



INDEPENDENT CITIZENS COMMISSION

Initial Review and Recommendations

February 2, 2015

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www.citizenscommission.ar.gov

The Independent Citizens Commission of Arkansas

- **Larry Ross, Chairman**
Sherwood, AR
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- **Chuck Banks, Vice Chairman**
Little Rock, AR
Appointed by Chief Justice Jim Hannah
- **Mitch Berry**
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Appointed by Speaker of the House of Representatives Davy Carter
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Searcy, AR
Appointed by President Pro Tempore of the Senate Jonathan Dismang
- **Brenda James**
Little Rock, AR
Appointed by President Pro Tempore of the Senate Jonathan Dismang
- **Stephen Tipton**
Cabot, AR
Appointed by Speaker of the House of Representatives Davy Carter

About the Commission

The Independent Citizens Commission (“Commission”) was created by the passage of Issue 3 by the voters of Arkansas at the 2014 General Election. Issue 3 is now known as Amendment 94 to the Arkansas Constitution. Amendment 94, Section 31 created a 7-member Independent Citizens Commission for the purpose of setting salaries for constitutional officers of the executive department, members of the General Assembly, justices, and judges.

Amendment 94 called for the Commissioners to be appointed in the following manner:

- Two members appointed by the Governor
- Two members appointed by the President Pro Tempore of the Senate
- Two members appointed by the Speaker of the House of Representatives
- One member appointed by the Chief Justice of the Supreme Court

In appointing members to the Commission, racial, gender, and geographical diversity were to be considered. Members of the Commission must be citizens of the United States and residents of Arkansas for at least 2 years preceding appointment. A commissioner must be qualified to vote in Arkansas and at least 25 years of age.

Charges of the Commission

The Independent Citizens Commission was charged with setting salaries of elected constitutional officers of the executive department, members of the General Assembly, justices, and judges. The Commission has the constitutional duty to review and adjust as it deems necessary the salaries of the following positions:

- Governor, Lieutenant Governor, Attorney General, Secretary of State, Treasurer of State, Auditor of State, and Commissioner of State Lands (Constitutional Officers);
- Members of the General Assembly; and
- The Chief Justice and Justices of the Supreme Court, The Chief Judge and Judges of the Court of Appeals, Circuit Court Judges, and District Court Judges.

Amendment 94 specifies that when considering whether or not to adjust a salary for a position listed above, the Commission shall include in its considerations the overall economic conditions of the state of Arkansas at the time.

Amendment 94 requires that the salaries of circuit court judges be uniform throughout the state. In addition, the Commission may not diminish the salaries for the position of Chief Justice and Justices of the Supreme Court, the Chief Judge and Judges of the Court of Appeals, circuit court judges, and district court judges.

If the Commission proposes to adjust a salary, the Commission shall provide notice to the public of the proposed salary adjustment, make available to the public any data reviewed by the Commission and used to determine the adjustment, and afford the public a reasonable opportunity to provide public comment on the proposed salary adjustment.

Upon satisfying the public notice requirements of Amendment 94, the Commission may file any final salary adjustments with the Auditor of State. The adjustment to a salary shall be effective (10) days after it is filed with the Auditor of State.

Initial Review

One of the specific charges of Amendment 94 is for the Commission to complete an initial review of the salaries. This initial review shall be completed no later than ninety (90) after the effective date of the Amendment.

Recommendations on Per Diem, Expenses, and Mileage

The Commission is also required to provide recommendations to the President Pro Tempore of the Senate and the Speaker of the House of Representatives regarding the amounts to be paid to members of the General Assembly for per diem, reimbursement for expenses and reimbursement for mileage. These recommendations must also be completed no later than ninety (90) days after the effective date of Amendment 94.

The Independent Citizens Commission held its first meeting on December 18, 2014 at the Arkansas State Capital. Since the first meeting, the Commission has convened over a dozen times to address and fulfill the constitutional duties of providing the initial review and recommendations on per diem, expenses, and mileage to the General Assembly.¹ In addition to containing the initial review and recommendations, this document contains proposed salary adjustments. All data reviewed by the Commission in determining these proposed salary adjustments is available on the Commission website: www.citizenscommission.ar.gov.

¹ This document contains the initial review of salaries pursuant to Amendment 94, Section 31 (i)(3)(A) and the recommendations to the President Pro Tempore of the Senate and the Speaker of the House on per diem, reimbursement for expenses and reimbursement for mileage pursuant to Amendment 94, Section 31 (i)(3)(B). It also contains proposed adjustments in salary resulting from the initial review. These proposed adjustments are being provided to the public pursuant to Section 31(e)(2).

INITIAL REVIEW OF SALARIES

The Commission is required to complete an initial review of the salaries under Amendment 94. The salaries to be reviewed are as followed:

- Governor
- Lieutenant Governor
- Attorney General
- Secretary of State
- Treasurer of State
- Auditor of State
- Commissioner of State Lands
- Members of the General Assembly
- Chief Justice of the Supreme Court
- Justices of the Supreme Court
- Chief Judge of the Court of Appeals
- Judges of the Court of Appeals
- Circuit court judges
- District court judges

Amendment 94 specifically requires the Independent Citizens Commission to include the overall economic conditions of the state in its considerations of whether or not to adjust the salaries listed above. The Commission heard several presentations from the State's top economic officials over the course of several meetings.

Overall Economic Conditions

The Commission received an overview of the overall economic condition of Arkansas from Dr. John Shelnett and Mr. Brandon Sharp of the Arkansas Department of Finance and Administration. The Commission specifically considered the State's economic conditions in making any proposed adjustments by reviewing the economic data presented to them. All data presented and reviewed by the Commission can be found on the Commission website: www.citizenscommission.ar.gov.

Current Salaries

As a baseline for the initial review, the Commission considered the current salaries of the elected constitutional officers of the executive department, members of the General Assembly, justices, and judges in Arkansas, which they are charged with reviewing. The current salaries for those positions for Fiscal Year 2014-2015 as of February 2, 2015 are listed below in Table 1.

Table 1
Current Salaries of Arkansas Officials

Governor	\$87,759
Lieutenant Governor	\$42,315
Attorney General	\$73,132
Secretary of State	\$54,848
Treasurer of State	\$54,848
Auditor of State	\$54,848
Commissioner of State Lands	\$54,848
Member of the General Assembly	\$15,869
Senate President Pro Tempore	\$17,771
Speaker of the House of Representatives	\$17,771
Chief Justice of the Supreme Court	\$161,601
Justice of the Supreme Court	\$149,589
Chief Judge of the Court of Appeals	\$147,286
Judge of the Court of Appeals	\$144,982
Circuit Court Judge	\$140,372
State District Court Judge	\$125,495

Factors considered in determining proposed salary adjustments:

Along with considering the overall economic condition of the state, at the forefront of the Commission's salary discussions was that public service was a noble calling. Elected officials, part or full-time, are to be commended for their service to the people of Arkansas. Additionally, the Commissioners placed great weight on the modern day responsibilities and duties of each elected official in Arkansas while discussing salary adjustments. The Commission considered many different factors and variables to make its proposed salary adjustments. All of the data considered, along with the minutes and recordings of Commission meetings, are available on the Commission website.² Some of the factors considered by the Commission include but are not limited to:

- Population
- Cost of Living
- Per Capita Personal Income
- Net State Revenues
- Net State Expenditures
- Gross Domestic Product

To provide the state with the best leadership, the Commission wanted to balance the need to attract and retain highly-qualified public officials with the need to maintain Arkansas's historical and constitutional commitment as a citizen's legislature and to the spirit of public service.

To begin its charge, the Commission reviewed and compared the salaries of officials, legislators, justices and judges in all fifty 50 states of the United States. In conducting its analysis, the Commission determined that all state governments were not created equal. The Commission decided to form a comparative group of nearby or contiguous states demographically aligned with Arkansas that have similar citizen legislatures. The Commission did not limit its analysis to this comparative group but did feel they provide an appropriate basis of comparison.

² www.citizenscommission.ar.gov

States in the Comparative Group

To determine which states would provide an appropriate basis of comparison, the Commission reviewed data from the Arkansas General Assembly's Bureau of Legislative Research along with the economic information from officials with the Department of Finance and Administration. Based upon the review of data, the Commission decided on a comparable group of 5 states. Those states are:

- Iowa
- Louisiana
- Missouri
- Oklahoma
- Tennessee

Each of the states in the comparative group is adjacent or near Arkansas and have hybrid legislatures.³ The Commission determined that these state were the most appropriate choices for comparisons of salaries. The Commission reviewed compensation data for the elected officials in each of the comparable group states. Data for each officer was provided by the Bureau of Legislative Research, along with information that was obtained from national associations which compile compensation data for all fifty states. Table 2 below shows a salary comparison of all the comparative group states along with Arkansas.

³ A "Hybrid Legislature" is a term used by the National Conference of State Legislatures to describe a state legislature that is a not full time state legislature but also is not a completely part time state legislature.

Table 2- Salary Comparison

Position	Arkansas	Iowa	Louisiana	Missouri	Oklahoma	Tennessee
Governor	\$87,759	\$130,000	\$130,000	\$133,821	\$147,000	\$181,980
Lieutenant Governor	\$42,315	\$103,212	\$115,000	\$86,484	\$114,713	\$60,609
Attorney General	\$73,132	\$123,669	\$115,000	\$116,437	\$132,825	\$176,988
Secretary of State	\$54,848	\$103,212	\$115,000	\$107,746	\$140,000	\$190,260
Treasurer of State	\$54,848	\$103,212	\$115,000	\$107,746	\$114,713	\$190,260
Auditor of State	\$54,848	\$103,212	\$132,620	\$107,746	\$114,713	\$190,260
Commissioner of State Lands	\$54,848	n/a	n/a	n/a	n/a	n/a
Member of the General Assembly	\$15,869	\$25,000	\$16,800	\$35,915	\$38,400	\$20,203
Chief Justice of the Supreme Court	\$161,601	\$170,850	\$157,050	\$154,215	\$147,000	\$181,980
Justice of the Supreme Court	\$149,589	\$163,200	\$150,772	\$147,591	\$137,655	\$176,988
Chief Judge of the Court of Appeals	\$147,286	\$153,000	\$150,770	\$134,685	\$132,825	\$173,604
Judge of the Court of Appeals	\$144,982	\$147,900	\$143,647	\$134,685	\$130,410	\$162,396
Circuit court judge	\$140,372	\$143,897	\$143,253	\$127,020	\$124,373	\$165,204
District court judge	\$125,495	\$137,700	\$137,744	n/a	\$124,373	n/a

Source: The Council of State Governments' survey of state personnel agencies and state Web sites February 2014, Table 4.11

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The Commission finds that, based on Table 2, Arkansas consistently pays its Constitutional Officers less than the other five states in the comparison group. Arkansas's Governor, Lieutenant Governor,⁴ Attorney General, Secretary of State, Auditor of State, and members of the General Assembly all receive the lowest respective salary for their positions in the comparison group. The office of Commissioner of State Lands is unique to Arkansas among the comparison group. Conversely, unlike the executive officials and legislators, Arkansas is generally positioned around the median salaries for compensating judges and justices within the comparable group.

Other Considerations

The Commission not only compared the salaries in the comparison group of states. The Commission also looked at several other factors and criteria during the initial review. These other considerations included but were not limited to:

- Qualification and skill necessary for the office
- The overall level of responsibility implicit in the office
- The total compensation of each position including benefits other than salaries
- Travel and necessary out-of-office expenses required for the office
- Any per diem, mileage, and expenses received by those officials
- Any other factors the Commission considered to be reasonable and appropriate to their charge
- The overall public interest of the citizens of Arkansas

The Commission reviewed the salary data from the comparison group states, along with the considerations mentioned above (including the overall economic conditions of Arkansas). The Commission voted to propose some salary adjustments as a result of the initial review. Table 3 below shows current salaries of Arkansas officials alongside the Commission's proposed salary adjustments resulting from the initial review.

⁴ The Commission noted that the Lieutenant Governor of Arkansas is unique to similar offices in the other states in the comparison group because of the part-time nature of the office.

Table 3
Proposed Salary Adjustments

Elected Official	Current Salary	Proposed Adjustments
Governor	\$87,759	\$141,000
Lieutenant Governor	\$42,315	No change
Attorney General	\$73,132	\$130,000
Secretary of State	\$54,848	\$90,000
Treasurer of State	\$54,848	\$85,000
Auditor of State	\$54,848	\$85,000
Commissioner of State Lands	\$54,848	\$85,000
Member of the General Assembly ⁵	\$15,869	\$39,400
Senate President Pro Tempore	\$17,771	\$45,000
Speaker of the House of Representatives	\$17,771	\$45,000
Chief Justice of the Supreme Court	\$161,601	\$180,000
Justice of the Supreme Court	\$149,589	\$166,500
Chief Judge of the Court of Appeals	\$147,286	\$164,000
Judge of the Court of Appeals	\$144,982	\$161,500
Circuit Court Judge	\$140,372	\$160,000
State District Court Judge	\$125,495	\$140,000

⁵ For Members of the General Assembly, including the Speaker of the House and the President Pro Tempore, the Commission formed these proposed salary adjustments based on the assurance that the General Assembly leadership will accept and implement the recommended changes outlined in Table 6.

RECOMMENDATIONS TO ARKANSAS GENERAL ASSEMBLY

The Independent Citizens Commission is required by Amendment 94 to provide recommendations to the President Pro Tempore of the Senate and the Speaker of the House of Representatives concerning the amounts to be paid to members of the General Assembly for per diem, reimbursement for expenses, and reimbursement for mileage.

The Commission makes the following recommendation to the leadership of the Arkansas General Assembly.⁶ These recommendations are listed below in the following order: **Table 4 Per Diem, Table 5 Mileage, and Table 6 Expenses.**

Table 4
Per Diem Recommendation

Position	Current Per Diem	Per Diem Recommendation
General Assembly Members outside 50 miles	Reimbursed at the current U.S. General Services Administration (“GSA”) per diem rate including lodging ⁷	No change
General Assembly Members within 50 miles	Reimbursed at the current GSA per diem rate excluding lodging	No change

*Source: Legislative Compensation 50 State Survey,
Arkansas Bureau of Legislative Research, January 2015
www.citizenscommission.ar.gov*

⁶ A copy of this Initial Review and Recommendation is being simultaneously provided to the President Pro Tempore of the Senate, Senator Jonathan Dismang, and the Speaker of the House, Representative Jeremy Gillam, pursuant to Amendment 94, Section 31(i)(3)(B).

⁷ The current GSA per diem rate for Little Rock, Arkansas as of February 2015 is \$89.00 for lodging and \$61.00 for meals and incidental expenses for a total of \$150. <http://www.gsa.gov/portal/category/100120>.

The Commission recommends **no change** to the current per diem rate for members of the General Assembly. As of the 2015 Regular Session, the current GSA per diem rate is \$150 per day for members of the General Assembly living outside a fifty-mile radius of the State Capital and \$61 per day for members living inside a fifty-mile radius of the State Capital. The Commission recommends the General Assembly continue to reimburse per diem at the current GSA per diem rate.

Table 5 – Mileage Recommendation

Position	Current Mileage Rate	Recommendation
General Assembly Members outside 50 miles	Reimbursed at the GSA mileage reimbursement rate	No Change
General Assembly Members within 50 miles	May claim reimbursement at the GSA rate	No Change

*Source: Legislative Compensation 50 State Survey,
Arkansas Bureau of Legislative Research, January 2015
www.citizenscommission.ar.gov*

The Commission recommends **no change** to the current mileage reimbursement rate for members of the General Assembly. As of 2015, the GSA mileage rate⁸ increased from 56 cents a mile to the current standard of 57.5 cents a mile. The General Assembly of Arkansas should continue to observe the standardized federal rate for mileage reimbursement for members of the General Assembly. The Commission recommends the General Assembly continue the current mileage reimbursement rate.

⁸ As of January 1, 2015 the GSA Privately Owned Vehicle (“POV”) mileage reimbursement rate is 57.5 cents a mile if use of a private automobile is authorized and no government owned automobile is available.
<http://www.gsa.gov/portal/content/100715>.

Table 6 – Expenses Recommendation

Position	Current Expenses	Recommendation
General Assembly Members	Up to \$1,200/month = \$14,400/year ⁹ (“Base”)	The Commission recommends elimination of the allowed expense reimbursements for all members of the General Assembly under Ark. Code Ann. § 10-2-212. (“Base”)
Committee Leadership: Chairs (House & Senate); Committee Vice-Chairs (House)/Sub-Committee Chairs (House & Senate)	Base + additional committee leadership expense allowance up to \$300/month, \$3600/year for documented expenses ¹⁰ .	The Commission recommends elimination of the base expense reimbursements (14,400/year) for all chairpersons/vice chairs of committees and subcommittee chairs. The Commission recommends <u>no change</u> to the current additional compensation allowance up to \$300/month, \$3600/year for committee leadership.

Amendment 70 of the Arkansas Constitution entitled members of the Arkansas General Assembly to seek reimbursement for documented expenditures within the limits provided by law. Arkansas law currently recognizes and authorizes the Speaker of the House and the Senate Efficiency Committee to establish methods of reimbursing their respective membership for ordinary and necessary expenses incurred in the performance of their duties as members of the General Assembly under Ark. Code Ann. § 10-2-212. Each member of the House and Senate is currently eligible to seek reimbursement for up to \$1,200 per month/ \$14,400.00 per calendar year for these expenses.

In addition, Senate and House of Representatives committee chairpersons and subcommittee chairpersons and House vice chairpersons are allowed an additional allowance for expenses attributable to their committee leadership duties under Ark. Code Ann. § 10-2-215. They are allowed to seek reimbursement for up to \$300 per month/\$3600.00 per year.

⁹ Reimbursable expenses for Members of the General Assembly are established by Ark. Code Ann. §10-2-212;

¹⁰ Additional compensation for committee chairs, vice chairs, and co-chairs are allowed under Ark. Code Ann. §10-2-215.

The Commission recommends the elimination of legislative expense reimbursements to members of the Arkansas General Assembly under Ark. Code Ann. § 10-2-212 (“base expenses”). Currently all members of the General Assembly may collect up to \$1200 per month, \$14,400 per year in documented legislative base expenses (this *excludes* per diem and mileage). The Commission recommends the elimination of this base expense reimbursement for members of the General Assembly. The Commission has proposed initial salary adjustments for members of the General Assembly based on the commitment by the Senate Pro Tempore and the Speaker of the House to eliminate these base expenses reimbursements up to \$14,400 per year per member.

The Commission recommends **no change** to the current expense allowance for committee leadership under Ark. Code Ann. § 10-2-215. In the Senate and House, committee chairpersons are allowed up to an additional \$300 per month, \$3600 per year in documented expenses for chair leadership duties. In the House and Senate, subcommittee chairpersons are allowed up to \$150 per month, \$1800 per month in additional documented expenses. In the House, committee vice chairpersons are allowed up to an additional \$200 per month, \$2400 per year for documented expenses. The Commission recommends no change to these additional chair leadership expenses under Ark. Code Ann. § 10-2-215.

ADDENDUM

The Initial Review, recommendations and proposed salary adjustments contained in this document are the result of extensive review by the Independent Citizens Commission of large amounts of information and data. All of the data reviewed by the Independent Citizens Commission along with the minutes and recordings of all meetings have been made available for download on the Commission's website:

www.citizenscommission.ar.gov

In addition, all of the data on the website is available for public inspection and copying at the Office of the Auditor of State. Advance notice is requested for on-site public review of the data at the Office of the State Auditor. Please send requests for inspection in advance to:

Independent Citizens Commission
c/o Office of State Auditor
State Capital
Little Rock, Arkansas 72201
(501)682-1866
info@citizenscommission.ar.gov

A public hearing on the proposed salary adjustments contained in this initial review will be held on **March 2, 2015 at 10:00 a.m.** at the University of Arkansas System Administration Office-Cammack Village, located at 2404 North University Avenue, Little Rock, Arkansas 72207.