



Alaska State Officers Compensation Commission

Findings and Recommendations

January 26, 2011

Commission Members:

Rick Halford, Chair

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Recommendations

The annual salary of the governor shall be \$145,000. (AS 39.20.010(a).)

The annual salary of the lieutenant governor shall be \$115,000 (AS 39.20.030(a).)

Discussion

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. These salary increases were not rejected by the legislature, and they became law according to AS 39.23.540(d).

The commission met on November 4, 2009 to decide whether to submit recommendations by the tenth day of the session beginning in January 2010. It decided not to make any recommendations, but to continue to study the question of appropriate salary levels for the state’s chief executive officers. To this end, the commission convened a workshop on the subject of executive compensation on February 3, 2010 in Juneau. The public was invited to attend, and a number of announcements of the workshop were sent to people who were thought to have relevant knowledge and experience.

On October 5, 2010 the commission met in Anchorage to consider recommendations for 2011. With regard to legislative salaries, the commission decided not to make any recommendations. With regard to executive salaries, the commission found that pay increases for the office of governor and lieutenant governor were necessary in order to reduce the glaring disparities between these salaries and the salaries of hundreds of higher-paid state employees. The commission adopted preliminary recommendations (issued in a report dated November 9, 2010) that the governor’s salary be increased to \$175,000, the lieutenant governor’s salary be increased to \$135,000, and that a mechanism of some kind be adopted that would periodically adjust executive salaries for increases in the cost of living. These preliminary recommendations set an

upper boundary of what the commission would consider, and were made to accommodate the breadth of views of individual commission members. Public hearings on the preliminary recommendations were held on December 7, 2010, and on January 7, 2011. Public comment was solicited through the commission's website. The preliminary recommendations were covered widely in the news media.

The commission met to make final recommendations on January 7, 2011. At this meeting the consensus of all of the members was that salary increases for the office of governor and lieutenant governor should be generally comparable to salary increases received by other state employees. Accordingly, the commission voted to increase the governor's salary to \$145,000, which represents approximately a 3 percent increase per year from the current salary of \$125,000 which was set in 2006. This 3 percent increase per year is comparable to increases granted to general state employees over the same period. A 3 percent per year increase was also approved for the salary of lieutenant governor (from \$100,000 to \$115,000). The commission decided not to adopt a cost-of-living adjustment mechanism. Rather, the commission will monitor changes in the cost of living and adjust the executive and legislative salaries within its purview as it deems necessary in the future.

This report, previous reports of the commission including the preliminary report of December 9, 2010, and comparative salary data are available on the commission's website at www.doa.alaska.gov/dop/socc.