

Legislative Coordinating Commission

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COMPENSATION COUNCIL

March 10, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

Dear Mr. Speaker and Mr. President:

In accordance with the duties assigned to it by Minnesota Statutes, section 15A.082, the Minnesota Compensation Council has held two hearings, received testimony from interested parties, and conducted extended discussions about salaries for Minnesota's elected state officials.

The Compensation Council made specific note of the recent history of salaries of the governor and legislators. The governor's salary has not changed since 1998. At that time, our governor's salary was ranked sixth in the nation. Currently that salary, unchanged in seven years, is ranked 19th. We are not saying that we are competing nationally for our governors, for we recognize this is a political office. The point is that other states have recognized the value of this office in managing a multibillion dollar enterprise and, as a result, these other states have increased the salary paid for those serving in these critical positions.

Similarly, the salaries of legislators have not changed since 1999. If the Council's previous recommendations made in 1999 and 2001 had been implemented by the Legislature, or if those salaries had been adjusted for inflation, or by the rate of increases received by state employees, legislator pay would be 13-15% higher than it is currently.

We think that salaries of legislators ought to be high enough so that potential candidates for these policy-making positions are not deterred by loss of income from running for office. Otherwise, we face the prospect of a Legislature that is not representative of Minnesota's citizenry. The members of the Council understand that the State continues to find itself in tight fiscal times, with an anticipated budget shortfall for the next biennium. However, the function of the Compensation Council is to make recommendations to the Legislature on the appropriate levels

of salaries for its top elected officials. The law that establishes our Council specifically provides that we consider “the amount of compensation paid in government service and the private sector to persons with similar qualifications, the amount of compensation needed to attract and retain experienced and competent persons.”

By law, our recommendations for constitutional officers and legislators do not take effect for two more years. We certainly hope that by then our state will continue to experience better fiscal times. If the Legislature fails to implement the Council’s recommendations, the opportunity to increase salaries for Minnesota’s top leaders would not occur until 2009. We hope that the Legislature sees the value in making these adjustments in 2007 and 2008, and that in the future steady, incremental changes can be implemented.

Recommendations

In accordance with Minnesota Statutes, section 15A.082, the Compensation Council makes the following recommendations:

1. **The salary of the governor.** We recommend that the salary of the governor be increased to \$137,869 in January 2007. This level reflects what the salary would have been if it had been adjusted by the rate of inflation from 1998 to the present. Our proposed salary is also comparable to what state employees have received since the governor’s salary was last adjusted. We recommend that the salary be adjusted by the inflation rate (CPI-U) in January 2008.

Under existing law, the salaries of the other constitutional officers would also increase accordingly.

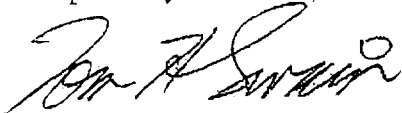
2. **The salaries of legislators.** We recommend that the salaries of legislators be set at 33% of the salary of the governor, beginning in January 2007.
3. **Salaries of judges.** We recommend that the salaries of judges be increased by the rate of inflation (CPI-U) in January 2007 and January 2008.
4. **Salary ranges of agency heads.** We make no recommendation regarding changes to the salary ranges for heads of state agencies.

In addition to the recommendations provided for in law, we also make the following recommendation:

- 5 **Salaries of judges.** We recommend that judges receive a 3% increase in salary effective July 1, 2005, and a 3% increase effective July 1, 2006.

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,



Tom H. Swain
Chair, Compensation Council

cc: Governor Tim Pawlenty
Lt. Governor Carol Molnau
Chief Justice Kathleen Blatz
Attorney General Mike Hatch
State Auditor Patricia Anderson
Secretary of State Mary Kiffmeyer
Senator Dean Johnson
Senator Dick Day
Representative Erik Paulsen
Representative Matt Entenza

Members of the Compensation Council

Appointed by the Governor

Mr. Michael Christenson
Mr. Stanley Durda
Mr. Ezell Jones
Ms. Paula Laidig
Mr. Joseph Leek
Ms. Kathleen Meyerle
Mr. Craig Shaver
Mr. Jon Staebler

Appointed by the House of Representatives

Rep. Fran Bradley
Rep. Sondra Erickson
Rep. Tom Rukavina

Appointed by the Senate

Senator Keith Langseth
Senator Linda Scheid
Senator Julianne Ortman

Appointed by the Supreme Court

Mr. Tom H. Swain
Mr. John Stanoch