.McCarty@akleg.gov>; Sheehan, Kate E (DOA) <kate.sheehan@alaska.gov>
Subject: FW: SOCC Letter - Response Requested

Good morning Ken,

Thank you for your email; I am forwarding your request to Director Kate Sheehan for a response.

Thank you,
Katie Hamby
Administrative Assistant 2
Division of Personnel & Labor Relations
Department of Administration
☎465-4425

From: Rep. Ken McCarty <Rep.Ken.McCarty@akleg.gov>
Sent: Monday, December 6, 2021 8:35 PM
To: Hamby, Katie C (DOA) <katie.hamby@alaska.gov>
Subject: Re: SOCC Letter - Response Requested

Greetings Katie Hamby,

Thank you for the invite to reformulate the pay benefits for legislators. Please send me your allowance criteria for per diem items so that I can place such criteria that you are considering into my spread sheet for consideration.

Ken McCarty
Representative
House District 13
Chugiak / Eagle River / JBER
(907) 465-3783
(877) 460-3783 Toll Free

From: Hamby, Katie C (DOA) <katie.hamby@alaska.gov>
Sent: Monday, December 6, 2021 3:29 PM
To: Rep. Ken McCarty <Rep.Ken.McCarty@akleg.gov>
Cc: Sheehan, Kate E (DOA) <kate.sheehan@alaska.gov>
Subject: SOCC Letter - Response Requested

Good afternoon,

Please see the attached letter from the State Officers Compensation Commission. Your response will provide valuable feedback and needs to be received prior to December 15. This is being sent on behalf of Director Kate Sheehan. Please contact her directly if you have any questions or comments.

Thank you,

Katie Hamby

Administrative Assistant 2

Division of Personnel & Labor Relations

Department of Administration

☎465-4425

Sutch, Nancy A (DOA)

From: Sheehan, Kate E (DOA)
Sent: Wednesday, December 15, 2021 11:05 AM
To: Sutch, Nancy A (DOA)
Subject: FW: SOCC Letter - Response Requested

From: Hamby, Katie C (DOA) <katie.hamby@alaska.gov>
Sent: Tuesday, December 7, 2021 8:40 AM
To: Wool, Adam L (LEG) <representative.adam.wool@akleg.gov>; Sheehan, Kate E (DOA) <kate.sheehan@alaska.gov>
Subject: FW: SOCC Letter - Response Requested

Good morning Adam,

Thank you for your email; I am forwarding your comments to Director Kate Sheehan for response.

Thank you,
Katie Hamby
Administrative Assistant 2
Division of Personnel & Labor Relations
Department of Administration
☎465-4425

From: Rep. Adam Wool <Rep.Adam.Wool@akleg.gov>
Sent: Tuesday, December 7, 2021 7:32 AM
To: Hamby, Katie C (DOA) <katie.hamby@alaska.gov>
Subject: Re: SOCC Letter - Response Requested

Katie,
my thoughts on the proposed salary and per diem changes are the following:

We do need to change the current system, the salary is too low and the per diem is too high, many of us have been saying this for a long time. However I believe the proposed per diem of \$5000 capped is too low. The cost of living in Juneau is high and many of us, including myself, pay about \$45-50 per day in rent alone, this would amount to over \$5000 for a 121 day session. Plus there's the added expense of food that is also high in Juneau. We don't always have time in our day to have a "home-cooked" meal so restaurant food is very common as well as food purchased in the Capitol lounge which is slightly lower than the going rate in local eateries but still an expense.

The salary increase is reasonable and would be in line with other salaries of state employees, legislative staffers, teachers etc. It may serve to attract regular citizens to be legislators since pay of \$75K is attractive. But the per diem should be high enough to offset the cost of living in Juneau. I do agree that the current per diem is too high and in fact IS an incentive for some legislators to prolong special sessions and perhaps be in less of a hurry to wrap up in a timely fashion.

I'd say a per diem of at least \$100/day would accomplish the desired result. This would be applied for regular and for special sessions since living in Juneau during special sessions can be especially expensive since many of us have to move out of our regular rental space into more costly nightly rate situations.

If the per diem were capped at \$5000 and we were in special session in June for example, we'd have to spend perhaps over \$200/day in room/board. This would be unaffordable for many of us especially those of us who have young families and pay a mortgage in our home districts. An additional \$6000 per month in expenses for a special session would be untenable. Remember, not all special sessions are avoidable and many of them serve a much needed purpose even if they tend to drag on.

thanks,

Adam

Rep Adam Wool

District 5 Fairbanks

Alaska State Capitol #503

Juneau, AK 99801

907-465-4976 Juneau

907-452-6084 Fairbanks

rep.adam.wool@akleg.gov

From: Hamby, Katie C (DOA) <katie.hamby@alaska.gov>

Sent: Monday, December 6, 2021 3:50 PM

To: Rep. Adam Wool <Rep.Adam.Wool@akleg.gov>

Cc: Sheehan, Kate E (DOA) <kate.sheehan@alaska.gov>

Subject: SOCC Letter - Response Requested

Good afternoon,

Please see the attached letter from the State Officers Compensation Commission. Your response will provide valuable feedback and needs to be received prior to December 15. This is being sent on behalf of Director Kate Sheehan. Please contact her directly if you have any questions or comments.

Thank you,

Katie Hamby

Administrative Assistant 2

Division of Personnel & Labor Relations

Department of Administration

☎465-4425

Sutch, Nancy A (DOA)

From: Sheehan, Kate E (DOA)
Sent: Wednesday, December 15, 2021 11:04 AM
To: Sutch, Nancy A (DOA)
Subject: FW: SOCC Letter - Response Requested

From: Hamby, Katie C (DOA) <katie.hamby@alaska.gov>
Sent: Tuesday, December 7, 2021 2:23 PM
To: Sheehan, Kate E (DOA) <kate.sheehan@alaska.gov>
Subject: FW: SOCC Letter - Response Requested

Hi Kate,

Please see Sen. Mike Shower's comments below regarding the SOCC letter.

Thank you,
Katie Hamby
Administrative Assistant 2
Division of Personnel & Labor Relations
Department of Administration
☎ 465-4425

From: Sen. Mike Shower <sen.mike.shower@akleg.gov>
Sent: Tuesday, December 7, 2021 1:45 PM
To: Hamby, Katie C (DOA) <katie.hamby@alaska.gov>; Shrestha, Naresh K (LEG) <naresh.shrestha@akleg.gov>; Erickson, Shonda M (LEG) <shonda.erickson@akleg.gov>; Ogan, William S (LEG) <scott.ogan@akleg.gov>
Subject: Re: SOCC Letter - Response Requested

Kate,

Interesting topic - I've actually been speaking to this for about 2 years. I have lamented it's hard to get good people to volunteer for this "job" if the pay doesn't support it. I'm in the prime years of my earning potential as an airline pilot and have to give up almost half of that salary every year to do this legislative "job" - it's a big hit to my family's income. There is no way, nor should there be, to make up for the type of compensation one can get in the private sector vs. what one should get for being a public "servant". Especially a job which is normally part time - these last few years of endless special sessions notwithstanding.

That being said - if there isn't a good compensation package - how do we get decent public servants who aren't wealthy, retired or have the luxury of having a spouse with a good enough job to support someone being a legislator? The current pay is well below the average income in Alaska (77K / year if I remember correctly). Even 74K as suggested is below that. If they live under the current per diem cap, a legislator can make extra from per diem under the current system. In the summer months in Juneau however, as during these special sessions, unless you live in your office, per diem barely covers the daily costs as many discovered this past summer.

Something close to the average wage is perhaps a very good solution. One of the reasons for that, as I've discovered, is the job certainly is really full time not part time. So helping offset the amount of time required during the entire calendar year would likely be helpful, not just per diem during session. In essence we'd be spreading out the "pay" during the year making it easier for people to pay the bills and budget for the entire year not just during the high per diem time in session.

A smaller, or capped, per diem during session would help in a number of ways. It's a political football which always causes consternation especially during special sessions. The citizens get very upset about it and often rightly so. We have month long special sessions, do absolutely nothing, and legislators can be paid \$9000 for the month if they take it. It might help both future governors and legislators make better decisions if they understand spending extra time in Juneau is not going to be paid for - essentially coming "out of pocket" from their now much higher yearly pay. It's a good incentive for timely governance. We always have the option to pay for special or emergency sessions if the need is "real" vs. political posturing. Frankly, it will save the state money in the long run by knowing there is a "cap" and the option to endlessly pay legislators for spending more time in Juneau isn't an option.

The regular session is different since it's one of the "have to do's" IAW our constitution. I support and always have, per diem, its there to help offset having to support two households during TDY (temporary duty as we called it in the military).

But;

I suggest an increase of the per diem cap to 10K. This would be essentially equal to what legislators currently receive (generally) each year when you combine the current 50K regular pay and the average 36K (4 months of per diem) - about 86K a year - just a rough average.

If we did a 10K cap you'd have an average compensation package (pay) of 84K a year which is about the same as the current one. Not increasing legislator pay (actually a small decrease - a good message to send these days to the people) but it spreads it out over the year while still covering the costs of the regular legislative session. You can without question live on 10K in per diem from mid Jan to mid May in Juneau - I've done it every year for 4 years now. Maybe you can't buy your own house and live high on the hog but you can get by just fine as a public servant during the time you have to support yourself away from home.

I believe the direction this is going makes a lot of sense on various fronts and I support the effort with some slight changes. I'm not stuck on any particular numbers but the changes are both necessary and long over due. This is a reasonable and fair path.

Respectfully,

Sen Mike Shower

From: Hamby, Katie C (DOA) <katie.hamby@alaska.gov>
Sent: Monday, December 6, 2021 3:00 PM
To: Sen. Mike Shower <sen.mike.shower@akleg.gov>
Cc: Sheehan, Kate E (DOA) <kate.sheehan@alaska.gov>
Subject: SOCC Letter - Response Requested

Good afternoon,

Please see the attached letter from the State Officers Compensation Commission. Your response will provide valuable feedback and needs to be received prior to December 15. This is being sent on behalf of Director Kate Sheehan. Please contact her directly if you have any questions or comments.

Thank you,

Katie Hamby

Administrative Assistant 2

Division of Personnel & Labor Relations

Department of Administration

☎465-4425