



Legislative Coordinating Commission

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Compensation Council

March 26, 2001

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

Dear Mr. Speaker and Mr. President:

In accordance with the duties assigned to it by Minnesota Statutes 2000, section 15A.082, the Minnesota Compensation Council offers the following recommendations:

1. Implement the recommendations of the 1999 Compensation Council. We believe that the recommendations made by the previous Council were reasonable then and remain sound today. State government is best served if the salaries of its elected officials are increased consistently and incrementally.

Implementation of those salary recommendations for elected officials includes:

- a) Increase the salaries of judges by 3.5% on January 1, 2001, and by 3.5% on January 1, 2002.
- b) In addition, the salaries of judges should be increased by 3.0% on January 1, 2001, and by 3.0%, on January 1, 2002. This is the average of the across-the-board increases received by state employees in their collective bargaining agreements and arbitration awards.
- c) Increase the salary of the governor by 7.5% on January 1, 2001, and by 2.5% on January 1, 2002. Then, set the salaries of the other constitutional officers as a percentage of the salary of the governor.

d) The 1999 Council recommended that salaries of legislators be increased by 5.0% on January 1, 2001, and by 2.5% on January 1, 2002. Because of the constitutional limitations on increases for legislators, these increases should be implemented on January 6, 2003, and January 1, 2004.

2. Increase the salaries of judges.

a) In addition to the increases recommended by the 1999 Compensation Council, we recommend that salaries of judges be further increased by these percentages:

- 1) 5.0% on January 6, 2003
- 2) 3.0% on January 1, 2004.

b) In addition, the Council recommends that the salaries of judges be increased in 2003 and 2004 by the lesser of the average of the across-the-board increases received by state employees in their collective bargaining agreements and arbitration awards, or a cost of living index.

Specifically, the salaries of judges should be increased on January 6, 2003, by the lesser of: i) the average of the across-the-board increases for the fiscal year ending on June 30, 2002, included in collective bargaining agreements and arbitration awards that have been ratified by the legislature in regular session in 2002; or ii) the percentage increase in the Consumer Price Index for the Minneapolis St. Paul area for urban consumers during the previous fiscal year.

The salaries of judges should be increased on January 1, 2004, by the lesser of: i) the average of the across-the-board increases for the fiscal year ending on June 30, 2003, included in collective bargaining agreements and arbitration awards that have been ratified by the legislature in regular session in 2002; or ii) the percentage increase in the Consumer Price Index for the Minneapolis St. Paul area for urban consumers during the previous fiscal year.

3. Increase the salaries of constitutional officers.

a) The Council recommends that the salary of the governor be further increased by 3.0% on January 6, 2003, and by 3.0% on January 1, 2004.

b) In addition, the Council recommends that as of January 6, 2003, the salaries of the other constitutional officers be fixed as a percentage of the salary of the Governor, as follows:

<u>Constitutional Officer</u>	<u>% of the Governor's salary</u>
Attorney General	95%
State Auditor	85%
Secretary of State	75%
Lt. Governor	65%

Although the Council's charge is to make its recommendations effective in 2003, we believe that this change should be effective July 1, 2001. The 1999 Council recommended this

type of structure, and we concur that this approach will result in better equity between these key positions and the heads of state agencies.

c) If the legislature rejects our recommendation to establish this new compensation relationship between constitutional officers, then we recommend that the salaries of all other constitutional officers be increased by:

- 1) 7.5% on January 1, 2001;
- 2) 2.5% on January 1, 2002;
- 3) 3.0% on January 6, 2003; and
- 4) 3.0% on January 1, 2004

4. Increase the salaries of legislators. The Council recommends that in addition to the increases recommended by the 1999 Compensation Council that would be implemented in 2003 and 2004, salaries of legislators should be further increased by 3.0% on January 6, 2003, and by 3.0% on January 1, 2004.

5. Agency head salary ranges. The Council considered the issue of salary ranges for heads of state agencies. Because the proposal developed by the HayGroup under a contract for the Legislative Coordinating Commission Subcommittee on Employee Relations was so complex, and because of time constraints, the Council makes no recommendation regarding agency head salary ranges.

6. Allow appointing authorities to approve increases in agency head salaries without legislative approval. Under current law, the appointing authorities may set the salary of an agency head within a statutory range, but a new salary rate does not take effect until approved by the Legislative Coordinating Commission and is not final until ratified by the legislature. The Compensation Council recommends that the requirement for approval by the Legislative Coordinating Commission and the legislature be eliminated for heads of state agencies.

7. Future salary increases. a) The Council recommends that the legislature adopt a fixed formula that would automatically adjust the salaries of constitutional officers, judges and legislators. We believe that incremental and consistent increases that reflect increases received by state employees is the best way to assure that elective positions attract highly qualified candidates to serve our citizens.

b) We recommend that the salaries of judges, legislators and constitutional officers be increased annually by the lesser of the average of the across-the-board increases included in collective bargaining agreements and arbitration awards that have been ratified by the legislature or the percentage increase in the Consumer Price Index for the Minneapolis St. Paul area for urban consumers during the previous fiscal year.

I have included a list of the members of the Council at the end of this recommendation. The members worked diligently and thoughtfully to develop these recommendations for consideration by the legislature.

Respectfully submitted,

John Stanoch
Chair, Compensation Council

cc: Governor Jesse Ventura
 Lt. Governor Mae Schunk
 Chief Justice Kathleen Blatz
 Attorney General Mike Hatch
 State Auditor Judith Dutcher
 Secretary of State Mary Kiffmeyer
 State Treasurer Carol Johnson
 Senator Roger Moe
 Senator Dick Day
 Representative Tim Pawlenty
 Representative Tom Pugh

Members of the Compensation Council

Appointed by the Governor

Ms. Kathleen Anderson
 Ms. Doris Bateman
 Ms. Sherry Broecker
 Ms. Joyce Franchett
 Mr. Buford Johnson
 Mr. Jack Murray
 Mr. Earl Renneke
 Mr. John Stanoch

Appointed by the House of Representatives

Representative Bruce Anderson
 Representative William Kuisle
 Representative Joe Mullery

Appointed by the Supreme Court

Mr. Thomas Swain
 Mr. George Soule

Appointed by the Senate

Senator Richard Cohen
 Senator Sam Solon
 Senator Martha Robertson