

February 8, 2023, Meeting Minutes Olympia Hotel at Capitol Lake, 2300 Evergreen Park Drive SW, Olympia Zoom – Meeting ID: 868 7783 5509

The meeting of the Washington Citizens' Commission on Salaries for Elected Officials was brought to order by Steven, Chair, at 9:00 a.m.

Steven read a land acknowledgement, stating the Commissioners are meeting in the ancestral, traditional, and contemporary land of the Cowlitz, Squaxin, and Nisqually Peoples. The Commission acknowledged the Indigenous individuals and communities who live here now, and those who were forcibly removed from their homelands. In offering the land acknowledgement, the Commission affirms Indigenous sovereignty, history, and experiences.

Commission Members Present:

Carli	Lancer
Diana	Linda
Ellen	Scott - via Zoom (excused for morning and
Eric	zoom in the afternoon)
Eve – via Zoom	Steven, Chair
Greg	Sue
Jon, Vice Chair	Tray
Karen	Wendy
Kirsten	
	Staff Present:
	Teri Wright, Executive Director

Teri took roll call.

Steven read the meeting opening statement.

Lindsay went over meeting folder contents.

Jon moved to approve the January 10, 2023, meeting minutes. Diana seconded. The motion was approved by a unanimous voice vote.

Lindsay Matthews, Executive Assistant

Public Testimony

No members of the public were present to provide public testimony.

Commissioners moved into a work session. Steven reviewed work of Commissioners so far and asked for reflections, comments, or anything else on the proposed salary schedule. Discussion ensued around the things Commissioners are thinking about the salary schedule and the data points that are standing out to them as well as past decisions the Commission has made. Teri mentioned a bill in the legislature that would greatly affect the work the Commission does if it passes, she then asked Commissioners to read over another bill in legislature regarding teacher pay, which is just one data point the Commissioners look at while salary setting.

A break was taken until Dr. Lerch arrived via zoom.

Steven welcomed Dr. Steve Lerch from the Economic and Revenue Forecast Council.

Dr. Steve Lerch, Chief Economist for the Economic and Revenue Forecast Council (remotely)

Dr. Lerch reminded Commissioners a new forecast had not come out since he presented to them in January, the next economic and revenue forecast comes out in March of 2023. Dr. Lerch started a PowerPoint presentation first showing an update surrounding recession views, which overall are on the pessimistic side. His next slide showed inflation over the year has trended down since June but remains at historically high levels. He went on to talk about home prices in Seattle, while still up 1.5% over the year, they have declined for the last six months. Dr. Lerch then showed consumer confidence has trended up since June but remains below pre-pandemic levels. He talked about inflation and hiring difficulties, and how they continue to dampen small business optimism. Dr. Lerch's next slide showed that nationally retail trade sales were down 1.0% in November, 1.1% in December. The graph shown during the presentation was not adjusted for inflation. Next, he showed that the personal saving rate was down to 3.4% in December 2022. Dr. Lerch's next slide showed that overall Washington employment had recovered more strongly than nationally but not in all sectors, particularly manufacturing and health care.

Steven asked Dr. Lerch if there is a standard definition of recession. Dr. Lerch replied, a standard widely held definition of recession is two quarters of negative GDP (gross domestic product) growth. The National Bureau of Economic Research, a group of research economists, has a committee that unofficially is in charge, if you will, of defining the beginning and ending of a recession, which is done afterwards. Their definition is broader, two consecutive quarters of negative GDP growth would not necessarily be a recession in their opinion. They are looking for widespread impacts across multiple sectors of the economy and declining employment as well as declining GDP. By that definition a mild recession, if it was two quarters of minimal negative

GDP growth that might not be a recession. However, on an individual level if the business you work at or own is forced to lay off people, your view of being in a recession or not is irrelevant. Steven asked: What has the general economic growth been for which a recession might be likely, and where does that put us relative to where we were a few years ago? Dr. Lerch replied the pandemic threw a loop into economic growth rates. We saw huge decreases in employment and declines in GDP for a couple of quarters, but then a strong bounce back. Dr. Lerch said in his opinion most economists would think that somewhere around 2% GDP growth is in the long run sustainable growth for our economy. Getting away from that would maybe suggest a slowdown relative to some long run expectations.

Steven asked: What are the inflation forecasts coming up? Dr. Lerch replied they see inflation coming down this year somewhere in the 4% range. Generally speaking, forecasters believe that inflation peaked last year. It has been coming down and will come down further next year in about the 2.5% - 3.5% range. Dr. Lerch added that there are plenty signs that inflation is slowing down.

Dr. Lerch's next slide showed the slowing trend in national employment reversed in January as 517,000 jobs added. He then showed Washington employment has slowed but remains positive. His next slide showed the numbers for jobs available per unemployed worker. The number of job openings continues to exceed the number of unemployed workers. His next slide showed job cuts in sectors with the highest 2022 layoff announcements. The technology sector by far had the most layoff announcements in 2022, followed by several layoff announcements this year. Technology is a sector they expect to see employment to slow down. Dr. Lerch then showed that unemployment rates are well down from pandemic highs but have increased slightly in the last few months. His next slide showed wage gains, private sector average hourly earnings, and year over year percent change. The increase in average hourly earnings has been trending down. The next slide showed the forecast of funds subject to the budget outlook process by fiscal year (FY). It showed the past two fiscal years as growing by 13.3% in FY21, and 11.6% in FY 22, while the forecast is predicting much smaller growth in the next few fiscal years. Dr. Lerch asked for any questions.

Steven thanked Dr. Lerch for his presentation and time.

A break was taken until Nona Snell arrived.

Steven welcomed Assistant Director Nona Snell from the Office of Financial Management.

Nona Snell, Assistant Director for Budget Office of Financial Management (State Budget) Nona Snell mentioned there are three budgets that the Office of Financial Management (OFM) releases, noting the Commission historically is interested in the operating budget. Nona spoke

about the budget process. She also briefly explained the supplemental budget process. Assistant Director Snell spoke about how the Governor and the Legislature also hear from the Economic and Revenue Forecast Council and their most recent publication at the time they work on budgets. Nona explained how caseload forecast can be budget drivers, mostly in entitlement programs like kids in school, higher education grant programs, and Medicaid among others. Assistant Director Snell said she monitors the different forecasts and watches how things fluctuate. Nona then spoke about the 7-billion-dollar one-time federal funding and what that means to the programs and budgets. Next, she spoke about employment, how attracting and retaining employees has been difficult in all sectors, both public and private. Nona talked about the complexities they had this session with collective bargaining. Assistant Director Snell spoke briefly about the Governor's focuses this session, homelessness, and housing among others.

Jon asked: In general, now that the unions have negotiated their contracts, what has been the cost-of-living increases negotiated? Assistant Director Snell replied, in general, they negotiated a 4% increase for the first year and a 3% increase for the second year of the biennium, for most but not all employees.

Jon asked: How does the one-time seven billion dollars from the Federal Government tie into the budget going forward, and what has been done to adjust it? Assistant Director Snell replied that is a tough question to answer because the state doesn't have an extra seven billion dollars. She added that this year the Governor was able focus more on keeping things going, and making sure things are fully funded in the budget, but there is no one-to-one comparison of funded programs.

Jon asked: Is the state laying employees off due to the one-time money that possibly funded their positions during the pandemic? Assistant Director Snell replied that she doesn't believe the state is laying off any employees due to the one-time funding. She added that she didn't think any of the one-time funding went to hiring employees. Discussion ensued regarding the approval of the states operating budget.

Linda asked regarding caseload: Is the decline of school enrollment only in local areas or is it statewide? Assistant Director Snell replied it is statewide and even broader than statewide, although she isn't sure specifically of all the states experiencing the decline. She went on to say it was explained to her that of the children counted as not attending public school any longer, 1/3 of children went to private schools, 1/3 of children went to homeschooling and 1/3 of the children moved out of state. Nona added that enrollment is not really declining this year, and caseload wise schools are really tied to inflation.

Ellen asked: In the Governor's budget is there anything for the judicial system specifically? Assistant Director Snell replied yes, but she could not speak to that in detail, in her office they

call that budget "non-revisable", which means that whatever they ask for is included in the Governor's budget, the legislature can adjust their budget though. Jon added: That budget would include new judicial positions, correct? Assistant Director Snell replied, it would.

Steven thanked Assistant Director Snell for her presentation.

Public Testimony

No members of the public were present to provide public testimony.

Commissioners moved into a work session. Steven recommended Commissioners look at the across-the-board increases, then move to the individual positions. He reminded Commissioners of the proposed salary increases of 4% in 2023, and 3% in 2024. Teri added, if Commissioners wanted to be reminded of specific votes, and how they came to the current proposal to look in the October meeting minutes. Discussion ensued around the proposed across the board increases, and public input. Commissioners voiced agreement to wait to make any official motions until after the public testimony portion of the meeting, after lunch.

11:53 a.m.-1:30 p.m. Lunch

Steven welcomed everyone back from lunch. He made note that Diana left the in-person meeting but will try to join virtually, if possible, if not she will be excused from the remainder of the meeting.

Public Testimony

Steven welcomed Judge Chad Allred. Teri shared Judge Allred's presentation on the screen.

Judge Chad Allred, King County Superior Court

Judge Allred thanked the Commissioners for their work. He said his comments are his own, he then referred to the <u>letter</u> he wrote the Commissioners. Judge Allred wanted to clarify that he is requesting an increase to all judicial salaries not the Superior Court alone. He added that he is not opposed to a sizable cost of living increase for all elected officials but is just speaking from his perspective as a judge. He went on to say that there is a strong argument for a very large cost of living increase for all elected officials, because they have all been hit by inflation. He wanted to break the inflation down into two pieces; current inflation, and the inflation that occurred during the pandemic. Judge Allred said the proposed salary schedule, to give a 4%, and 3% is a good way to address current inflation, which is at about 6.5%. He continued that increase doesn't consider what happened during the pandemic. Judge Allred said he thought the Commissioners that were on the Commission during the pandemic made very wise and reasonable choices, as hard as it is to predict the future. The Commission gave 1.75% over the biennium. He thinks the

Commissioners should consider looking at the data he has given to them, presented from the US bureau of Labor that shows a 13.1% increase in inflation during the pandemic, during which time the elected officials were given a 1.75% cost-of-living increase. He made note that he doesn't think this ask is unprecedented nationally or statewide and is seeing cost-of-living increases across industries that are 8% or 9%. Judge Allred added that the Social Security Administration has added a cost-of-living increase of 8.7% for one year, and they also added two cost-of-living increases during the pandemic. His point being that without an increase of 10% in 2023 and 7% in 2024 the purchase power of those affected will be decreased. Judge Allred referred to his presentation shown on the screen, with data retrieved from the Economic and Revenue Forecast Counsel and made note of the general fund income rising by 11% multiple years, therefore, there is money in the general fund to fund the salaries with the requested increase. He added that recruitment and retention is also a point that is critical to be considered. Judge Allred shared some of his experience after nine years serving on the bench and noted that the Commission is tasked with basing salaries of elected state officials on realistic standards in order that such officials may be paid according to the duties of their offices and so that citizens of the highest quality may be attracted to public service. He thanked the Commissioners again and asked for any questions.

Steven thanked Judge Chad Allred for his presentation chart and his testimony, and asked: Given the presentation for the inflation amounts, you would apply the 10% in the first year and 7% in the second year to all the elected officials' positions? Judge Allred replied yes, although he is trying to address the concerns he is most familiar with from his perspective as a Judge in the court system, and recruitment is also a concern. The rationale is there to apply the requested increase across all the elected officials' positions.

Steven welcomed Brittany Gregory, Associate Director of Judicial and Legislative relations for the Washington State Administrative Office of the Courts.

Brittany just wanted to clarify from OFM presentation, that the judicial branch has no new state funded judicial positions that are being requested this year, they are requesting one district court position that is funded at the local level. Steven thanked Brittany for the clarification.

Steven welcomed Judge Jennifer Forbes.

Judge Jennifer Forbes, Superior Court

Judge Forbes brought attention to the handout the Commissioners received in December with relation to the inflation graph and the real dollar value of court salaries. She also wanted to remind Commissioners to review the presentation paperwork given to them in their salary setting binders, as it is full of important data and comparisons. Judge Forbes asked for any questions.

Ellen asked, regarding Tab 14, page 15, Tables 5-8, key age and turnover data by court: Is there any more recent data in regard to vacancies? Judge Forbes replied that there are continual vacancies. If one wanted to see the current vacancies one could go to the Governor's website and look up judicial vacancies as the Governor is charged with appointing vacancies during midterm. Although District court judges would not show up there because they are appointed at the local level during midterm vacancies. She added that as the president of the Superior Court Judges Association she welcomes each new judge with a letter and sends a few out each month. Judge Forbes said there is a lot of aging out but also a lot are moving to the private sector.

Ellen asked for a summary of the process for appointment during midterm. Judge Forbes explained briefly and gave an example where they reached out to a few local lawyers to fill a vacancy because the association thought they would be a good fit for the position and the lawyers said they weren't able to take that kind of a pay cut.

Jon added: Judges must run for office, and they must run campaigns and raise funds. Private practice attorneys do not have that burden, which could add to the decision to turn down the position. Judge Forbes added from her personal experience, judges are non-partisan, some other elected officials are partisan and can be funded by parties for their election. Judge Forbes said for her campaign she and her husband donated probably about 70% of her campaign funds. She added that at different levels of court someone may have more contributors but not at her level. She thanked the Commissioners.

Steven thanked the Judges for their time and presentations.

Commissioners moved into a work session. Steven went over a recap of the morning discussion, including the proposed salary schedule completed in October. He then asked if the discussion could go year by year instead of grouped together. Steven asked if anyone had a motion or a discussion ready.

Kirsten moved for an across-the-board salary increase of 4% on July 1, 2023. Jon seconded it. Discussion ensued.

Greg moved an amendment of an across-the-board salary increase of 2% on July 1, 2023. Eve seconded it.

Discussion ensued.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli		X	
Diana	X		
Ellen		X	
Eric		X	
Eve	X		
Greg	X		
Jon		X	
Karen		X	
Kirsten		X	
Lancer		X	
Linda		X	
Scott			X
Steven		X	
Sue		X	
Tray		X	
Wendy		X	

The motion <u>Failed</u> with 3 affirmative votes, 12 negative votes, and 1 absent.

Back on the table is the original motion.

Discussion continued.

Eve moved for an amendment of an across-the-board salary increase of 3.5% on July 1, 2023. Greg seconded it.

Discussion ensued.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli		Х	
Diana			X
Ellen		X	
Eric		X	
Eve	X		
Greg	X		
Jon		X	
Karen	X		
Kirsten		X	
Lancer		X	
Linda	X		
Scott			X
Steven		X	
Sue		X	
Tray	X		
Wendy		X	

The motion **Failed** with 5 affirmative votes, 9 negative votes, and 2 absent.

Back on the table is the original motion.

Discussion continued.

Eric moved for an amendment of an across-the-board salary increase of 5% on July 1, 2023. Lancer seconded it.

Discussion ensued.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli		X	
Diana		X	
Ellen		X	
Eric	X		
Eve		X	
Greg		X	
Jon		X	
Karen		X	
Kirsten		X	
Lancer	X		
Linda		X	
Scott			X
Steven		X	
Sue		X	
Tray		X	
Wendy	X		

The motion Failed with 3 affirmative votes, 12 negative votes, and 1 absent.

Back on the table is the original motion.

Discussion continued.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli	X		
Diana	X		
Ellen	X		
Eric	X		
Eve	X		
Greg	X		
Jon	X		
Karen	X		
Kirsten	X		
Lancer	X		
Linda	X		
Scott			X
Steven	X		
Sue	X		
Tray	X		
Wendy	X		

The motion <u>Passed</u> with 15 affirmative votes, 0 negative votes, and 1 absent.

Steven reminded Commissioners about the proposed salary schedule of 3% across the board increase in 2024 to all elected officials, made in October. He then asked for thoughts or a motion for 2024.

Jon moved for an across-the-board salary increase of 3% on July 1, 2024. Carli seconded it. Discussion ensued.

Eve moved for an amendment of an across-the-board salary increase of 2.75% on July 1, 2024. Greg seconded it.

Discussion ensued.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli		X	
Diana			X
Ellen		X	
Eric		X	
Eve	X		
Greg	X		
Jon		X	
Karen		X	
Kirsten		X	
Lancer		X	
Linda	X		
Scott			X
Steven		X	
Sue		X	
Tray		X	
Wendy		X	

The motion **Failed** with 3 affirmative votes, 11 negative votes, and 2 absent.

Back on the table is the original motion.

Discussion continued.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli	X		
Diana			X
Ellen	X		
Eric	X		
Eve	X		
Greg		X	
Jon	X		
Karen	Х		
Kirsten	Х		
Lancer	Х		
Linda	Х		
Scott			X
Steven	Х		
Sue	X		
Tray	X		
Wendy	X		

The motion <u>Passed</u> with 13 affirmative votes, 1 negative votes, and 2 absent.

Steven then asked Commissioners to look at the individual elected officials' positions. He reminded them of the proposed salary schedule, then asked for thoughts or a motion.

Jon moved that the Attorney General's base salary be increased by an additional 2.5% on July 1, 2023. Karen seconded it.

Discussion ensued.

Ellen moved for an amendment that the Attorney General's base salary be increased by an additional 3% on July 1, 2023. Lancer seconded it.

Discussion ensued.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli	X		
Diana			X
Ellen	X		
Eric	X		
Eve		X	
Greg		X	
Jon	X		
Karen		X	
Kirsten	X		
Lancer	X		
Linda		X	
Scott	X		
Steven	X		
Sue	X		
Tray	X		
Wendy	X		

The amendment <u>Passed</u> with 11 affirmative votes, 4 negative votes, and 1 absent.

On the table is the motion as amended.

Ellen moved that the Attorney General's base salary be increased by an additional 3% on July 1, 2023. Lancer seconded it.

Discussion continued.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli	X		
Diana			X
Ellen	X		
Eric	Х		
Eve		X	
Greg		X	
Jon	X		
Karen	X		
Kirsten	X		
Lancer	X		
Linda	X		
Scott	X		
Steven	X		
Sue	X		
Tray	X		
Wendy	X		

The motion <u>Passed</u> with 13 affirmative votes, 2 negative votes, and 1 absent.

Steven suggested talking about the Judiciary, he reminded Commissioners of the proposed salary schedule from October and asked if Commissioners had any thoughts or a motion for discussion.

Jon moved that the Judiciary's base salary be increased by an additional 3% on July 1, 2023. Lancer seconded it.

Discussion ensued.

Ellen moved for an amendment that the Judiciary's base salary be increased by an additional 4% on July 1, 2023. Lancer seconded it.

Discussion ensued.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli		X	
Diana			X
Ellen	X		
Eric	X		
Eve		X	
Greg		X	
Jon		X	
Karen		X	
Kirsten	Х		
Lancer	Х		
Linda		X	
Scott		X	
Steven		X	
Sue		X	
Tray		X	
Wendy		X	

The motion <u>Failed</u> with 4 affirmative votes, 11 negative votes, and 1 absent.

Back on the table is the original motion.

Carli moved for an amendment that the Judiciary's base salary be increased by an additional 5% on July 1, 2023. Ellen seconded it.

Discussion ensued.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli	X		
Diana			X
Ellen	X		
Eric	X		
Eve		X	
Greg		X	
Jon		X	
Karen	X		
Kirsten		X	
Lancer	X		
Linda		X	
Scott		X	
Steven		X	
Sue	X		
Tray		X	
Wendy		X	

The motion **Failed** with 6 affirmative votes, 9 negative votes, and 1 absent.

Back on the table is the original motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli		X	
Diana			X
Ellen	Х		
Eric	Х		
Eve	Х		
Greg	Х		
Jon	Х		
Karen	Х		
Kirsten	Х		
Lancer		X	
Linda		X	
Scott	Х		
Steven	Х		
Sue	Х		
Tray	Х		
Wendy	Х		

The motion <u>Passed</u> with 12 affirmative votes, 3 negative votes, and 1 absent.

Steven asked if Commissioners had any thoughts or a motion for discussion for the Judiciary in 2024.

Scott moved that the Judiciary's base salary be increased by an additional 2% on July 1, 2024. Ellen seconded it.

Discussion ensued.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli	X		
Diana			X
Ellen	X		
Eric	X		
Eve		X	
Greg	X		
Jon		X	
Karen	X		
Kirsten	X		
Lancer	X		
Linda		X	
Scott	X		
Steven	X		
Sue	X		
Tray	X		
Wendy	X		

The motion <u>Passed</u> with 12 affirmative votes, 3 negative votes, and 1 absent.

Commissioners moved onto discussing the Secretary of State's position and the Auditor's position. Discussion ensued around aligning positions for appropriate scope of work changes.

Kirsten moved that the Secretary of State's base salary be the same as the Insurance Commissioner in 2023 \$145,714. Jon seconded it.

Discussion ensued surrounding aligning salaries with the Insurance Commissioner.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli	X		
Diana			X
Ellen	X		
Eric	X		
Eve	X		
Greg	X		
Jon	X		
Karen	X		
Kirsten	X		
Lancer	X		
Linda	X		
Scott	X		
Steven	X		
Sue	X		
Tray	X		
Wendy	X		

The motion <u>Passed</u> with 15 affirmative votes, 0 negative votes, and 1 absent.

Steven asked if Commissioners had any thoughts or a motion for discussion for the Auditor's position.

Karen moved that the Auditor's base salary be the same as the Insurance Commissioner in 2023 \$145,714. Jon seconded it.

A roll call vote was taken as follows:

Commissioner	Yes	No	Absent
Carli	X		
Diana			X
Ellen	X		
Eric	X		
Eve	X		
Greg		Х	
Jon	Х		
Karen	Х		
Kirsten	Х		
Lancer		X	
Linda	Х		
Scott	X		
Steven	Х		
Sue	X		
Tray	X		
Wendy	Х		

The motion <u>Passed</u> with 13 affirmative votes, 2 negative votes, and 1 absent.

Steven asked if there was any interest in talking about other positions, Commissioners voiced agreement that no other discussion was necessary.

Teri went over next steps for the final salary schedule. She said the next meeting is very fast and is only to approve the meeting minutes but needs Commissioners to attend.

The next agenda item honored those leaving the Commission on June 30, 2024. Teri explained that in the areas of expertise, Commissioners may volunteer for a second appointment. Teri February 8, 2023, Meeting Minutes Page | 21

thanked all the Commissioners for their service. She mentioned that the Commission has eight members who will leave the Commission on June 30, 2024. They are: Diana, Greg, Karen, Kirsten, Scott, Steven, Tray and Wendy. She gave each of them a thank you gift from the Commission.

Steven asked if there was any other business that needed to be discussed prior to adjournment.

The meeting was adjourned by Steven at 4:10 p.m.

At P. Att

3/14/2023

Steven, Chair

Date