



Legislative Coordinating Commission

85 State Office Building

St. Paul, MN 55155-1201

(612) 296-9002

TDD (612) 296-9896

Compensation Council

March 11, 1997

The Honorable Phil Carruthers
Speaker, Minnesota House of Representatives

The Honorable Allan H. Spear
President, Minnesota Senate

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Dear Mr. Speaker and Mr. President:

In accordance with the duties assigned to it by Minnesota Statutes 1996, Section 15A.082, the Minnesota Compensation Council offers the following recommendations:

- 1) **Replace the salary ranges for heads of state agencies 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.
- 2) **Chief Administrative Law Judge salary.** Establish the salary of the Chief Administrative Law Judge at 100% of the salary of a District Court Judge.
- 3) **Increase the salaries of Constitutional Officers and Judges in 1999 and 2000.** The Council recommends increasing the salaries for Judges and Constitutional Officers by the average of the across the board increases received by state employees in their collective bargaining agreements and arbitration awards.

Specifically, the salaries of Judges and Constitutional Officers should be increased on January 4, 1999 by the average of the across the board increases for the fiscal year ending on June 30, 1998 included in collective bargaining agreements and arbitration awards that have been ratified by the legislature in regular session in 1998. The salaries of Judges and Constitutional Officers should be increased on January 1, 2000 by the average of the across the board increases for the fiscal year ending on June 30, 1999 included in collective bargaining agreements and arbitration awards that have been ratified by the legislature in regular session in 1998.

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4) Salaries of Legislators. The Council recommends that salaries of legislators be increased by 5% on January 4, 1999, and by 0% in January, 2000.

In addition to the recommendations required by law, the Compensation Council urges the following:

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- 2) **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 Coordinating Commission, could grant exemptions to that limit.
- 3) **Two other salaries.** Amend Minnesota Statutes 15A.081 to include the Executive Directors of the Gambling Control Board and the Pari-Mutuel Racing Commissions.
- 4) **Workers compensation judges, settlement judges and administrative law judges.** Establish the salary of workers compensation judges, settlement judges, and administrative law judges at 90% of the salary of a District Court Judge.
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We believe that the Legislature ought to instead adopt a fixed formula which would automatically adjust the salaries of Constitutional Officers, Legislators and Judges. With the establishment of salary ranges for heads of state agencies as a set percentage of the salary of the governor, use of permanent formula would obviate the need for either the Council or for the Legislature to take specific action (or avoid it) to set the salaries for its key policy makers in all three branches of government.

The formula should provide for the implementation of salary increases equal to the lesser of the average of the across the board increases in the most recent collective bargaining agreements and arbitration awards for state employees, or a cost of living index.

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Attachment 1

State Agency Head Salary Ranges

Salary not exceed 85% of
governor's salary

Commissioner of administration;
 Commissioner of agriculture;
 Commissioner of commerce;
 Commissioner of corrections;
 Commissioner of children, families and learning;
 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;
 Director of office of strategic and long range planning;
 Commissioner of the pollution control agency;
 Commissioner of public safety;
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 Commissioner of trade and economic development;
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 Commissioner of veterans affairs;

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
 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;

Salary not to exceed 25% of
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Chair, Metropolitan Airports Commission



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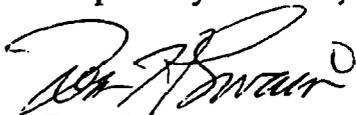
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 Commissioner of health;
 Commissioner, housing finance agency;
 Commissioner of human rights;
 Commissioner of human services;
 Executive director, state board of investment;
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 Commissioner of iron range resources and rehabilitation board
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 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;
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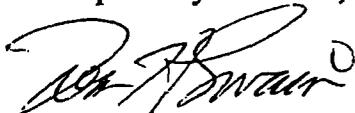
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6) Review of agency head position descriptions. The Legislature should request that the Commissioner of Employee Relations hire a consultant to professionally evaluate agency head position descriptions in order to evaluate their respective levels of responsibilities. As an alternative, the Legislature could appoint another Compensation Council to undertake this task.

7) **Salaries for Judges.** The salaries of Minnesota judges should be increased by 6% on July 1, 1997 and by 6% on January 1, 1998.

8) **Constitutional Officers.** The salaries of constitutional officers should be increased by 2.5% on July 1, 1997 and by 2.5% on January 1, 1998.

9) **Future salary increases.** The Council has been frustrated by the Legislature's difficulty in dealing appropriately and fairly not only with the salaries of heads of state agencies, but also with salaries for its own members and those of constitutional officers and judges. While the Council recognizes the hope that the use of an outside body such as the Compensation Council was well-intended, it is not apparent that the current model has been very successful.

We believe that the Legislature ought to instead adopt a fixed formula which would automatically adjust the salaries of Constitutional Officers, Legislators and Judges. With the establishment of salary ranges for heads of state agencies as a set percentage of the salary of the governor, use of permanent formula would obviate the need for either the Council or for the Legislature to take specific action (or avoid it) to set the salaries for its key policy makers in all three branches of government.

The formula should provide for the implementation of salary increases equal to the lesser of the average of the across the board increases in the most recent collective bargaining agreements and arbitration awards for state employees, or a cost of living index.

10) **Per diem payments received by legislators.** The Compensation Council believes that the receipt of per diem payments by legislators is an issue that should be examined. The Legislature could either re-establish the Compensation Council to look at this issue, or appoint a new one, which could make recommendations to the 1998 Legislature.

Respectfully submitted,



Tom Swain
Chair, Compensation Council

attachment: agency head list

c: 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
Senator Roger Moe
Senator Dean Johnson
Representative Ted Winter
Representative Steve Sviggum

Attachment 1

State Agency Head Salary Ranges

Salary not exceed 85% of
governor's salary

Commissioner of administration;
 Commissioner of agriculture;
 Commissioner of commerce;
 Commissioner of corrections;
 Commissioner of children, families and learning;
 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;
 Director of office of strategic and long range planning;
 Commissioner of the pollution control agency;
 Commissioner of public safety;
 Commissioner of public service;
 Commissioner of revenue;
 Commissioner of trade and economic development;
 Commissioner of transportation;
 Commissioner of veterans affairs;

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
 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;

Salary not to exceed 25% of
governor's salary

Chair, Metropolitan Airports Commission



Legislative Coordinating Commission

85 State Office Building

St. Paul, MN 55155-1201

(612) 296-9002

TDD (612) 296-9896

Compensation Council

March 11, 1997

The Honorable Phil Carruthers
Speaker, Minnesota House of Representatives

The Honorable Allan H. Spear
President, Minnesota Senate

Dear Mr. Speaker and Mr. President:

In accordance with the duties assigned to it by Minnesota Statutes 1996, Section 15A.082, the Minnesota Compensation Council offers the following recommendations:

- 1) **Replace the salary ranges for heads of state agencies 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.
- 2) **Chief Administrative Law Judge salary.** Establish the salary of the Chief Administrative Law Judge at 100% of the salary of a District Court Judge.
- 3) **Increase the salaries of Constitutional Officers and Judges in 1999 and 2000.** The Council recommends increasing the salaries for Judges and Constitutional Officers by the average of the across the board increases received by state employees in their collective bargaining agreements and arbitration awards.

Specifically, the salaries of Judges and Constitutional Officers should be increased on January 4, 1999 by the average of the across the board increases for the fiscal year ending on June 30, 1998 included in collective bargaining agreements and arbitration awards that have been ratified by the legislature in regular session in 1998. The salaries of Judges and Constitutional Officers should be increased on January 1, 2000 by the average of the across the board increases for the fiscal year ending on June 30, 1999 included in collective bargaining agreements and arbitration awards that have been ratified by the legislature in regular session in 1998.

(The Council recommends on page 3, item 7 that Judges receive a 6% increase in 1997 and in 1998.) If that recommendation is not implemented, the Compensation Council recommends that those adjustments be added to our recommended increases for 1999 and 2000.

The Compensation Council also makes this recommendation for Constitutional Officers assuming that the increases for these officials for 1997 and 1998 are approved by the Legislature and fully implemented. (The Council recommends on page 3 item 8 that Constitutional Officers receive a 2.5% increase in 1997 and a 2.5% increase in 1998.) If that recommendation is not implemented, the Compensation Council recommends that those adjustments be added to our recommended increases for 1999 and 2000.

4) Salaries of Legislators. The Council recommends that salaries of legislators be increased by 5% on January 4, 1999, and by 0% in January, 2000.

In addition to the recommendations required by law, the Compensation Council urges the following:

1) Retain the authority of the legislature to provide oversight in the setting of salaries. The Compensation Council accepts the Executive Branch's proposal to retain existing law which requires the governor to receive legislative branch approval before salaries can be increased within the statutory salary limits. However, the Legislative Coordinating Commission (which has the authority to grant interim approval to proposed increases) should be required to act within 30 days, or increases proposed by the governor should be considered approved.

2) 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 Coordinating Commission, could grant exemptions to that limit.

3) Two other salaries. Amend Minnesota Statutes 15A.081 to include the Executive Directors of the Gambling Control Board and the Pari-Mutuel Racing Commissions.

4) Workers compensation judges, settlement judges and administrative law judges. Establish the salary of workers compensation judges, settlement judges, and administrative law judges at 90% of the salary of a District Court Judge.

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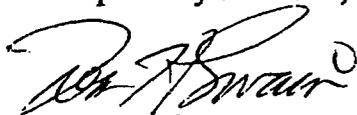
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Tom Swain
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Chair, Metropolitan Airports Commission