



COMMON
CAUSE

ARKANSAS

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Proposed Constitutional Amendment Gives Voters Opportunity to Abolish Public Relations Fund

Arkansas voters will have the opportunity this November to abolish the "public relations" funds currently used as salary supplements by the state's constitutional officers.

The popular name of the proposed constitutional amendment is "An Amendment to Prohibit Public Relations Funds for State Executive and Legislative Officials and To Govern Compensation and Expense Reimbursement For Such Officials." The amendment will prohibit the 39-year-old practice of supplementing Arkansas constitutional officers' meager salaries with "PR funds" - funds which for years were not required to be accounted for according to actual expenses, and upon which no income taxes were levied.

Common Cause/Arkansas began scrutinizing the PR funds in July 1990, when it was revealed that the IRS was requiring constitutional officers to pay income taxes on PR funds spent since 1987. Because the State did not require the funds to be used for reimbursement of expenses actually incurred, the IRS regarded the funds as personal income.

In November of 1990, Arkansas voters rejected a constitutional amendment which would have removed salary limits from the state Constitution, increased salaries, and created a compensation committee to

set salaries in the future. The defeated amendment did not address the issue of abolishing public relations funds. Later in that same month, Attorney General Steve Clark was found guilty of theft by deception for misappropriation of funds through his office's state expense account.

On November 20, 1990, State Auditor Julia Hughes Jones requested that the Legislative Council Joint Budget Committee increase the public relations fund for the governor's office by over \$6,000, and increase the PR funds for other constitutional officers by over \$5,000 each. The 34% increase in PR funds, if adopted, would have effectively given the constitutional officers pay raises only several weeks after the voters had rejected them.

On December 1, 1990, Common Cause/Arkansas announced that at the organization's request, Senator Ben Allen of Little Rock would seek an opinion from Attorney General Ron Fields concerning the legality of using the PR funds as personal income. The opinion, which was issued two weeks later, concluded that the Arkansas Constitution did not permit the state to supplement the salaries of constitutional officers through additional appropriations such as public relations funds. Less

than a week after the opinion was issued, at the request of Common Cause, the constitutional officers dropped their request for an increase in the PR funds. Common Cause then embarked on a strategy to refer to the people an amendment to abolish PR funds and improve salaries.

Common Cause joined with legislators in the 1991 legislative session to set guidelines for the accounting of expenditures from the public relations funds. Thanks to the efforts of Common Cause, Arkansas voters now have the benefit of full disclosure and can scrutinize how the PR funds are being spent, while they await the opportunity to vote to abolish the funds.

Common Cause agreed to support a constitutional amendment, sponsored by Representative Jody Mahoney, to raise constitutional officers' salaries, provided that the amendment would also abolish the PR funds. Common Cause effectively lobbied against an alternate plan which would have allowed a compensation committee, composed of political appointees, to set salaries and recommend pay raises.

(continued page 2 Opportunity)

Arkansas Ethics Commission Sets Rules & Procedures - Agrees With CC/Arkansas on Key Issue

Opportunity

If passed by voters, the amendment referred to the ballot by the legislature will result in immediate pay raises for the constitutional officers and lawmakers, and will allow the legislature to make bi-annual pay raises indexed to the consumer price index. Public relations funds and all other forms of personal compensation from the state will be expressly prohibited.

Common Cause/Arkansas fully supports this reform in the way state constitutional officers are compensated. The salaries of our top state officials are currently lower than the salaries of any other state, including those with smaller populations, and they should be increased and from time to time adjusted for inflation. At the same time, the reforms included in the amendment will negate the possibility that constitutional officers will try to subvert the wishes of the voters by increasing their salaries through PR funds or other funds established by the legislature. The proposed amendment will also keep decisions about salaries and raises out of the hands of political appointees, who would be expected to recommend salaries for the very officials who made the appointments.

Under the proposed amendment, the governor's salary would be increased from \$35,000 to \$60,000 per year. The lieutenant governor's pay would be raised from \$14,000 to \$29,000. Other pay increases include: attorney general, from \$26,500 to \$50,000; secretary of state, from \$22,500 to \$37,500; senators and representatives, from \$7,500 to \$12,500. The new salaries are approximately equal to the old salaries plus the public relations funds.

Common Cause/Arkansas has been working on the salary issue for

The Arkansas Ethics Commission, which was created by Initiated Act 1 of 1990 (the Campaign Ethics or campaign finance reform initiative) has set the rules and procedures it will follow for investigating complaints of ethics law violations.

In agreement with the position advocated by Common Cause/Arkansas, the Commission also decided that it has the authority under the law to initiate investigations without an outside complaint having been lodged.

Investigations of alleged ethics law violations may be initiated independently by the Ethics Director or staff counsel, or as a result of a citizen complaint.

A number of safeguards have been incorporated into the rules and procedures to protect candidates and officeholders from politically motivated complaints.

Citizen complaints must clearly set forth the facts concerning alleged violations and be sworn and signed. Staff-initiated investigations must state the nature of alleged violations and the source of the allegations, and must receive the consent of the Ethics Commission chairman in order to proceed.

Persons accused of ethics violations are to be notified by the Ethics Director, and have the right to submit evidence in their defense prior to a hearing before the full

almost two years now - successfully fighting amendments which would have scuttled the reforms included in the proposed amendment, and lobbying to have the amendment referred to the ballot by the legislature. The proposed amendment is

Commission. All evidence subpoenaed by the Ethics Commission to further an on-going investigation shall remain confidential until the investigation is completed, and the names of those being investigated will not be reflected in Ethics Commission meeting agendas. In addition, all investigations must be completed within 90 days of receipt of the complaint.

Citizens who wish to make a complaint of a violation of ethics, conflict of interest, lobbyist disclosure, or campaign laws may request a free complaint form from the Arkansas Ethics Commission staff, or may submit a written complaint without a form. All complaints must clearly state the name of the person alleged to have violated the law, and must state the facts supporting the allegation. All complaints must be sworn and signed in order to be considered valid.

Complaints against Ethics Commission staff members should be filed with the chairman of the Commission, and complaints against any Commission member should be filed with the Ethics Director or with any remaining Commissioner. All other complaints are to be filed with the Ethics Commission staff.

For more information regarding the rules and procedures of the Arkansas Ethics Commission, contact the Ethics Commission office at (501) 324-9600, 2020 W. 3rd Street, Suite 300, Little Rock, Arkansas 72205.

one of only three out of 26 proposed to be granted a place on the ballot. The support of all Common Cause members is needed to insure passage of this important reform.

Common Cause Launches National Anti-Corruption Campaign

Common Cause has recently begun a nationwide lobbying campaign, the Anti-Corruption Campaign, to persuade candidates for federal offices to publicly commit to cleaning up the campaign finance system in Washington.

The Goal of the campaign is to build veto-proof majorities in both the House and the Senate, so that no President will be able to block change. President Bush's May 9 veto of Congress' campaign reform bill illustrated the need to build a congressional consensus. Common Cause is working to get every candidate to publicly commit to

support meaningful campaign finance reform.

Congressional candidates in Arkansas have already received Anti-Corruption Campaign statements from Common Cause. All CC members in Arkansas can help by calling or writing to the candidates in their district, and urging a public commitment to campaign reform. If you would like to do more, please fill out the form below and return it to Common Cause, 2030 M Street NW, Washington D.C. 20036.

Art English Attends Training Session

Art English, acting chairman of Common Cause/Arkansas, attended orientation sessions for new state chairs at Common Cause's Washington D.C. offices May 28 - May 30.

Dr. English, formerly vice-chairman of CC/Arkansas, assumed the role of chairman when former chair Sondra McKelvey resigned on February 15 in order to seek public office. Common Cause/Arkansas welcomes Art to his new position, and extends thanks to Ms. McKelvey for her years of service to CC/Arkansas.

ANTI-CORRUPTION CAMPAIGN OFFER OF ASSISTANCE

Yes, I want to participate in the Common Cause Anti-Corruption Campaign.

Date _____

Name _____ State/CD _____

Address _____

Phone # _____

Term Limitation Amendment May Appear on Ballot

When Arkansas voters go the polls this November, they may face the decision of whether or not elected official's terms of office should be limited.

A proposed constitutional amendment, the "Arkansas Term Limitation Amendment", may have received enough signatures of registered voters to secure a place on the ballot. Petitions for the amendment, sponsored by Steve Munn, are currently being checked by the Arkansas Secretary of State's office.

If placed on the ballot and passed by the voters, the proposed amendment would limit state constitutional officers to serving a maximum of two four-year terms. Members of the state House of Representatives would be limited to three two-year

terms, and members of the Arkansas Senate would be limited to two four-year terms.

The Proposed amendment would also limit the terms of Arkansas' Congressional delegation. Language in the proposal would prohibit any U.S. Representative who has served three or more terms, or any U.S. Senator who has served two or more terms, from having their name placed on the ballot for re-election to the same house of Congress.

If passed, the amendment will take effect on January 1, 1993, and will apply to all candidates seeking election to the offices specified after that date. Common Cause/Arkansas has not taken a position regarding the proposed amendment.

CC/Arkansas Setting Agenda for 1993 Legislative Session

Common Cause/Arkansas is currently assembling its agenda for the 1993 legislative session of the Arkansas General Assembly.

We will be discussing some fine-tuning and changes in the lobbyist disclosure, campaign finance, ethics, and conflict of interest laws with the Arkansas Ethics Commission.

Common Cause members in Arkansas are encouraged to submit issues to be added to the agenda. If there is an important issue that you feel Common Cause should address in the upcoming session, please contact the state office at 374-5113.

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