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Salary Setting Meeting
October 14 and 15, 2020
Online Via Microsoft Teams

October 14, 2020

The meeting of the Washington Citizens' Commission on Salaries for Elected Officials was brought to order by the chair, AJ Malidore, at 9 a.m. AJ said he was pleased to have everyone in attendance and asked Teri to do a roll call.

Commission Members Present:

Kirsten Barron
Jon Bridge
Tray Cave
Dr. Diana Gale
Libby Hart
Alahna Kirtley
Sandi LaPalm
AJ Malidore, Chair
Karen McGaughy

Greg Millican
Anastasia Potapova
Gary Ratterree, Vice Chair
Gerry Sherman
Wendy Sowers
Steven Starkovich
Karen White

Staff Present:

Teri Wright, Executive Director
Lois Williams, Executive Assistant

Teri thanked everyone for attending and introduced Karen McGaughy as Kozen Sampson's, Congressional District 3, replacement.

She started the meeting with some housekeeping information for the group. Teri told the Commissioners there may be members of the public attending and the meeting is being live streamed on TVW. She asked participants to respect the process and do not speak out of turn. She reminded them that if someone continually interrupts the meeting, they will be warned, and then if the activity continued, removed from the meeting (per RCW 42.30.050) and not be allowed to reenter.

Meeting Opening Statement – AJ Malidore, Chair

AJ reminded the group that this is the first day of the two days of this meeting. He read the list of positions for which the Commissioners will be setting salaries. He reviewed the agenda. The proposed salary schedule will be available for public comment until February 3, 2021. He asked those who want to testify to log on and wait to be called upon.

Approval of the September 2, 2020, Minutes

Teri said the minutes had been sent to the Commissioners earlier for their review. AJ called for approval of the minutes. Jon motioned and Kirsten seconded for approval. AJ asked for objections. Since no objections were heard, the minutes were approved as written.

Shane Esquibel, Chief Deputy Attorney General

AJ introduced Shane Esquibel. Mr. Esquibel said thank you for the opportunity to present and explained that the Attorney General does not want or expect an increase in salary. The office was established in the Constitution; Article 3, Section 2, as the legal advisor for all state offices and to defend all Washington State laws. Their annual budget is \$180 million dollars, they employ 1400 people, including 650 attorneys. They have 13 offices around the state. There are 31,000 active cases at any one time. Child dependency cases for the Department of Children, Youth, and Families are the largest portion of their work. There are 100-120 attorneys assigned to child dependency cases. In FY 2019, 2400 dependency cases were opened representing about 4000 children. They have several sections that represent different environmental agencies including the Department of Ecology, the Department of Fish and Wildlife, and the Department of Natural Resources. One recent case was settled against Montesano for \$95 million regarding PCB contamination in the state. That put about \$60 million into the General Fund and they hope the Legislature will put it in to cleaning up PCBs and salmon habitat restoration projects. They have a consumer protection division that brings cases against large companies. A recent example is Comcast was required to pay \$9.1 million dollars for signing up customers to service plans without their consent. They do antitrust work and recently they required the removal of a no-poach policy in 160 fast-food industry contracts that kept franchises from hiring employees from other franchises. The agency has a large team to defend the state in tort actions, which handled about 270 tort cases in 2020.

Jon commented that the AG's office is doing a great job with veteran rights, active duty personnel, and military retirees, and with the numerous lawsuits on the federal level. Steve asked if 31,000 cases is a typical case load. Mr. Esquibel said is a little bit higher because there is an increase in lawsuits due to the pandemic. There are about 25 cases brought against the Governor for the proclamations he has issued. There have been more regarding unemployment security issues.

Kirsten asked how many staff people just do administrative work vs being attorneys with a caseload. He said there are 1412 employees total. There are 646 attorneys and about 20-30 of those are division chiefs. Some division chiefs also have caseloads, depending on the size of their division. Kirsten said it seems like a large proportion of the employees carry caseloads and Mr. Esquibel agreed.

Anastasia asked how the office changed since the Covid-19 started? He said they were fortunate because they had been expanding teleworking in their office. There have been challenges with working in the courts, since they can't go into a courtroom, because the courts were shut down for a period of time. They use a lot of video technology. They discovered that it is hard for teams to prepare by phone for trials. They found that work slowed for some divisions and increased for

others, so they were able to move people around as needed. One example is the eviction moratoriums that caused a lot of additional workload. To date, there were 4600 complaints submitted. They were able to transition about 58 attorneys from their normal work to moratorium work. Since there were no other questions, Teri thanked Mr. Esquibel.

Dr. Steve Lerch, Economic and Revenue Forecast Council

AJ introduced Dr. Steve Lerch, who shared a PowerPoint presentation. Dr. Lerch said his council provides economic forecasts and revenue forecasts for Washington state and the federal government. The most recent quarterly update was released on September 23rd. The forecast increased by a considerable amount since June, but still well below what it was prior to the pandemic. Currently the forecast rates are directly or indirectly affected by Covid-19 and how it will affect employment and spending. They are expecting Congress to pass an additional stimulus bill, but it is unclear if that will happen. In September, Boeing had not yet announced their consolidation of the 787 production outside of Washington. So, that move was not reflected in the September report, however, they had expected a decline in aerospace employment over the next several years. When they estimate their projected revenue, they consider that half of the operating budget comes from sales tax which is affected by the consumer. When consumers are feeling hesitant about the economy, it has an impact on their spending behavior and sales tax collections. There was a major dip in consumer confidence as the pandemic set in, there has been some improvement in the last few months. He referred to charts that showed that restaurant and bar sales were down but are coming back up. Weekly credit and debit card transactions since May show more spending than the same week from a year ago. Some of the increase is due to delayed spending and pent-up demand from the first months of the pandemic and is not expected to continue. When he looks at manufacturing activity, again he sees a big dip, and then a gradual increase, but still well below typical. In general, Washington consumption is picking up. When he looks at air travel, which affects aerospace activity, the weekly TSA screening at SeaTac shows a huge dip since last year. There has been gradual growth, but still down 68% and similar to national numbers. Employment data shows five straight months of improvement for both Washington and the US, but still well below where employment had been prior to the pandemic. The labor market is starting to open up because employers are starting to rehire the people that they had laid off. National surveys show that most economists expect a 2022 recovery timeline for the economy to return to pre-pandemic levels. Nationally, the real GDP is up by a little. Oil prices are about the same. The Washington, the personal income from all sources is higher than forecasted. Employment looks more positive overall, except for aerospace. Since Boeing made its announcement, we have seen aerospace employment decline by about 10,800, and we are expecting another 2,800 jobs to be affected this year. Since travel is reduced, contracts for Boeing and its subcontractors are down. The next forecast is in November and should show more information on Everett employment, which is expected to lose 900 Boeing employees. Residential construction permits were revised up for both single-family and multi-family residences but it will still not be as high as in 2019. The collections from major tax activity is down from the previous growth it had prior to the pandemic. There is still uncertainty in response to Covid-19 and whether changes to spending habits caused by it will be permanent. Dr. Lerch said that the initial forecasts may have been more pessimistic than necessary. He showed that the

preliminary information they are currently receiving from electronic filers of auto and regular sales tax is showing strong growth in sales. He says the comparison of the average growth in collections prior to the pandemic to current numbers is showing growth. He thinks the numbers show pent-up demand which may go away. However, the numbers outside of retail trade show that construction, accommodations and food services, real estate rental and leasing, equipment leasing were all substantially below average. Retail is coming back faster than expected, but other areas are slower returning. Taxable real estate excise activity was down but now seeming to be getting stronger since August. Cannabis sales are way higher than normal, there were record sales but we expect it to gradually return to normal levels. In June, they had reduced the forecast by \$4.5 billion, the September forecast undid about half of that, but still \$2.3 billion below where they had been expected to be for this biennium and \$1.9 billion for next biennium. Annual growth rates for the General Fund, the revenue that supports the operating budget, are slower than in the past. In conclusion, he said that personal income was up due to stimulus payments and the forecast has been revised upward, but it is still below pandemic levels. He wants to emphasize the level of uncertainty in forecasting the current economy. Dr. Lerch asked for questions.

Steve asked for clarification on the forecast that even though improving, will still be low by \$2.3 billion for this biennium and \$1.9 for the next. Dr. Lerch agreed. Steve asked if it is fair to say that the bump in sales was only pent-up demand that has passed through the system. Dr. Lerch agreed that they attributed a large portion of the increase to pent-up demand and they expected those numbers to slow down.

Jon asked how online sales affect the sales tax collections. Dr. Lerch said the threshold for the requirement to collect taxes is pretty low so most all online companies are required to collect sales tax. Jon also asked about tourism being down and the cruise ship industry that is gone. How does that affect the calculations? Dr. Lerch agreed that tourism dollars are way down, so there has been a negative impact. Jon asked about the extent that construction is down, and he wanted to know the expectation for it. Dr. Lerch said construction has been down and since it represents 15 percent of General Fund revenues, it definitely affects the forecast.

Kirsten asked about COLA increases currently and where does he think the COLAs will go. Dr. Lerch said he thinks the increases will be about 1.7 or 1.8 percent since inflation is at a very low rate. They expect a low rate through 2025.

Libby said she was curious about consumer confidence after elections and is that factored in. Dr. Lerch said that uncertainty is bad and elections generate uncertainty. He feels the uncertainty with the elections and Covid-19 is currently high for both households and businesses. Steve said the social security administration is increasing benefits by 1.3 percent next year. Dr. Lerch said it confirms that inflation is at low levels in spite of the large federal budget deficiencies. AJ thanked Dr. Lerch for his time.

AJ asked for him to send the current numbers on the cost of living forecast that he had mentioned. Dr. Lerch said he would do that. Teri said that Nona Snell, who is presenting this afternoon, may have some of that information also. The Commission took a break.

State Auditor Pat McCarthy

AJ welcomed Pat McCarthy. Ms. McCarthy thanked the Commission for having her and said the work of her office is continuing, is critical, and increased due to Covid-19. She said part of her duties as an elected official is to be an advocate for the office and that is why she is here today. Looking at the economic damage in Washington state from the pandemic, her office has taken a hard look at their operating expenses. This year they did not enact cost of living increases for exempt staff, in alignment with the Governor's decision to do the same. They curtailed the vendor contracts, purchasing and hiring unless it was mission critical. Their goal was to preserve the talented staff that they need to provide the transparency and the accountability of the state auditor's office. She gave background information on her office. In 2019, they conducted 2,785 audits, which included 1,345 accountability audits, 780 financial audits, 365 federal audits, 24 fraud investigations, and 32 whistle blower investigations. There are 400 employees located in 15 offices across the state, but now those 400 are teleworking. In any typical year, a total of a \$113 billion in public funds are subject to audit in Washington state. In 2020 audits are continuing to be important and have they have seen an increase in their responsibilities. Washington state has received additional funding of \$23 billion because of the pandemic. Those emergency funds are intended for different purposes such as education support or replacing lost tax revenue. Her office has to audit the use of those funds retrospectively beginning in 2021. With local governments losing revenue and federal relief funds coming in with changing guidelines, providing accountability is as critical as it is complex. There is an increased interest from the public, local governments, and the Legislature. The Employment Security Department (ESD) was targeted in a major fraud scheme and they are involved in auditing this fraud. It was reported that about \$500 million was reported stolen with approximately \$330 million recovered. They were already auditing the ESD for accountability and so they combined several divisions to coordinate the investigation considering the significance of the fraud. They have added two additional audits to the three that were in progress. They will be technology and performance audits. They will examine the large-scale benefits fraud, the lateness of payments, and the lack of responsiveness to inquiries about the payments. They have started working on the audits and will have reports starting by the end of the year. The performance audit report that will build on all of the other audits won't be done until the spring of 2021. They have partnered with the Department of Commerce because they are issuing many of these grant proposals made in regards to the relief funds. Her comments and advice to all government entities, whether it is local governments or state agencies is to document, document, document how the money is spent. They have worked with the Governor's office and the legislature to get an extension of the statutory deadline for local governments to file reports. By giving the extra time, they had 93% who were able to file on time. Even with the pandemic, social unrest, unemployment, and forest fires, they still need to keep government accountable for the funding they receive. When government resources are limited and demand for services are high, being held accountable and being transparent is important to the public. Ms. McCarthy asked for any questions.

Teri said that WCCSEO has just finished their agency's performance audit and are expecting the report by the end of October and she is excited to see the results. Ms. McCarthy is proud of the audits they do, they do have an impact on Washington, they did one on school nutrition

programs, another on school vaccinations. They have audited the courts on their pre-trial services. Teri said the audits are important for small agencies so they know if they hitting and maintaining expectations.

Kirsten said that in the past she worked for the courts as a deputy prosecuting attorney and participated in audits. She is wondering about how information is now being collected.

Ms. McCarthy said that they have had to be creative in working with governments, sometimes electronically and also in person with social distancing. It is unique with each agency. They have an internal organization planning group to help with the planning for the future.

Steve asked if they are running into perplexing problems with communications with smaller government entities. Do some local governments lack the ability to cooperate? She said most entities want to cooperate and make sure that they are doing things correctly. However, sometimes they run into resistance, because the agencies are billed for the time spent on an audit. Sometimes there is resistance to paying for an audit. And there are a few governments who have refused to provide records and she has to push for compliance. The new influx of money has been a shot in the arm for their budgets, but has created more need for supervision. Their workload has increased to provide this extra guidance.

AJ asked if there have been any new types of auditing for their office coming up. Ms. McCarthy said they have instituted cyber security audits within the last three years and now they are even more critical. Agencies are able to compare audits that are posted on their website.

Anastasia asked about salaries. There are 400 employees and when they try to attract new employees, do they use market salary? She wants to know how big is the disparity between the salaries? Ms. McCarthy said state employees are with the state employee salary system. There is a little wiggle room, maybe 15% for particular skill sets. They have a variety of auditors, fraud investigators, and computer specialists. They have been successful in getting young people directly out of good schools and institutions. Teri thanked her for her time.

The Commission talked about the changes this year and how different it was to not be together. Diana said as a new Commissioner she wondered about when the elected officials last asked for a raise. She said they seem to not talk about their own salaries. Diana was unsure what questions should be asked of them. Teri said the Commissioners can ask questions to any presenter. The Commission has tried to change the conversation, so that it is not just about salary increases. Most elected officials are more comfortable talking about the duties and responsibilities of their agencies, that they are elected, and may not be re-elected and how salary may affect someone's ability to run for office. Anastasia said she asks because she wants to close the disparities.

Secretary of State Kim Wyman

AJ welcomed Kim Wyman. Ms. Wyman said the Secretary of State is up for election every four years. She said there are four divisions in her office. The first and most visible are elections which includes working with the thirty-nine counties doing training and certification and maintaining the statewide voter registration database. In addition, they oversee the initiatives and referendum process, by verifying the signatures and placing them on the ballot with the correct

title and summary statement. They also provide the voters pamphlet for every statewide election. And of course, cyber security for the elections. The second section is corporations and charities division. This division ensure transparency for the public. The third and fourth sections of her office are really about Washington state history. They oversee the Washington state history library and archives. There are books and artifacts that date back to the territorial days in the mid-1800s. Their job is to maintain and secure those records so the public can have access to them. They are in the process of building a new archive building for safe storage of these materials. The library includes specialty libraries in addition to the main building in Tumwater. They maintain the Washington talking book and braille library in Seattle that serves about 10,000 people, including mailing materials around the state. They provide librarians in each of the state's correctional institutions and state hospitals, the purpose of helping people successfully transition when they are released. They run the Combined Fund Drive for state workers to use to make donations to charity. One section that most people aren't aware of is that they provide address confidentially for survivors of domestic abuse. Since the early 90s, they have provided a PO box to receive their mail. Currently there are 4000 participants, half of which are minor children. They have had great success in protecting victims over the last 30 years. Her office has 300 employees in 27 locations. Her office is very complex with multiple functions and highly technical. Going back to the elections issue, what has really changed in the last four years that I have held the office is the increased activity on the internet and cyber security necessitated by the foreign attacks on elections. It has greatly increased the need for cyber security requiring them to revamp their system. They have replaced the statewide voter registration system so it is secure from attack with increased firewalls and monitoring software. It is called VOTEWA and supports the statewide system and the 39 counties. They realized that the smaller communities just did not have the computer expertise needed in the modern era to provide security. So, they are really approaching voter security as a statewide team effort. She is concerned about the future and has appeared before this Commission before. It may feel weird, but she really needs to say that this position needs to be well paid. This is a challenging position and there is a need to attract people with the experience to run the office. Some of the most highly qualified people in the state who could run for this position are making more money doing their current jobs; for instance, the King County elections director. That says something about the salary range and attracting people who can really step in and run the office. It is true that if the Secretary of State doesn't do the job well, people lose confidence in democracy. We are seeing that this year, people are worried about their ballots getting counted. And the Covid-19 environment has created the need for more changes to make the system work. They had to move their 300 employees into remote work. Fortunately, they had talented IT people to make it work. They had 150 people who are essential workers which needed to work from the office and they have made that work. Since March, we have supervised the Presidential primary, the August primary, a special election, and are in the middle of the general election. This office is very administrative and very technical in nature, so we need to be able to attract really qualified people. This office is critical to the successful function of the state. She asked if there were any questions.

Steve said he was looking at Tab 8, Page 3 in the notebooks for a comparison where of Secretary of State salaries rank among the states. Washington is around number 13, with some paid much

higher and some paid lower, and with some elected and some appointed. It has always been hard to make comparisons. Do you have this conversation about salaries with other states, are they having trouble attracting competent people? Ms. Wyman said she has found that the positions are very diverse and the duties vary widely, so it is a challenge to compare. She said some are term-limited, some are appointed and about 40 are chief election officers, like in Washington. She said for comparison purposes to look at the size of the state in terms of registered voters and population. There is a reason that the California Secretary of State makes more than most and that is they have over 50 electoral votes compared to 12 votes. Oregon only has about 3 million registered voters. We have close to 5 million registered voters. In some states, the position is seen as a stepping stone to other elected positions, just a way to get name recognition. The appointed positions tend to stay in the office longer, maybe because the positions are paid higher. Washington, however, has had a history of longstanding incumbents. Ralph Monroe and Sam Reed held the office for a long time and salary wise they weren't looking at the income. Libby said the salaries on Page 3 are not the current salaries. Teri explained that the salaries are from 2019 because that is the latest information that was available nationwide. She said the information on Tab 1 is current so the salary is actually a little higher for 2020, but in order for the Commission to make an accurate comparison nationwide, she needed to provide the numbers from 2019 here. Teri thanked Ms. Wyman for finding the time to meet with the Commission during this busy time. Ms. Wyman thanked the Commission for their work and acknowledged how difficult their job is.

Teri released the Commission for lunch until 1:00 pm.

Jon asked if there were people who were going to give public testimony. Teri said they would have to wait and see, so far no one had signed on.

Treasurer Duane Davidson

AJ introduced Duane Davidson. Mr. Davidson thanked the committee for having him. He said his presentation would be similar to what he has presented before for the Commission. He called attention to the salary analysis for the Treasurer's position done with a couple of other states, these are the same states that have been used in the past. He also provided a list of those staff in his office who makes more than he does. Also, there has been some changes to his position description with more detail given. The changes include an update to the financial dimensions of the office, currently there is about \$3.3 billion in annual cashflow. They manage about \$20 million in outstanding debt and make the bond payments. They make official statements and financial disclosures to keep bondholders updated on changing circumstances in the state. Evidence that the office is doing a great job is that the Treasurer's office has earned a triple A bond rating by Moody's for the first time in Washington state history. This will save the state money and also benefits other Washington communities that are tied to the bond rating. They manage \$145 million dollars in the investment board, which is for pensions. He serves on the board to oversee it. He serves on several committees and has appointed members of his staff who are experts to serve on committees also. These committees are the state investment board, the housing financing board to provide housing for low-income residents, and a newly created division of financial literacy, and the guaranteed tuition program. The Treasurer's office has

refunded existing state debt as it becomes eligible for refinance and has saved over \$400 million in future interest payments for the state. The current economic times with the low interest rates have hurt investment earnings, but gave the opportunity to reduce the interest on their debt, creating huge savings. He is proud that they have developed a financial literacy program that was paid for by closing the Seattle office and using those funds for this purpose. He has two people doing work to advance financial literacy in schools and they have developed a web program with 45 different modules for all ages that cover information on topics such as student loans and fraud prevention. They serve on the board, which is an organization that partners with public and private firms to advance financial literacy. The program is designed to be used by many people including home schoolers and K-12 education. It has been used a lot by parents during Covid-19. He also teaches workshops for domestic violence victims because often the abuser has controlled the finances to keep them in the abuse. They are working with the shelters to develop a curriculum to get people on their feet financially. They are connecting them with Bank On, so they can get accounts without fees. He is pleased that he was able to get this program started and it has expanded the role of the office. He also served as Governor for 30 days while the Governor ran for national office. It is not typical for the Treasurer, as the fourth in line, to be able to serve. In relation to comparing the salaries to other public officials, the Treasurer's office is normally right after the attorney general for salary. They may have more employees, but they do not have the responsibility for money that this office does. He said unlike other states, are aren't any qualifications to be Treasurer, they don't have to post any type of credentials to be elected. However, they should have experience to be elected. Mr. Davidson asked if there were any questions.

Jon asked about the interest rates in the bond market, how does it affect us getting bonds? Mr. Davidson said we have an excellent bond rating with the triple A. The markets look at us in a favorable place to buy bonds. The sale they did today went well, and there will probably be another offering after the first of the year. He feels confident that we will continue to have a good rate. His office has developed a program to help small entities in our state to be able borrow money. There are local programs that are just too small to obtain their own funding at reasonable rates. They submit their requests and then the Treasurer's office combines the requests to provide bundled bonds. His office then presents the offering on the private market to get funding for these communities. They save on attorney and other costs and get very low rates. They got a 2.1 interest rate for the most recent proposal. They used to do this twice a year but just recently starting doing it three times a year. The bond market is holding; however, they have a hard time keeping the interest rate up for investments. They basically keep the checking accounts for the agencies and put this working cash in very conservative investments. That is about \$18 million that are in accounts with extremely short duration. The laws of the state of Washington require very safe investments.

Steve said he is glad that there are still buyers out there for bonds. Mr. Davidson said that bonds go mainly to out of state investors because the bonds are tax exempt for those in states with income tax.

Steve congratulated him on the AAA bond rating and asked when we got it and when it would be up for review again. Mr. Davidson said that they got it last year from Moody's, and we have AA+ with Standard and Poor's and Fitch. This was confirmed last week. The rainy-day fund is being maintained.

Steve asked about the division of financial literacy, he wanted to confirm that the funds came from within the existing budget and whether it was mandated by the legislature. Mr. Davidson started the financial literacy division out of savings from closing the Seattle office, and it did not need any other funding. He would like to grow it with additional funding from banks and other financial institutions.

Anastasia asked about the salary, if he thought the compensation is adequate and attractive for qualified individuals. Mr. Davidson said the short answer is no, but doesn't really think it ever can be. He accepted the fact that taking this position would be a cut in salary. Also, he says that the four-year uncertainty is also a factor. He feels it should be kept on par with the other elected officials in the state. He also considers it important that his employees are well compensated, they are very talented and hard to recruit.

Kirsten asked if he would compare the duties of county treasurers. Mr. Davidson said the jobs were very similar, but working with a lot more money and working with a lot of legislators rather than just a few county Commissioners. He knew his Commissioners well, and he is unable to know the legislators in the same way. He has to depend on lobbyists to help get his bills through. The jobs are very similar, only the scope is different.

AJ said there was an increase for his position last year and asked if the salaries for his office employees have increased in the last few years. Mr. Davidson said the deputy Treasurer and operations and data investments have all had a cost of living increase. His assistant Treasurers are paid just a thousand or two less. He pays them as much as he can. He will have to verify and get the information back to the Commission. Teri said his staff sent an update that she will share it on the screen. Three employees are paid higher than he is. AJ thanked Mr. Davidson for his time.

Public Testimony:

Teri said there doesn't appear to be anyone on-line or on the telephone.

Diana asked about current salaries in the Treasurer's office. Teri said that an update was sent via email and she will send it out again with the next mailing.

Teri said that since this time was not assigned for a work session, they would have to take a break until 2 pm.

The Judiciary

AJ welcomed the Judiciary and introduced them to the Commission.

Chief Justice Debra L. Stephens

Chief Justice Stephens shared PowerPoint slides with the group. She serves with the Supreme Court and she appreciates being invited to represent the Judicial Branch. She wanted to share the

important work that the courts do on every level. She brought judges along from each jurisdiction level. They are Judge Judith Ramseyer, from the King County Superior Court; Judge Michelle Gehlsen, a district court judge in King County; and Judge Bradley Maxa, an appeals judge from the District 2, Court of Appeals. She thanked the Commission for addressing the need to attract high quality judges by providing a sound compensation policy. She said there is a generational change in the courts across the state of Washington. We want to attract a high quality and diverse group of judges. There is a wide variety of options for those who want to go into public service. Compensation policy is a critical part of the stability of the Judicial Branch. As reflected in the non-political nature of your Commission, you see the connection between compensation systems and the independence of judges who can be free of political pressures as they do their work. She is on the Supreme court which consists of nine judges who are elected statewide. They serve a six-year term and there are three judges up for election every other year. She is running for election this year, and it is an unusual election since they had an appointment because there was a vacancy, so there are actually four justices on the ballot, with the one running to retain the position for two years. The Supreme court decides the cases that have broad statewide impact. For the most part, they can pick and choose their cases to decide and so they must be aware of the issues affecting the state. A large part of their work is being aware of the all cases in the state and looking at petitions for review to decide the most important issues to be decided by the highest court. The decisions they make become the law of precedent in the state of Washington. This role requires the mastery of a wide range of subjects. Judges come to this position with a great deal of experience, but they must be committed to continual learning. They determine the court rules for Washington through a formal notice and comment process, not too from the process followed by many executive agencies. Also, judges on all levels have executive and administrative responsibilities. As chief justice on the supreme court, she is the head of the Judicial Branch of government. She is responsible for speaking for the Branch, coordinating the efforts of the Branch, and working with the members of the supreme court to set policy for the operations of the Branch, so that means budgets, resource management, personnel policies, and she participates in statewide efforts to improve the Judicial system. They work closely with the legislature and the Governor's office on matters of common concern. The judges are also the ambassadors for the court and appreciate the importance of public trust and confidence in the judiciary. They spend a lot of time out in the community with speaking engagements to help convey the work they do and learn about issues of concern. In normal times, she might have five engagements in a week speaking to senior centers, in schools, rotary clubs, and other community events. This Commission has consistently followed a goal of substantial salary parity with the federal courts. That goal came out of a compensation study Commissioned several years ago. It is also a policy adopted by resolution by the American Bar Association. There is recognition of the importance of judicial independence and keeping politics out of the Judicial Branch. The judges in Washington must run for office, unlike the federal judges who are appointed for life. The judges appreciated the significant increases that were granted last time. She showed a chart showing the differences between the salaries of the federal judiciary and Washington state judiciary. When comparing the district judges, which are similar to the federal magistrates, the gap isn't large, but as you move through the other courts the gap increases substantially. She appreciates that this is a unique time that affects what can be provided, but she would like to see

them hold ground if possible because it is important to the stability of the judicial Branch. She asked for questions at this point.

Steve asked about substantial parity, or degree of parity. He said the study that she mentioned said to move toward a degree of parity. He said the Commission determined that to mean approximately in line, but not equal, as the chart shows clearly. He said that in his opinion, the Judicial Branch seems to have suffered the most when the salaries were frozen from 2009 to 2012. He is glad that she recognizes the current budget situation. He said it is important that the Commission recognize that we don't need to make the salaries equal the federal, just in a consistent portion as we go forward. Chief Justice Stephens agreed that the salaries can't be made equal, but there needs to be a benchmark. She appreciates how much the gap was closed the last time. She also said there might be an impression that the courts aren't busy right now, but actually they are probably busier. It is critical that justice services are being delivered and they are figuring out the new ways of doing so. Jon asked about Covid-19 and in particular, how they are doing jury trials? Chief Justice Stephens said that they realized that the courts cannot look like they did before. They are working to keep people safe. Many of the courts are in older buildings without addition space. Many courts are doing a hybrid, some in rented facilities, and with screening and masks. They are working with the Department of Health to set guidelines. Often for jury trials, it takes twice as long and requires two court rooms one for the trial and one for deliberations. Jury trials are the cornerstone of our democracy, so we need to do them.

Judge Judith H. Ramseyer

Judge Ramseyer said she will be talking about the effects of Covid-19 on the work of the courts. But first she shared about her career path. She loves her work and the diverse range of cases in the superior court. She sees the whole range of human experience from serious criminal trials, to mental health issues, motor vehicle accidents, tragic medical malpractice cases, business disputes, family law, and youth dependency. She loves the complex intelligential challenges, but it requires a lot of work to stay up on the continuing evolution of the law and to give the very best in every situation. It is an honor to be a judge, but it also is a lifestyle decision. She did have a problem leaving private practice and taking the lower wages of being a judge, and couldn't have done it before her daughter completed college and could support herself. Also, there are no guarantees she faces election every four years so her job and her retirement is not guaranteed. People coming to this work need to be prepared to make some sacrifices when they take on the tremendous responsibility of being a judge. Even with Covid-19 they stayed open, but they had to reinvent how they operate. They reduced their services to only the essential services of criminal arraignments, custody disputes, and protection orders. Over the past seven months, they had to learn how to do their work in a remote environment. They had to obtain the equipment that they didn't have and learn how to use it. And they needed to educate their court users on the new procedures. Now there is a backlog of cases due to the transition to Covid-19 requirements because cases continue to come to the courts. Jury trials, in particular need to be in person are the backbone of the justice system. They are still working how to do jury trials because they have to find ways to bring the groups of people together without exposing them and usually the spaces were not designed for spreading people out safe distances. This requires renting space in some instances to comply with public health requirements. Some courts have rented convention centers or fairgrounds, or have created 'pop-up' courtrooms. King County has been doing jury

selection remotely, but some courts still bring the candidates in. They are moving to getting back to some semblance of covering the amount of work that is required. It will take time to get to a post Covid-19 volume of work. She said that in order to attract and retain excellent lawyers to public service, we need to offer a competitive salary. It is important that we have accomplished colleagues on the bench, who bring experience and commitment. They need to be committed to public service because it does require that you make personal sacrifices that you do just because of the that commitment. She is here today to ask the Commission to continue to support salaries as they have in recent years. She appreciates the value they hold in the importance of an independent judiciary. She said she wanted to address Steve's question about the degree of parity. She wanted to point them to Page 18 of the materials they submitted last month. It is a chart that the compensation at the state and federal levels is very different. It is most accurate to consider the net state salary because the federal salaries don't have their benefits removed from their baseline salary; they are added on top. The chart shows comparison between the gross salary and the net salary and she feels this is an important consideration. She thanked the Commission for their work and asked for questions.

Kirsten asked about Page 18; are the federal salaries fully loaded with benefits. Judge Ramseyer clarified the federal salary shown has the benefits in addition, the state takes the benefits out of the salary shown. The state net salary should be compared with the federal gross salary. Steve asked what she thought that the post Covid-19 world will look like. Some businesses have found that they can do it successfully. Do you think that some of the things that you doing out of necessity, will continue on as a standard? Are some of the new things like remote jury selection and pop-up courts actually advantageous and how do you think it will affect the judges of the future? Judge Ramseyer said that there is a taskforce of representatives from all court levels that is currently looking at those questions and discussing what we have learned. Judge Ramseyer thinks that routine matters may continue to be held online. It may be more efficient and also more responsive to the lives of the public if they don't need to come to the courthouse. However, she thinks it will create more work for the staff because it is hard for them to do their work remotely. She doesn't think they will ever close the courts in favor of virtual environments. There are constitutional protections about the need to assess accountability and confront witnesses. But whether in person or virtually, the judge needs to spend the same amount of time in research and analysis and preparing the findings. There will be new and better ways found to do the work of the court to make it responsive to the needs of the public.

Judge Michelle K. Gehlsen

Judge Gehlsen was introduced. She is the president of the District and Municipal Court Judges Association. She thanked the Commissioners for their work. She said she is currently a King County district court judge and was the former presiding for Bothell municipal court, which is a city court. She is representing about 216 judges from the association. The district and municipal courts hear over 2 million cases a year, and that is one out of every seven cases filed in Washington state, so they are called the people's courts. She is often is asked the question about how she got into the Judicial field, especially when she goes into junior high and high schools to speak. The short answer is that it is education, you earn your undergrad and then you go to law school for your three-year degree. She brings that up as we are discussing salaries because there will be a lot of newer judges who are most likely still paying off their student debt. At our level of court, we are striving to keep people from staying in the court system, but to give them the

tools and the resources to hopefully never have to return to the courtroom. What she really enjoys as a judge is being able to create innovative programs. Washington state has always been at the forefront of the drug courts and mental health courts. In Bothell, she created the Bothell youth court, a community-based intervention and prevention program that provides an alternative to the traditional court. It is mainly teenage traffic offenses, which can be a number one killer of youth. She is currently on a taskforce on racial justice. Being a judge allows you to be at the table to help people improve their lives. The difficult aspects of being a judge is that they are responsible for leading the management and the administration of the court. When they aren't in the courtroom, they are busy overseeing the day-to-day operations of the court. They recommend policies and procedures to improve the court's effectiveness and allocate the resources for maximum effect. It is a twenty-four hour, seven-day a week job. They review search warrants at all hours. They are on committees to make the justice system the best it can be. And there is the unexpected, this year it is the Covid-19. She enjoys being able to make a positive difference in people's lives and get them out of the court system. The difficult aspects of being a judge is that they are responsible for running the management and the Judicial processes of the court. It is a 24/7 job. They are on committees and then there is the unexpected. Covid-19 is an example of the unexpected. They have had to completely revamp how their court systems work. Due to Covid-19 they have had to rethink how to give the public access to justice. Providing remote access has required a lot more manpower causing the workload to increase. She referred to Page 19, she said that the 216 judges that she represents pay almost 20% of their salary into pensions, while the federal judiciary don't have to pay for their benefits. She reminded the Commission that there is still a wide gap between the salaries of Washington judges and federal judges. Courts are experiencing a generational turnover as judges retire, they need the ability to attract the best legal talent. Washington state deserves exceptional and diverse judges to ensure the peaceful resolution of disputes. She asked if there were any questions.

Judge Bradley A. Maxa

Judge Maxa was introduced as the Presiding Judge of the Washington Court of Appeals. He said there are 22 judges in three divisions; the divisions are in Spokane, Seattle, and Tacoma. He joined the Court of Appeals about 7 years ago. He is one of only a handful of judges on his court that came from private practice. Most of the appeals judges come from the Superior Court, the Attorney General's office, or from other public positions. Salaries are a barrier to people joining the court system. It is distressing that two of the judges in his court in Division 2 ran unopposed the last time, there just isn't that much interest in the position. The courts are struggling to attract the best of the best, which is what the public deserves. The Court of Appeals, like the Supreme Court, doesn't hear trials, they only consider legal issues. In Washington there is an absolute right to appeal, so they are required to hear all appeals. The Supreme court gets to pick and choose their cases, but the appeals court hears all cases. All criminal cases are appealed. There is a high volume of cases and they have to write opinions that explain the basis for their decisions on each issue. In some states, the court can just say they affirm the previous decision, but in Washington by statute, we address each issue. Sometimes, it's a fifty-page response. Each judge writes about 70 opinions a year. He sits on a three-judge bench, so in addition to writing his 70 opinions, he needs to read 140 other opinions written by the other two judges. He is very grateful for the service of the Commission.

Chief Justice Stephens thanked all the judges for sharing their insights. She said she wanted to echo what was heard from all of the judges, that they appreciated all of the steps taken in 2018 and how we are hoping to stay at a pace of very sound salary policy that helps to promote the independence of the judiciary. It was opened for questions for all the judges. Anastasia asked about the population growth in Washington state besides all the other challenges this year. She said the population is growing by about 100,000 people every year. She wanted to know if they are able to add additional positions. Are they able to add additional judges due to this workload? The Chief Justice asked Judge Maxa to answer since his court has certainly been affected. Judge Maxa said they certainly need more judges. In Division 2, they have more cases than they can handle and have been approved for another judge for their court, but it has not been funded by the legislature. He thinks Division 1 has also been approved for another judge, but it also has not been funded. As everyone knows, justice delayed is justice denied. She thanked the Commission for their time and reminded that they have their full report.

Insurance Commissioner Mike Kreidler

Gary stood in for AJ and welcomed Mike Kreidler. Mr. Kreidler thanked the Commission for the opportunity to present some of the issues and challenges that face the Office of the Insurance Commissioner and the additional issues created by Covid-19. He says his position is one of only eleven in the country that are elected. He says that is a strength because it makes him more aware of the issues that face consumers and responsive to the community. Consumer protection is clearly the biggest issue in front of us. In fact, his mission statement says that they protect consumers, the public interest, and the state's economy through fair and efficient regulation of the insurance industry. The office ensures that agents and brokers follow the rules when they market products. There are continuing federal challenges, especially during the last four years, to applying the insurance laws to protect Washington consumers. The Supreme court is going to be taking up, in the next few days, a challenge by the Trump administration to abolish the Affordable Care Act. Covid-19 is a real challenge and will continue to be so. It has been a challenge as we negotiate to continue to provide services in a virtual environment. They regulate the insurance industry in the state, and it is the eighth largest industry in the state. It generates approximately \$47 billion to our economy every year. There are some 50,000 people employed in the state by the industry. They collect \$1.4 billion every two years in taxes on premiums that go to the general fund. Insurance affects everyone in the state in one way or another. They regulate 2400 insurance companies that are licensed to sell insurance products in the state. They give oversight to 45 insurance companies that are headquartered here. They license 184,000 agencies and brokers who sell products in Washington. They do this all of this in a very exemplary fashion. They are audited a minimum of every five years by the National Association of Insurance Commissioners. Some states are required to have more frequent audits due to their past performance. The office just received the five-year certificate, which is the most the association presents at any one time. There are very dedicated and highly trained individuals in his office who work very diligently to maintain these high standards. In 2019, their consumer advocates recovered \$14 million for consumers who had trouble getting their claims paid. They provide one-on-one help for over 170,000 Washingtonians in dealing with insurance companies. They counsel and help about 200,000 people annually on their health coverage through the State

Health and Insurance Benefit Advisors (SHIBA) program. The SHIBA program uses federal dollars to train and support about 400 trained volunteers across the state. There is consumer focused website to provide Medicare information to consumers, which has more than 700,000 hits each year. They can file a complaint on line, look up violations and complaints against agents and brokers, sign up for notification of rate increases, and self-service tips. There is a criminal investigation unit in our office since 2006. These investigations tend to be very complex fraud cases that prosecutors were reluctant to undertake. We are now building those cases for them. There are 200 referrals a month. In 2019, they received almost 2700 referrals for criminal fraud. Last year they opened 104 cases and a third resulted in criminal prosecutions. Through this work, they hope to minimize fraud in the system. They review insurance rates and contracts to try to keep down the cost of premiums. They want to make sure that they are legal for sale in the state of Washington and that their rates are justified for the product. Last week, they approved the health insurance plans in the individual market for 2021 and the rates for the second year in a row will be reduced by 3 to 4 percent on average. Since he took office, they cut excessive auto and home rates increase and have saved \$330,000 in premiums for consumers. All this work is done with 265 employees and a budget just under \$75 million per biennium, which is not provided by public dollars, but from regulatory assessments against the industry and actually generate funding to the general fund. Since 2010, they have been working with the health benefit exchange to put the Affordable Healthcare Act in place on behalf of consumers. Both he and the director of the Health Care Authority are on the Exchange Board and are nonvoting members. Health plans have to meet both state and federal requirements and his office has the responsibility to make sure they do. The major changes include no denials for preexisting health conditions and guaranteed renewal, which are both hot-button issues. They added 900,000 people to health insurance coverage, many of whom needed financial assistance for coverage. The uninsured rate has been cut by more than half, from 15% to about 6%. Although due to Covid-19, those numbers may have moved up a bit. The greatest challenge is trying to hold on with the federal changes that have created uncertainty. This uncertainty causes insurance companies to want to charge more. The complexity of the filings since 2010 has gone up one hundred and twenty-eight percent. It is a challenge for us to stay ahead of the insurance agencies. Companies are mining person information in ways that they never have before to apply to deny coverage or increase premiums. Another challenge is the leveraging of technology systems to protect data, we have upgraded our IT system. There was a major attack on the state system recently by outside forces, and they were successful in squashing that without damage to their system. They expanded their online ability to handle consumer complaints. There were 8000 complaints annually with 80% coming in electronically. The elected officials are often paid less than the appointed positions. Appointed officials are accountable to the Governor, but the elected officials are accountable to the public, and they deserve appropriate compensation. He definitely wants anyone who holds this position to be the best and the brightest. They need to be able to hold their own against the insurance industry and the challenges that they face. The insurance agency has CEOs that are paid in the millions of dollars and they have great resources available to them. We are the cop looking out for the person on the street and we need to make sure we have the tools needed. Insurance is the eighth largest industry in the state and the second largest source of revenue for the state's general fund. Our state needs to provide fair and efficient

regulation of the insurance industry. Consumers need that kind of protection. He appreciates the Commission's hard work and asked if there were any questions.

Steve asked about the possibility that if the Supreme court overturns the Health Care Act, what does your agency plan to do about it. Mr. Kreidler said it will be a disaster for the uninsured, even for a state like Washington. We got the uninsured rate from 15% down to 6%. If we don't have the resources for the Medicaid expansion, it will be a real problem, especially with the pandemic. The best hope is that it will be a partial decision and not a total revocation. He will have to see what Congress will do. Steve asked what the impact will be on his office and your ability to negotiate with the insurance companies. Will it weaken your position to negotiate? Mr. Kreidler said that it will make it difficult to deal with the insurance companies, they will be in a much stronger position. They are required to offer health insurance and we are fortunate that we have some that are local, and we are not just dealing with the big national companies. He is afraid that they will be asking for large premium increases and make it hard on the consumer. Anastasia said she appreciates the complexity of his position and asked how inadequate the salary for his position is. Mr. Kreidler said for him, it is not an issue, but he is worried about those who come after him. It takes a lot of work and skill and dedication. He encouraged them to look at comparable positions, particularly where they are appointed, and compare responsibilities.

Nona Snell, Assistant Director of Budget, Office of Financial Management

AJ introduced Nona Snell. Ms. Snell works on the Governor's budget and with state agencies to monitor spending and implement the budget. She gave an overview of the upcoming budget for the 21-23 Biennium. Teri told her that most members of the Commission do not have extensive knowledge around the state budget, so she appreciates Ms. Snell covering the basics. Ms. Snell said the framework for the budget shows expected revenue in and expenses. It is not a zero-based budget, but maintenance level, which is what will keep an agency's current programs in this biennium running into the next biennium. There can be increased costs due to inflation or higher caseloads. Since March, Washington state has seen a drastic drop in revenue. The economic and revenue forecast council looks at how the economy is doing and try to project ahead. The 21-23 and 23-25 biennium budgets are based on projections. Every other year, there is a biennial budget that comes out in the odd numbered year. The following year may have a supplemental budget that makes changes to the biennial budget. This year, there wasn't a special session, so there wasn't a supplemental budget. By law, there needs to be 2- and 4-year budgets. In the next forecast in June, the revenue was shown as dropping by \$9.5 Billion. There was a forecast in September and there will be another forecast in November that will help with the planning. The September forecast showed that revenue was coming in better than projected but still falling short at \$4.3 billion. The current budget, that ends in June 2021, has a \$2.3 billion drop. The next biennium it looks like a drop of \$2 billion. So to sustain the maintenance level, what it takes to keep agency programs going, we need to cover an almost \$3.9 million shortfall. There needs to be some solutions, maybe using the rainy-day funds and reserves, also do significant budget cuts, ask for federal funds, and if revenue can be raised. The budget is about the general fund, there also is also about \$50 million in accounts that are dedicated funds. If the

dedicated fund are being reduced, there can be more stress on the general funds. If there are lawsuits settled, that can affect the budget. The collective bargaining affects the budget. There are also caseload forecasts, which are how many kids in schools, how many people will access Medicaid, things like that. Forecasting during a pandemic is very tricky. The caseload forecast in June showed unexpected changes, schools went up, but childcare went down. There are healthcare and Covid-19 costs to be considered. The federal government is helping with some funds within the Cares Act to specifically respond to Covid-19. It is discretionary funds that have some flexibility within the rules, but the funds cannot be used for revenue replacement and expire on December 30. The collective bargaining has a deadline of October 1. There are ten general government collective bargaining agreements that have some common themes. They agreements do not include general wage increases or targeted job class increases. They include 24 furlough days for the biennium, that's one a month, and it doesn't allow backfilling position. Employees can participate in the SharedWork program for unemployment if they choose to. Some of the agreements include reopeners for specific situations after one year, such as adjusting furlough days or adding a vacation day. Two of the contracts have not reached an agreement. Her expectations for the budget are that it will take several more years to get back to where we were. There are too many unknown factors. About 70% of the budget is protected, so only 30% can have reductions. That means the majority of the budget cannot be cut, so the rest of the programs bear the brunt of the reductions. The budget planning timeline is November for a new revenue forecast, mid-December the Governor's budget is due, and January to April is the Legislative session and their budget is due. She said she would answer questions.

Anastasia asked what percentage of the budget is allocated to the salaries for elected officials. Ms. Snell said all salaries are approximately 20%, but she would need to find out the amount for the elected officials. Teri said a few years ago, it was determined that it was .000000000001, which of course is because of the number of elected officials and the amount of the complete budget.

Karen W. asked if the federal relief funds go back to the feds if it is not used. Ms. Snell said yes, it cannot not be intermingled with the state funds and must be returned if not used. Gary asked about the collective bargaining units and when they agreed to no wage increases, was it for the entire two-year contract. Ms. Snell said yes, it is for the two years of the contract.

Libby asked about how many employees are covered by the contracts. Ms. Snell said she would find out the percentage. She added that generally the state employees who are not represented get the same compensation and benefits as the represented.

Teri asked if all state employees didn't get the 3% that was expected in July. Ms. Snell said that in July, the Governor directed the cabinet agencies to not give the general wage increase to their employees and asked other state agencies to follow, however, he cannot direct the agencies to do so. This did not affect employees making less than \$50,000 a year. It also included four furlough days in July and four more during the rest of the year for everyone. In April, when the Governor signed the budget, he also vetoed almost \$450 million in appropriations. In May, the Governor asked agencies to freeze hiring and purchasing. There wasn't a freeze on traveling

because no one is traveling. There are some exemptions to the hiring freeze due to maintaining safety. The Governor cannot dictate reductions, but he has requested a 15% reduction in maintenance budgets. This exercise also gave information about what the cuts would look like and these results will be proposed to the legislature.

Steve asked if the budget requests coming in now from agencies are 15% lower. Ms. Snell said yes, for the most part. Steve asked if the agency is allowed to propose different funding levels for their maintenance budget. Ms. Snell said the agencies are able to propose different budget scenarios in addition to the required 15% cuts.

Public Testimony

AJ opened the floor for public testimony. Teri said she didn't see anyone on line or the telephone to provide testimony.

Adjourn

AJ said they had completed the agenda for today. Adjournment was moved by Gary and seconded by Steve. There were no objections to adjourning. AJ adjourned the session at 4:17 pm and reminded the Commissioners that they would start again at 9 am tomorrow morning.



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Salary Setting Meeting
October 14 and 15, 2020
Online Via Microsoft Teams

October 15, 2020

The meeting of the Washington Citizens' Commission on Salaries for Elected Officials was brought to order by the chair, AJ Malidore, at 9 a.m. AJ asked Teri to do a roll call.

Commission Members Present:

AJ Malidore, Chair

Gary Ratterree, Vice Chair

Kirsten Barron

Jon Bridge

Tray Cave

Dr. Diana Gale

Libby Hart

Alahna Kirtley

Sandi LaPalm

Karen McGaughty

Greg Millican

Anastasia Potapova

Gerry Sherman

Wendy Sowers

Steven Starkovich

Karen White

Staff Present:

Teri Wright, Executive Director

Lois Williams, Executive Assistant

AJ said he was pleased to have everyone back again today. AJ reminded the group that they are charged with setting the salaries for the state's elected officials and he read the list of positions for which the Commissioners will be setting salaries. He reviewed the agenda for today, noting that they would hear from one elected official, take public testimony, and the balance of the time would be for work session discussions. They need to adopt a proposed salary schedule for elected officials for 2021 and 2022 by the close of the meeting today. The proposed salary schedule will be available for public comment until February 3, 2021, at which time the Commission is required to adopt a final salary schedule. He asked those who want to testify to log on and wait to be called upon.

Teri reminded the group that the session was being livestreamed on TVW. She asked that they stay muted when not talking to keep noise to a minimum and take breaks as needed. She said that a lot of the day will be work sessions to determine the proposed salaries.

Public Testimony:

Teri said there doesn't appear to be anyone on-line or on the telephone, so the group can proceed to the work session.

Work Session:

Teri reminded the Commission that today's proposed salary schedule is not final, but is on the table for public comment. The schedule will be posted so the public can comment by email or by public testimony during the next meetings. The schedule can't be changed until the February meeting. At that time, changes can be adopted based on information received or the schedule can be kept the same. The Commission can freeze salaries, do cost of living for one group or another, or provide increases based on changed duties. You cannot decrease salaries as it violates the state's Constitution. You can freeze a salary to allow it to "decrease" in respect to other salaries that are raised. Teri asked the group to start discussions.

Jon said since they are providing salary schedules for two years, he wanted to know if the second year can be modified at any point. Teri said the salaries set become law, so no changes can be made. The salaries are for July 1, 2021 and July 1, 2022, and the schedule will be put into bill form and sent to the Secretary of State. The salaries are open to the referendum process for 90 days. After 90 days it is law and there can be no changes. Gary said we need to come out of this day with a proposed salary schedule. Once a motion is made, it will go for a vote, and it will be published as official until February. Diana said she is new and not sure of how to proceed. AJ said that Tab 1, Page 3 shows what was done last session. Different positions did receive different raises. Jon added that we have until February to make our final decisions, so we will have time to see what will happen to the economy and revenue forecasts. It's not in concrete today, we will make the final decisions in February. Steve said that with regard to the last session, the cost of living raise applied to all of the executive, legislative and Judicial Branches. In addition, there were different raises given out. So, the Governor got \$1,500 in 2019 and the 2%. Libby said that why the Judicial Branch got a percentage so it was adjusted at each level, which made it clearer than trying to do numbers. Gary said that is one of the reasons for yesterday's testimonies. They explained some of the numbers and forecasts, how much money the state has and what is the true cost of living in the state. The national cost of living was released yesterday at 1.3%. It helps to see how the cost of living and budgets are doing. Sandy said that yesterday Anastasia asked about salary budget. She said that each agency has a budget to work with and within that budget are different categories, one being salaries and benefits. They have to add a percentage (about 28%) for benefits and it does not show in the paycheck. So, the salary does not show what the entire benefit package is. There is a good benefit package. Each agency has a budget they have to live within and they have to decide how to reallocate funds when salaries are increased. She also said that the Treasurer thinks that his salary should follow next to the Attorney General's. Currently, his salary is where he thinks it should be. The Judiciary said that just don't want to go backward. We made a huge dent in the discrepancy between the federal judges and ours. For instance, the federal magistrate verses the Washington state court judges, the salary was 18% less than the federal and now we are within 5%. If we look at keeping that status, we might know what to do with the judges. She had asked Teri if the Commissioners could authorize a cost of living increase that would be commensurate with the management positions or other appointed officials and would kick in with theirs. Teri said the

Commissioners can't do that; increases can't be linked to what someone else gets, the decision has to be firm, not linked. Jon asked if given that situation, can it be linked to an outside source such as the published cost of living index. Teri said no. Jon said that given all that they did during the session and our knowledge of what the economy is today, he suggested that at this time there be no increase, no cost of living, and this would be subject to revision in February. It is too difficult at this time to suggest an increase for any of these positions at this time. Teri said that as they are discussing the budget, she wanted to remind them that Nona Snell said the cabinet agencies and other agencies are required to do a 15% reduction. That means that she and Lindsay will both be furloughed several days next year even though they work part-time because that's the only place there is to cut. Also, there will not be funds for the Commission to meet in person, even if the state has opened up. Greg said he wanted to back up what Jon is saying, that he doesn't think there should be any increases to base salaries or cost of living. Gary said that he agrees with Jon, considering the current situation, no raises are appropriate. Sandi also agreed with Jon. Anastasia wants to echo what was said, that the last recession lasted two years, but salaries were frozen up to eight years. So they were going backwards, so I think maybe no raise, but they should have the cost of living, to keep even in purchasing power. We should give them maybe 1.3%, whatever Social Security is giving. Libby agrees and says that the job descriptions didn't seem to change other than having to work from home, which everyone is doing. She agreed with revisiting in February with more economic data and hopefully a better outlook. Diana says the Lieutenant Governor's salary is so much lower than the Governor. She sees several other salaries that need raising. She wanted to clarify that we don't do anything about salaries for two years, AJ said yes, at this meeting we set a proposed schedule including cost of living, then there is public comment, and finally, we do any adjustments in February and it is final for the next two years. Karen McGaughy said she agrees with Anastasia, that we should give cost of living increase in line with Social Security. She also noticed that the circuit court has parity with the federal courts is a different percentage than the other courts. Jon in answer Diana's concern about the Lieutenant Governor's salary, said that the Lieutenant Governor only recently became a full-time job and the job description shows duties that are a lot less than the other agencies. He really only sits with the legislature as the head of the senate. We have given the position raises recently. If he does become the Governor, he will be paid as the Governor during that time.

Gary said they had a subcommittee that looked at those who acted as Governor, that they would get paid as if they were the Governor for that period. The recommendation was sent to the legislature, but they did not hear anything. Alahna said she supported just the cost of living adjustment, she asked if we have to justify to the public the decisions that we make. She wondered how do we justify cost of living increases if other employees are getting cuts and furloughed. Teri said that does not have a really good answer. She said you need to have reasons and data for making your decisions. There is a brief explanation that can be given, similar to that under Tab 3, Page 1. The Commission is the decision-making authority.

Kirsten said she appreciated the comments and hoped that everyone will give an opinion. Her response to Alahna, is that there is a philosophy of compensation that you pay for the work that they do. She is concerned about the Insurance Commissioner because that position is up against some of the biggest businesses in the country. He can give away the increase if he wants to but the position deserves adequate compensation. Otherwise, she is comfortable with no increases

except maybe a cost of living. Steve wants to second what everyone has said. His sense of looking at the numbers from yesterday is that makes him feel that he is glad the budget was in good shape two years ago, so they were able to make substantial increases, especially bringing the Judicial Branch into line by doing increases of almost 16% for them. He said the Commission was probably slow coming out of the previous recession and held salaries too low too long. He has concerns about some individual positions, especially the Insurance Commissioner. He is up against the most powerful people in the country in the insurance industry. He wants to raise one caution. The testimony near the end of the day yesterday was that among the tentative collective bargaining agreements that there were no increases. There is a tendency to be swayed by what others are doing. We need make our decisions based on what we know and not what others are doing. If it turns out the collective bargaining agreements are zero, so be it. If we see that there needs to be an adjustment because someone is severely underpaid, then we need to make it. He agrees with Jon that we will know more in February and it is better to be cautious now. Anastasia agrees about Insurance Commissioner. But another position that she has a question about is the Auditor. There could also be corruption if positions not paid well. The current Auditor has worked hard to restore the faith in the position after a scandal with an earlier Auditor. She feels we should pay attention to Auditor, Insurance Commissioner, and the Superintendent of Public Instruction as the three who need raises. Steve said he wants to see the Judicial Branch added to the list as it still needs additional catchup. He said there should not be extended freezes that will put them back. Greg said the Lieutenant Governor doesn't have a low salary since the duties are light compared to others. He felt there should not be increases across the board. Sandi reiterated agreeing with Jon about February. She also wants to make sure that the Commissioner of Public Lands should not be forgotten. We will hear from her Deputy later this morning. There have been fires and the nature of job has changed significantly and it has huge responsibilities to manage and care for all of the state lands. Gerry agrees with holding off until February. Wendy said she agrees with revisiting the issues in February with no changes for now. She feels since listening to yesterday's presentations that an official or two feels that there is a disconnect between their job responsibilities and their salary relative to each other or officials in other states. Some of the comparison with other states, which may have other job requirements, is hard to compare. She also wonders why Superintendent of Public Instruction is lower compared to other states, is there a structural reason? To answer Wendy's question, on the Superintendent of Public Instruction. Jon said he works a lot with K-12 education in the state. Unlike other states, the Washington Superintendent has very little authority. You would need to look at specific duties in other states before making any adjustments. Libby said half of the Commission is new, so we should look at all of the positions and have a discussion. She said that it was helpful when she was new the last time. Teri asked if they want to do a round table on what Commissioners have learned or if they want to go through position by position. Jon said he has changed his mind and thinks it is fine to go through the executive positions one by one and discuss what was learned last time. Gary also thinks the positions need to be looked at one by one, but probably not the Judicial and the legislative at this time. Diana wants to know if there was a reason why did the Office of Public Instruction and the Governor did not do presentations. Teri said all of the public officials were invited. Traditionally, the Governor's office doesn't send anyone. The Office of Public Instructions said they would not attend. AJ said the Governor sent email that he was not looking for a raise during this session. The group agreed to break until 10:30 am.

AJ called the meeting back to order. Teri asked the Commissioners how they would like to proceed. AJ suggested that the committee walk through each position and discuss the duties. Anastasia agreed with AJ. Teri asked Diana if when she says the Lieutenant Governor's salary is low, does she mean that it is a low salary, or low in comparison other elected officials? Diana said it is low in comparison to other elected officials.

AJ suggested that they start at the top of the page with the Governor, but skip public lands until we hear from them. AJ reminded them that they cannot take into consideration the benefits received. AJ said to start with the Governor, he said he didn't think the position needed a raise and the Governor sent email saying it was good as it was. Even at that, the Governor's salary is the sixth highest in the nation. Anastasia says the Excel sheet shows the Governor's salary was frozen from 2008 to 2013. She got information from the Department of Labor and calculated that to get back to then with just inflation, his salary should be \$203,000, instead of \$187,00. Just as a reference to keep in mind for someone who comes after him. Karen McGaughty said she agrees with whomever said we shouldn't raise the salary. We need to think about the budget. If other people are taking furloughs, then the salary should stay where it is at. If the Governor's salary is number six in country then he should stay at that amount. Jon said we should look at Tab 1, Page 2, we should also look at Tab 8 and do our comparisons. Gary moved that the salary for the Governor not be increased for either year of the biennium and the cost of living adjustment be set at zero. Jon seconded. There was further discussion. Kirsten said she knows that we are on the Governor right now, but she would like the Commission to consider a cost of living for judges so they don't go backward. Maybe they could take it separately or maybe when they are done, she can propose a deviation for the judges. AJ said we can look at all the positions together, or we can break it into thirds, or look at each position individually. Jon suggested that they just leave the cost of living off the table until February on all the positions. We need to look at the base salaries at this time, whether we think that those need to be adjusted. Diana thinks we should wait for on the cost of living until February. She said she will lean toward a cost of living adjustment unless things are really terrible. Anastasia asked if it is fairer to the public to say we are considering a zero raise and 2% COLA and then in February we remove the COLA, would that be fairer? Teri says that if in your mind, you are considering a 2% COLA, then yes, you probably need to do that now. Teri says that it is her job to make sure the Commission is conducting their business in a transparent way. So, we should let the public know what you are thinking about for February so they can comment on it. It sounds like a COLA is on the table, so we need to be fully transparent with the public. Diana wants to know if we know now that the COLA will be 2% or 1.3%, or do we need to make one up a percentage? Teri said that Dr. Lerch gave us concrete numbers for 2021 and 2022, although they may change. Steve says his sense of the situation is that the likelihood of a COLA in the spring, is not high, he fully anticipates if the projections are correct, that it will 0% now and in the spring. He doesn't see a problem with saying that this is our decision now and then have an adjustment in February based on updated information. He understands Teri's concerns but feels that we can decide now and change it later. He says there probably won't be enough of a change to justify a COLA, but we can still look at it. Libby said she feels the same. Jon said he agrees with the others and is withdrawing

his second to the motion that is still on the table and he suggested a motion for the group to say that we are proposing a zero cost of living increase for all the positions that we are discussing for the next biennium. Steve seconds the motion for a zero cost of living for both years of the biennium. Teri asked if Gary wants to withdraw the first motion. Gary said he withdraws his motion in favor of new one. AJ called for a roll call vote.

Jon moved that there be a zero cost of living increase for all the statewide elected officials for the years 2021 and 2022 based on current evidence. Steve seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave	X			
Dr. Diana Gale	X			
Libby Hart	X			
Alahna Kirtley	X			
Sandi LaPalm	X			
AJ Malidore	X			
Karen McGaughy	X			
Greg Millican	X			
Anastasia Potapova		X		
Gary Ratterree	X			
Gerry Sherman	X			
Wendy Sowers	X			
Steve Starkovich	X			
Karen White	X			

The motion PASSED with 15 affirmative votes and 1 negative vote.

AJ said now they can go through and look at each of the positions and whether they need to be adjusted. Gary said that the Governor’s salary is in the top 6 or 7 in Governor’s salaries no matter how we look at the data. He would like to reenter his motion for the Governor’s base salary not to be increased for 2021 or 2022. Seconded by Jon. AJ asked for discussion. There was no discussion.

Gary moved that the Governor’s base salary remain at the current level for the years 2021 and 2022. Jon seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave	X			
Dr. Diana Gale	X			
Libby Hart	X			
Alahna Kirtley	X			
Sandi LaPalm	X			
AJ Malidore	X			
Karen McGaughy	X			
Greg Millican	X			
Anastasia Potapova		X		
Gary Ratterree	X			
Gerry Sherman	X			
Wendy Sowers	X			
Steve Starkovich	X			
Karen White	X			

The motion PASSED with 15 affirmative votes and 1 negative vote.

Public Testimony:

Teri said there doesn't appear to be anyone on-line or on the telephone, so the group proceeded to the work session.

AJ said they could move on to the Lieutenant Governor's salary. Diana said \$117,300 is really low and suggests raising it to \$120,000 for 2021 and then no increase beyond that. Anastasia seconded the motion. AJ said it has been moved and seconded. There was further discussion. AJ called for a roll call vote. AJ took a voice vote on ending the discussion and no objections were heard.

Diana moved that the Lieutenant Governor's salary should be raised to \$120,000 for 2021 with no further increase in 2022. Anastasia seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron		X		
Jon Bridge		X		
Tray Cave		X		
Dr. Diana Gale	X			
Libby Hart		X		
Alahna Kirtley		X		
Sandi LaPalm		X		
AJ Malidore		X		
Karen McGaughy		X		
Greg Millican		X		
Anastasia Potapova	X			
Gary Ratterree		X		
Gerry Sherman		X		
Wendy Sowers		X		
Steve Starkovich		X		
Karen White		X		

The motion FAILED with 2 affirmative votes and 14 negative votes.

Jon moved that the Lieutenant Governor’s base salary remain at the current level for the years 2021 and 2022. Gary seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave	X			
Dr. Diana Gale	X			
Libby Hart	X			
Alahna Kirtley	X			
Sandi LaPalm	X			
AJ Malidore	X			
Karen McGaughy	X			
Greg Millican	X			
Anastasia Potapova		X		
Gary Ratterree	X			
Gerry Sherman	X			
Wendy Sowers	X			
Steve Starkovich	X			
Karen White	X			

The motion PASSED with 15 affirmative votes and 1 negative vote.

AJ moved on to the Secretary of State. Greg moved that there be no increase for 2021 and 2022. Diana seconded the motion. AJ asked for discussion. Gary said he was in favor of the motion; however, he feels the job has become extremely complex and because of it, we have an effective electoral system. This position is very critical and we are in a good position compared to other states. Anastacia referred to Page 17 that our Secretary is the third in line in her office and being responsible and overlooking the whole system she shouldn’t have lower salary than her assistant. There was additional discussion. AJ called for a roll call vote.

Greg moved that there be no increase for the Secretary of State’s salary for 2021 and 2022. Diana seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave	X			
Dr. Diana Gale	X			
Libby Hart	X			
Alahna Kirtley	X			
Sandi LaPalm	X			
AJ Malidore	X			
Karen McGaughy	X			
Greg Millican	X			
Anastasia Potapova		X		
Gary Ratterree	X			
Gerry Sherman	X			
Wendy Sowers	X			
Steve Starkovich	X			
Karen White	X			

The motion PASSED with 15 affirmative votes and 1 negative vote.

AJ asked that they move to the position of Treasurer. Steve said it was not yet a motion, but the Treasurer’s comment that the salary should be second to the Attorney General and not lower. He wanted to draw attention to the current salaries on Tab 1, Page 2, behind the Treasurer are two salaries (Superintendent of Public Instruction and Commissioner of Public Lands) just barely \$650 below. There may be interest in increasing those salaries and if so, the Treasurer’s salary maybe will move to third or fourth. This is something that we need to think about now and is it important? Greg moved for no increase in salary for the years 2021 and 2022. Karen M.

seconded. AJ opened the floor for discussion. Jon seconded what Steve said, he agrees with the motion, but if the Superintendent of Public Instruction or Commissioner of Public Lands changes, he would like to revisit this because he thinks they should remain in the same general order. Anastasia remembers that Mr. Davidson is pretty open that will be difficult to attract competent individuals in the future. Also, if there is no increase now, it will make it harder for the next Commission to justify larger increases to catch up, we need at least a symbolic increase. Gary said that it's not just the Treasurer's opinion, the Willis study showed that the salaries of the Governor, Attorney General, and Treasurer are the only three in the salary plateau 6 and we should be cautious about promoting other positions from the 5 level over those in the 6 level. Jon appreciated having the data added to what he had said. Diana says it appears that they are moving to no increases this year, so then when we next set salaries, we need to look at these positions to rearrange in the future when we have some additional funds. AJ suggested that the discussion be tabled until after lunch at the 1:30 pm work session. There were no objections, so he adjourned the Commission to return at 1 pm.

Commissioner of Public Lands, Hilary Franz

AJ welcomed Katie Taylor, the Chief Operating Officer on behalf of the Commissioner of Public Lands, Hilary Taylor. Ms. Taylor thanked the Commission for the opportunity to share the functions of the Department of Natural Resources (DNR) and to provide some insight into their breadth and diversity of the Commissioner of Public Land's responsibilities. The Department of Natural Resources preserves Washington's heritage by managing over 6 million acres of timber, agricultural, aquatic, residential, commercial, and industrial state lands. Their operating budget is \$559 million. They have more than 1400 permanent employees, with an additional 550 hired during the summer fire season. DNR has four main roles: land manager, fire fighter, regulator, and conservator. The commissioner's role is becoming more demanding as climate changes, the population increases, competing demands for finite natural resources intensify and now Covid-19. They are managing over 3 million acres of trust lands. They also manage 2.6 million acres of aquatic lands under the Puget Sound coast, lakes, and rivers to protect fish and other wildlife. Revenue is generating by selling geoduck and leasing aquatic lands for marinas and ports. In addition to protecting and restoring aquatic resources, the revenue pays for projects that provide public access. These lands provide over \$300 million in income for schools annually. DNR supports the economy by generating approximately 20,300 jobs with \$996 million in annual wages with half of the jobs being in rural counties. Their next role is firefighter with a force of 600 professional firefighters on about 13 million acres of private and public forest lands. They work with other agencies to respond to wildfire and provide support. They work to restore the health of the forests to prevent fires. DNR also serves as regulator and administers the rules for the forest resources. As conservator, they preserve the natural areas and administer the Washington State Natural Heritage program. Also, DNR is the home of the geological survey with maps that are used by researchers and civil engineers to do community planning and prepare for earthquakes and other natural disasters. DNR also regulates surface mines and oil and gas drilling. There have been changes to their work since the start of Covid-19. Since the start of the pandemic, the Commissioner has provided strong leadership. They are supporting their

employees and ensuring safety for fire fighters. She hosted multiple townhalls by telephone and reached 200,000 residents. She met with the public officials and was on the front lines of fire sites with the land owners and fire departments. There has been an increase in the use of state lands due to Covid-19 over the past few months. They are trying to ensure safe and easy protocols for access. DNR is continually planning for the future and the growing populations. This year, the 2020 fire season is the worst season they have had since 2015. Over 600,000 acres burned in just a two-week period. So far, 299 residences were lost and there was also a fatality. They are looking for expandable renewable energy resources and increasing opportunities for rural communities. They are working for climate resilience. She shared a salary comparison showing that the Commissioner makes considerably less than those appointed to head other agencies with smaller budgets and fewer employees. In comparison to Oregon, which isn't a fair comparison because two of our sections are separate agencies in Oregon. In the state of California, two separate agencies are comparable to our state. The role is becoming more complex and the salary is not in line with other agencies.

AJ thanked her and asked for any questions. Jon asked about the difference between the federal lands and the lands under our control in our state. Ms. Taylor said they manage the trust lands that generate revenue for schools and colleges. In terms of the wildland fires, we have land that we manage and protect, including private lands. For the forest service, the fire response is determined by the land owner or manager of the land. For wildland fire management, we coordinate with other agencies. Jon says that a great portion of our state is public lands including federal, and he wants to know who has the responsibility to protect those lands and what are the proportions. Ms. Taylor said she would get back with the proportions. She said that we are responsible for the lands that we support, the 14 million acres. Steve says on Tab 23; the material was submitted four years ago by Peter Goldmark and the budget and the duties seem roughly the same. Steve would like to know if there is an update. Ms. Taylor said she could provide that update. Steve said he would like the update and also the slide presentation. Steve said in recognition of the increased duties, that last time they gave almost an 11% increase. Wendy asked about how the structure is different from other states. It looks like Washington is the only state with an elected position, everyone else is appointed and she wonders why we are structured differently and the reporting structure. Ms. Taylor said she will check because she is new to her position. AJ thanked Ms. Taylor for her presentation. Ms. Taylor said she would send all the requested information to Teri.

Work Session:

AJ returned the group to the tabled discussion regarding the salary for the Treasurer. Anastasia said that the population grew over the last ten years from 6.6 to 7.7 million people which adds a lot more work on every single agency. And the salaries were frozen for several years, so all the salaries were going backwards. Sandi said that on Tab 7, Page 1, it seems unfortunate that the elected officials are at the bottom of the list of agency heads. There is only one salary besides the Governor who is in salary plateau 6 and that position is paid is significantly lower many of the positions. Her question is, if we were to move forward and give no salary increases over the next two years, can we memorialize our discussions about how the economy affected these choices.

Teri said that you can let the future committees know your concerns. In the past, the Commissions have said on the proposed salary schedule and also on the final schedule that the Commission believes as a whole that they are underpaid, but due to the economy it was not a good time to increase the salaries. There was additional discussion.

AJ asked if they were ready to address the motion. Hearing no objections, he asked Teri to do a roll call.

Greg moved that there be no increase for the Treasurer’s salary for the years 2021 and 2022. Karen M. seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave	X			
Dr. Diana Gale	X			
Libby Hart	X			
Alahna Kirtley	X			
Sandi LaPalm	X			
AJ Malidore	X			
Karen McGaughy	X			
Greg Millican	X			
Anastasia Potapova		X		
Gary Ratterree	X			
Gerry Sherman	X			
Wendy Sowers	X			
Steve Starkovich	X			
Karen White	X			

The motion PASSED with 15 affirmative votes and 1 negative vote.

AJ said the Commission will move on to consider the salary for the Office of the Attorney General. Diana said that since we have had the discussions about salary increases I move for no salary increase for 2021 and 2022. Jon second that motion.

AJ said it has been motioned and seconded that the Attorney General does not receive any increase to his salary for 2021 and 2022, he asked if there was any discussion. Since there wasn't any, he asked Teri to do a roll call.

Diana moved that there be no increase for the Attorney General's salary for 2021 and 2022. Jon seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave	X			
Dr. Diana Gale	X			
Libby Hart	X			
Alahna Kirtley	X			
Sandi LaPalm	X			
AJ Malidore	X			
Karen McGaughy	X			
Greg Millican	X			
Anastasia Potapova		X		
Gary Ratterree	X			
Gerry Sherman	X			
Wendy Sowers	X			
Steve Starkovich	X			
Karen White	X			

The motion PASSED with 15 affirmative votes and 1 negative vote.

AJ asked the Commissioners to move to the Auditor. Diana said that she will support no salary increase, but will push for it for the next time because she thinks that it is out of line. There was additional discussion. Diana moved that there be no increase in salary for the Auditor for the next two years. Karen McGaughy seconded the motion. AJ said if there is no objection and no further discussion, he would call for a roll call.

Diana moved that there be no increase for the Auditor’s salary for 2021 and 2022. Karen McGaughy seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave	X			
Dr. Diana Gale	X			
Libby Hart	X			
Alahna Kirtley		X		
Sandi LaPalm	X			
AJ Malidore	X			
Karen McGaughy	X			
Greg Millican	X			
Anastasia Potapova		X		
Gary Ratterree	X			
Gerry Sherman	X			
Wendy Sowers	X			
Steve Starkovich	X			
Karen White	X			

The motion PASSED with 14 affirmative votes and 2 negative votes.

AJ asked the Commissioners to move to the salary for the Superintendent of Public Instruction. Jon thanked Anastasia for consistently reminding us that the public officials need more funding. He appreciates it when not everyone agrees. He agrees with her that all elected officials should be getting more for the jobs they do, but he cannot support increases at this time. Jon then moved that we keep the Superintendent at the current salary level for the next two years. Diana seconded the motion. Anastasia said feels that in the last ten years all the salaries have gone backwards a lot, so we cannot attract qualified people. Kirsten asked if someone from last time could update us on the fact that our superintendent doesn't have the responsibilities of district superintendents and the superintendents in other states. Steve said that last time the decision was that the position was severely underpaid. The McCleary Decision that was coming along was the reason for 12% raise increase over two years. He said that Jon raised the point about the relative salaries of the district superintendents. The local level is where the decisions are made that affects the local schools. Jon explained that each school district has an elected school board that elects and sets the salary for their superintendent. In addition, the federal government puts out many of the regulations and in addition there are state mandates. Kirsten says she looked at the job duties it does look like it is mainly information gathering, standards setting, and maybe some Legislative work.

AJ said if there was no objection, he would ask for a role call vote.

Jon moved that there be no increase for the Superintendent of Public Instruction’s salary for 2021 and 2022. Diana seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave	X			
Dr. Diana Gale	X			
Libby Hart	X			
Alahna Kirtley	X			
Sandi LaPalm	X			
AJ Malidore	X			
Karen McGaughy	X			
Greg Millican	X			
Anastasia Potapova	X			
Gary Ratterree	X			
Gerry Sherman	X			
Wendy Sowers	X			
Steve Starkovich	X			
Karen White	X			

The motion PASSED with 16 affirmative votes and 0 negative vote.

AJ asked the Commission to consider the salary of the Insurance Commissioner. Diana said that he got \$11,000 last year, so she suggests that they look at it in two years. Anastasia said it went backwards by 12% so with just an adjustment for inflation, it should be at \$142,000 instead of \$137,700. She thinks the position is seriously underpaid. Jon agrees that it is underpaid and he thinks the position should be appointed because the job is so complex and in Tab 8, Page 8, it can be seen that most states do not elect the position. Jon says he feels bad about it, but at this point in time, he will stay with the same salary. Anastasia moved that the salary be \$142,000 for

2021 and no increase in 2022. Steve seconded the motion. With no additional discussion needed, he asked Teri for a roll call.

Anastasia moved to bring the salary for the Insurance Commissioner up to \$142,000 for 2021 and with no increase in 2022. Steve seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron		X		
Jon Bridge		X		
Tray Cave		X		
Dr. Diana Gale		X		
Libby Hart		X		
Alahnna Kirtley		X		
Sandi LaPalm		X		
AJ Malidore		X		
Karen McGaughy		X		
Greg Millican		X		
Anastasia Potapova	X			
Gary Ratterree		X		
Gerry Sherman		X		
Wendy Sowers		X		
Steve Starkovich	X			
Karen White		X		

The motion FAILED with 2 affirmative votes and 14 negative votes.

Jon moved to keep the salary the same for the Insurance Commissioner for the next two years. He regrets having to make the motion, but now is not the time for salary increases. Gary seconded the motion. AJ said it has been motioned and seconded to keep the salary as is for 2021 and 2022, and he called for a roll call vote.

Jon moved to keep the salary for the Insurance Commissioner at the same level for 2021 and 2022. Gary seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave	X			
Dr. Diana Gale	X			
Libby Hart	X			
Alahna Kirtley	X			
Sandi LaPalm	X			
AJ Malidore	X			
Karen McGaughy	X			
Greg Millican	X			
Anastasia Potapova		X		
Gary Ratterree	X			
Gerry Sherman	X			
Wendy Sowers	X			
Steve Starkovich	X			
Karen White	X			

The motion PASSED with 15 affirmative votes and 1 negative vote.

AJ asked for deliberation on the Commissioner of Public Lands. Karen White said that she wanted to see the slide with the comparison to Oregon. She mentioned that Washington was the only one with elected positions. Jon says that appointed usually have technical backgrounds and are always vetted whereas the elected person may or may not have the qualifications and their qualifications are vetted by the voters. AJ asked for discussions and motions. Sandi said it is underpaid, along with all the others. Sandi says it is awkward to pick only a few positions for adjustments. So, although she thinks it is underpaid, she cannot recommend a salary adjustment. Gary said that he wanted to say something about the Director of Ecology who is paid very high, He said the large adjustments from last time made sense because they were in line with the paid staff and will need to be adjusted again. Jon asked if Sandi had made a motion. Sandi moved to keep the salary the same as before for the next two years. Jon seconded the motion especially because of the large increase last time. AJ called for discussion, and being no discussion, he called for a roll call vote.

Sandi moved that there be no increase for the Commissioner of Public Lands’ salary for 2021 and 2022. Jon seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave	X			
Dr. Diana Gale	X			
Libby Hart	X			
Alahna Kirtley	X			
Sandi LaPalm	X			
AJ Malidore	X			
Karen McGaughy	X			
Greg Millican	X			
Anastasia Potapova		X		
Gary Ratterree	X			
Gerry Sherman	X			
Wendy Sowers	X			
Steve Starkovich	X			
Karen White	X			

The motion PASSED with 15 affirmative votes and 1 negative vote.

AJ asked the Commissioners to consider the salaries for the Judicial Branch. He asked if they wanted to go through it one Judicial level at a time or look at the Judicial Branch as a whole. Diana requested to do the Judicial as a group and then the Legislative as a group. Jon said if that is a motion then he would second it and make the comment that they made a major increase to those branches last time, so he makes a motion to not provide any increase for the next two years. Libby said they need to be treated as a group because there is a percentage for each level that goes down. Teri said usually that is done, but one time they did separate the Supreme Court Chief Justice because the Commissioners felt there were different duties for that position. The

Judiciary requested several years ago and the Commission agreed that there should be 5% separation between each group. Sandi said they were given a really nice raise last time and gave them a degree of parity. There was additional discussion. AJ said if there are no objections, he would ask Teri for a roll call vote.

Jon moved that there be no increase for the Judicial Branches' salaries for the years 2021 and 2022. Diana seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave	X			
Dr. Diana Gale	X			
Libby Hart	X			
Alahna Kirtley	X			
Sandi LaPalm	X			
AJ Malidore	X			
Karen McGaughy	X			
Greg Millican	X			
Anastasia Potapova		X		
Gary Ratterree	X			
Gerry Sherman	X			
Wendy Sowers	X			
Steve Starkovich	X			
Karen White	X			

The motion PASSED with 15 affirmative votes and 1 negative vote.

AJ said they will move to considering the salaries of the Legislative branch. Steve moved that the legislators stay at their current salaries for the years 2021 and 2022. Diana seconded the motion. AJ said that it had been moved and seconded to keep the salaries the same and asked for any discussion. Libby gave historical record, that the reason they gave an increase last time was that their hours went closer to full time, but they are still not full time. Teri said they moved from a 70% to 74% of the time it takes of a full-time position. AJ said if there were no objections he would call for a roll call vote. 1.

Steve moved that there be no increase for the salaries of the Legislative Branch for the years 2021 and 2022. Diana seconded the motion.

A roll call vote was taken as follows:

Commissioner	Yes	No	Abstain	Absent
Kirsten Barron	X			
Jon Bridge	X			
Tray Cave	X			
Dr. Diana Gale	X			
Libby Hart	X			
Alahna Kirtley	X			
Sandi LaPalm	X			
AJ Malidore	X			
Karen McGaughy	X			
Greg Millican	X			
Anastasia Potapova		X		
Gary Ratterree	X			
Gerry Sherman	X			
Wendy Sowers	X			
Steve Starkovich	X			
Karen White	X			

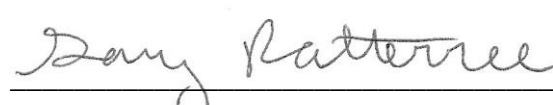
The motion PASSED with 15 affirmative votes and 1 negative vote.

AJ said that the Commission can now release the proposed schedule for public review for the next three months and a final decision will be made in February. Libby said she wanted to remind them that there is some information that they wanted to include with the schedule. That Commission cannot reduce or furlough salaries and that there would have been salary increases, but the current economy did not warrant raises. Kirsten asked if anyone wanted to add to Libby's paragraph as to which positions warranted the raises or should they let the officials thinking that they all deserved a raise. Steve said wanted to address that point. He feels a general statement gives the advantage of not responding to individual positions. If they are asked about specific decisions, he said they should be referred to Teri. Jon asked Teri to prepare the paragraph and send it out to the Commission. Teri said she needs a quick response so she can get the salary schedule out to the public because she will be getting questions starting today. Anastasia suggested a break so that Teri can prepare and present a paragraph to the Commission for final approval today. Sandi said the meeting minutes will have the conversation about their decisions. Teri said yes, but the minutes are not posted until approved at the next meeting, so it will be a month. The group agreed to take a ten-minute break.

After the ten-minute break, AJ reconvened the meeting and Teri presented a paragraph for the Commission's review. There were adjustments made and a vote was taken. The first vote failed with an 8 to 8 vote. The paragraph again was revised and a vote taken. The motion passed 15 to 1.

Teri said the next steps are that she will publish the salary schedule to news sources such as Facebook, our website, and our public contact list. She will send out the information that was requested and the completed minutes to the Commission. The next meeting will be an evening meeting and will take public comments. The final meeting in February will still allow for changes, but no changes can be made before then. Jon said the agendas for the public meetings show public input, but wondered if there would also be work sessions. Teri said yes. Teri said all the meetings will be online. In February she will request the budget and revenue forecast people back in for updates.

Teri asked how everyone felt about how the how meeting went. Everyone commented that it had gone well. Jon said that he appreciated the positive attitudes that everyone displayed. Steve said he missed meeting the new members in person. Teri expressed her appreciation for the group and the work that they have done. The meeting was adjourned at 4 p.m.



Gary Ratterree, Vice-Chair

November 12, 2020
Date