



LEGISLATIVE COORDINATING COMMISSION

85 State Office Building

Saint Paul, Minnesota 55155

(612) 297-3697

JANET LUND
Director

April 1, 1995

The Honorable Irv Anderson
Speaker, Minnesota House of Representatives
The Honorable Allan H. Spear
President, Minnesota Senate
State Capitol
St. Paul, MN 55155

Dear Mr. Speaker and Mr. President:

Pursuant to Minnesota Statutes 1994, Section 15A.082 and Session Laws, 1994, Chapter 560, Article 2, section 21, the Minnesota Compensation Council offers the following recommendations regarding salaries for the heads of state agencies and the higher education systems:

- 1) **Higher education salaries.** Amend Minnesota Statutes 15A.081 Subd. 7b to specify that the limit of the *salary* of the heads of the state higher education systems is 95% of the salary of the governor. Further, the statute should be amended to specify that housing allowances, and benefits generally provided to other state employees, be excluded from the definition of salary for higher education system heads and State University Presidents. The Higher Education Board should propose, and the Legislature should approve, a housing allowance for the Chancellor and State University Presidents that is comparable to housing allowances provided to Chancellors and University Presidents in similar higher education systems nationwide;
- 2) **Replace ranges with new rates.** Repeal the existing salary ranges for heads of state agencies in Minnesota Statutes 15A.081, subdivisions 1 and 7. Place each agency head in one of two groupings with salary limits of 75% or 85% of the salary of the governor. Those groups and the appropriate limits are recommended as shown on Attachment 1;
- 3) **Authority to set salary within limits.** Provide the Appointing Authority with the authority and responsibility to establish the salary of each agency head within the salary limits approved by the Legislature;

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- 4) **Agency head salary as limit for employees in that agency.** Retain the current statutory limitation, but establish a mechanism so that the Commissioner of Employee Relations, acting jointly with the Legislative Commission on Employee Relations, could grant exemptions to that limit;
- 5) **Workers compensation judges.** Establish the salary of workers compensation judges and administrative law judges at 90% of the salary of District Court Judges;
- 6) **Chief Administrative Law Judge salary.** Establish the salary of the Chief Administrative Law Judge at 100% of the salary of District Court Judges;
- 7) **Two other salaries.** Amend Minnesota Statutes 15A.081 to include the Executive Directors of the Gambling Control Board and the Pari-Mutual Racing Commissions, and remove them from the Managerial Plan;
- 8) **Review of agency head position descriptions.** The Legislature should request that the Commissioner of Employee Relations hire a consultant to professionally evaluate agency head position descriptions in order to evaluate their respective levels of responsibilities. As an alternative, the Legislature could appoint another Compensation Council to undertake this task.

Under Minnesota Statutes 1994, Section 15A.082, the Council offers the following recommendations regarding salaries for judges, constitutional officers and legislators:

- 1) **Judiciary.** The salaries of Minnesota judges shall be increased by 3% each year, to the following salaries:

	1/1/96	1/6/97	1/1/98
Chief Justice, Supreme Court	\$106,950	\$110,159	\$113,463
Associate Justice, Supreme Court	\$ 97,227	\$100,144	\$103,148
Chief Judge, Court of Appeals	\$ 96,194	\$ 99,080	\$102,052
Associate Judge, Court of Appeals	\$ 91,613	\$ 94,362	\$ 97,193
Chief Judge, District Court	\$ 90,299	\$ 93,008	\$ 95,798
Judge, District Court	\$ 85,999	\$ 88,579	\$ 91,236

- 2) **Constitutional Officers.** The salaries of constitutional officers shall be increased by 3% each year, to the following salaries:

	1/6/97	1/1/98
Governor	\$117,942	\$121,481
Attorney General	\$ 92,138	\$ 94,903
Lieutenant Governor	\$ 64,870	\$ 66,817
Auditor	\$ 70,771	\$ 72,895
Secretary of State	\$ 64,870	\$ 66,817
Treasurer	\$ 64,870	\$ 66,817

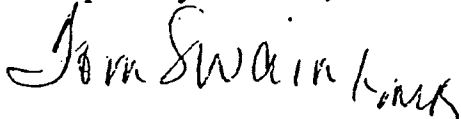
- 3) **Legislators.** The salaries of members of the legislature shall be increased by 3% each year to the following salaries:

	1/6/97	1/1/98
Legislators	\$ 30,548	\$ 31,465

- 4) **Review of constitutional officers and legislators.** The Council heard testimony from Common Cause Executive Director Joan Higinbotham concerning per diem payments to legislators. We concluded informally this matter is a problem. The Council did not have sufficient resources and time to suggest a remedy, but most members believe the issue should be addressed and solved by the legislature. Ms. Higinbotham's follow-up communication to us is attached for your consideration.

Most of the public members of the Council were frustrated by the lack of objective data to assist in evaluating appropriate compensation levels for legislators and constitutional officers. More information on job duties, responsibilities and accountabilities is desired. Therefore, the Council suggests the legislature consider a professional evaluation of the duties and responsibilities of constitutional officers and legislators. This study should consider total compensation, including benefits, retirement and, in the case of legislators, per diem payments.

Respectfully submitted,



Tom Swain
Chair, Compensation Council

**Compensation Council
Report to the Legislature
Page 4**

**attachments (2)
agency head list
Common Cause letter**

**cc: Governor Arne Carlson
Lt. Governor Joanne Benson
Chief Justice A. M. Keith
Attorney General Hubert H. Humphrey, III
State Auditor Judith Dutcher
Secretary of State Joan Growe
State Treasurer Michael McGrath
Higher Education Board Chancellor Jay Noren
Senator Roger Moe
Senator Dean Johnson
Representative Phil Carruthers
Representative Steve Sviggum**

Attachment 1

STATE AGENCY HEAD SALARY RANGES

**Salary not to exceed 85% of
governor's salary**

Commissioner of administration;
Commissioner of agriculture;
Commissioner of commerce;
Commissioner of corrections;
Commissioner of education;
Commissioner of employee relations;
Commissioner of finance;
Commissioner of health;
Commissioner, housing finance agency;
Commissioner of human rights;
Commissioner of human services;
Executive director, state board of investment;
Commissioner of economic security;
Commissioner of labor and industry;
Commissioner of natural resources;
Commissioner of office of strategic and long range planning
Commissioner, pollution control agency;
Commissioner of public safety;
Commissioner, department of public service;
Commissioner of revenue;
Commissioner of trade and economic development;
Commissioner of transportation;
Commissioner of veterans affairs;
Administrator of zoological gardens

**Salary not to exceed 75% of
governor's salary**

Commissioner, bureau of mediation services;
Executive Director of gambling control board
Commissioner of iron range resources and rehabilitation board
Chair, Metropolitan council
Director of office of environmental assistance
Ombudsman for corrections;
Ombudsman for mental health and retardation.
Executive director of pari-mutuel racing
Executive director, public employees retirement association
Commissioner, public utilities commission;
Executive director, state retirement system;
Executive director, teacher's retirement association;
Member, transportation regulation board;
Chair, Metropolitan Airports Commission

\$20,000 Member, Metropolitan Council



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PRESIDENT

The Rt. Rev. Frederick W. Putnam, D.D.

EXECUTIVE DIRECTOR

Joan H. Higinbotham

March 30, 1995

Mr. Tom Swain
385 Washington Street
St. Paul, MN 55102

Dear Mr. Swain:

Common Cause appreciated the opportunity to discuss our concerns about legislative compensation at the March 3rd meeting of the Compensation Council.

As we pointed out at that time, the present system of compensation (salary plus per diem) leads to a lack of openness and accountability. It also leads to confusion in the mind of the public. When talking about ethics reform legislation, many voters assumed that the per diem was used for meals and expenses. From our discussions with members of both Houses, we found that many legislators consider the per diem to be a part of their salary. In fact, legislative pension benefits are based on salary plus per diem, which is a double loss for those members who have chosen not to take the per diem.

The 1994 per diem was \$51.00 for Senators and \$48.00 for House members for each day during the session, including week-ends and holidays. In 1993 the average amount a legislator received was \$7,032. The total paid out in 1994 was \$900,000. Five House members take no per diem and five senators take less than full per diem.

We were pleased that the Compensation Council agreed that the legislature should be asked to re-examine the present system of legislative compensation and submit suggested changes to the Council before the next salary recommendations are made.

Our concern is not that legislators who take the additional compensation in per diem are overpaid. It is rather that at a time when the public's faith and trust in elected officials is low, a system which has been characterized as a "back-door method" or "being paid twice for the same job" increases the public's lack of respect for public officials.

Thank you for your attention to this issue. We realize that this is a difficult subject for legislators, however we feel strongly that an open, understandable system which the public understands will work to everyone's advantage in the long run. We look forward to the recommendations which the legislature will formulate. Common Cause would be happy to work with the legislature and the compensation council in any way possible to provide public education on this complex issue.

Sincerely yours,


Joan Higinbotham