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1983

STATE OF MINNESOTA
COMPENSATION COUNCIL
JUDGES
CONSTITUTIONAL OFFICERS
LEGISLATORS

CHAIRPERSON: CHARLES A HAGGERTY

CO-CHAIRPERSON: KAROL EMMERICH

02/LJHW56

— recd 1/18/84 due 1/1/84 —
— Pursuant to 1983 Laws, ch 299, —
— sec 8 (coded as MS 15A.082) subd 3 —

PREFACE

BACKGROUND AND CREATION OF THE COMPENSATION COUNCIL--SENATE FILE 415, HOUSE FILE 422. A COMPENSATION COUNCIL WAS APPOINTED BY THE 1983 LEGISLATURE TO RECOMMEND SALARIES FOR THE STATE'S TOP ELECTED OFFICIALS, JUDGES, AND LEGISLATORS.

THE COUNCIL COMPOSED OF 16 MEMBERS, 8 APPOINTED BY THE GOVERNOR, 2 EACH BY THE MAJORITY CAUCUSES OF THE HOUSE AND SENATE, 1 EACH BY THE MINORITY LEADERS OF THE HOUSE AND SENATE, AND 2 BY THE CHIEF JUSTICE OF THE SUPREME COURT.

THE LAW REQUIRES THE COMPENSATION COUNCIL TO SUBMIT SALARY RECOMMENDATIONS TO THE LEGISLATURE BY JANUARY 1, 1984. THE RECOMMENDATIONS COVER THE STATE'S SIX CONSTITUTIONAL OFFICERS (STATEWIDE ELECTED OFFICIALS), JUDGES OF THE SUPREME COURT, JUDGES OF THE COURT OF APPEALS (LEGISLATORS), TRIAL COURT JUDGES, AND MEMBERS OF THE HOUSE AND SENATE.

THE SALARIES RECOMMENDED BY THE COUNCIL WILL TAKE EFFECT JANUARY 1, 1985 FOR THE LEGISLATORS AND CONSTITUTIONAL OFFICERS. THE RECOMMENDATIONS FOR THE JUDGES WILL BE EFFECTIVE JULY 1, 1984.

THE LEGISLATURE RESERVES THE RIGHT TO MODIFY THESE RECOMMENDATIONS BASED ON THE APPROPRIATION OF FUNDS TO PAY THE RECOMMENDED SALARIES.

THE COUNCIL WILL EXPIRE ON JUNE 30, 1984.

MEMBERS OF THE COMPENSATION COUNCIL

ABRAMSON, SIDNEY P--MINNESOTA BUILDING, ST PAUL, MN 55101
BURGER, JOHN--REP IR--LONG LAKE
ECKSTEIN, A J--411 S STATE, NEW ULM, MN 56073
EMMERICH, KAROL--7302 CLAREDON DRIVE, EDINA, MN 55435
HAGGERTY, CHARLES A--IBM CORP, HWY 52, ROCHESTER, MN 55901
HARRIS, CLARENCE--2030 FAIRVIEW AVENUE, NO ROSEVILLE, MN 55113
HUBBARD, JR, STANLEY S--3415 UNIV AVENUE W, ST PAUL, MN 55114
JOHNSON, DEAN--SEN IR--WILLMAR
KALINA, HAROLD--731 COLUMBIA PKWY NE, MINNEAPOLIS, MN 55418
LUTHER, BILL--SEN DFL--BROOKLYN PARK
PILLSBURY, JR, JOHN S--1300 TCF TOWER, MINNEAPOLIS, MN 55402
ROWE, JACK F--30 W SUPERIOR, DULUTH, MN 55802
SIMONEAU, WAYNE--REP DFL--FRIDLEY
SPEAR, ALLAN H--SEN DFL--MINNEAPOLIS
VANASEK, ROBERT--REP DFL--NEW PRAGUE
WICK, ALICE--1720 N 6TH AVENUE, ST CLOUD, MN 56301

ADDRESS FOR REPRESENTATIVES AND SENATORS:

130 STATE CAPITAL
ST PAUL, MN 55155

APPROACH

THE COUNCIL CONCENTRATED ON TWO MAIN AREAS:

- DETERMINING IN THEIR JUDGMENT IF THE EXISTING SALARIES WERE ADEQUATE.
- ATTEMPTING TO DEVELOP A "SYSTEM" WHICH WOULD HAVE LONGEVITY.

AS A RESULT, SALARY RECOMMENDATIONS BASED UPON THE PROJECTIONS OF THE AMERICAN COMPENSATION ASSOCIATION ARE RECOMMENDED. A REVIEW OF THIS GROUP IS CONTAINED IN THIS REPORT.

THE COUNCIL ALSO IMPOSED A 7.5% CAP AFTER ONE-TIME ADJUSTMENTS. IT WILL BE RECOMMENDED THAT THE CAP AND % OF INCREASE GENERATED BY THE FORMULA BE REVIEWED ANNUALLY (NOV 15-DEC 15) TO TAKE ECONOMIC AND FISCAL FACTORS INTO CONSIDERATION.

AMERICAN COMPENSATION ASSOCIATION

AN ORGANIZATION OF COMPENSATION PROFESSIONALS FROM AMERICAN INDUSTRY THAT HAS AS ITS OBJECTIVE TO TRAIN, INFORM, CONSULT, AND EXCHANGE INFORMATION WITHIN THE COMPENSATION FIELD. IT IS A RECOGNIZED BODY OF COMPENSATION PROFESSIONALS FROM ALL TYPES OF BUSINESSES.

IN ADDITION TO CONDUCTING VERY EXHAUSTIVE SURVEYS OF SALARIES AND SALARY STRUCTURES, THEY CONDUCT TRAINING PROGRAMS FOR COMPENSATION PERSONNEL AND CERTIFY THEM IN FIELDS OF JOB EVALUATION, SURVEYS, ETC.

A LARGE NUMBER OF THE FORTUNE 500 COMPANIES ARE REPRESENTED IN THIS ASSOCIATION, AS WELL AS SMALLER ORGANIZATIONS.

RECOMMENDATIONS

JUDICIAL SALARIES

\$2,500 ONE-TIME ADJUSTMENT FOR THE TRIAL COURT JUDGES EFFECTIVE JULY 1, 1984.

FORMULA FOR JULY 1, 1984 INCREASE OF ALL COVERED JUDGES (APPLIED AFTER ONE-TIME ADJUSTMENT). ADJUSTMENTS IN SALARIES WILL BE BASED ON THE EXEMPT STRUCTURE MOVEMENT, AS REFLECTED BY THE AMERICAN COMPENSATION ASSOCIATION PROJECTION DATED NOVEMBER 1983 FOR 1984, OF 5.3% (BASED ON THE 1983 SURVEY OF 2,400 COMPANIES).

JUDICIAL SALARIES WILL BE EFFECTIVE JULY 1, 1984.

7.5% CAP AFTER ONE-TIME ADJUSTMENT.

RECOMMENDATIONS

LEGISLATORS SALARIES

\$1,500 ONE-TIME ADJUSTMENT FOR LEGISLATORS EFFECTIVE JANUARY 1, 1985.

FORMULA FOR JANUARY 1, 1985 INCREASE OF ALL COVERED LEGISLATORS (APPLIED AFTER ONE-TIME ADJUSTMENT). ADJUSTMENTS IN SALARIES WILL BE BASED ON THE EXEMPT STRUCTURE MOVEMENT, AS REFLECTED BY THE AMERICAN COMPENSATION ASSOCIATION, PROJECTED FOR THE COMING YEAR (IE, 1985 PROJECTIONS PUBLISHED IN NOVEMBER 1984 BASED ON THE 1984 SURVEY OF 2,400 COMPANIES). ANTICIPATED TO BE 5.7% FOR 1985.

LEGISLATIVE SALARIES ARE EFFECTIVE JANUARY 1, 1985.

7.5% CAP AFTER ONE-TIME ADJUSTMENT.

RECOMMENDATIONS

CONSTITUTIONAL OFFICERS SALARIES

\$5,000 ONE-TIME ADJUSTMENT TO THE GOVERNOR'S SALARY TO \$80,000 EFFECTIVE JANUARY 1, 1985.

THE STATE TREASURER'S SALARY BE MAINTAINED AT ITS CURRENT SALARY OF \$44,000 UNTIL FURTHER REVIEW BY THE LEGISLATURE.

FORMULA FOR JANUARY 1, 1985 INCREASE OF ALL CONSTITUTIONAL OFFICERS EXCEPT STATE TREASURER (APPLIED AFTER ONE-TIME ADJUSTMENT). ADJUSTMENTS IN SALARIES WILL BE BASED ON THE EXEMPT STRUCTURE MOVEMENT, AS REFLECTED BY THE AMERICAN COMPENSATION ASSOCIATION, PROJECTED FOR THE COMING YEAR (IE, 1985 PROJECTIONS PUBLISHED IN NOVEMBER 1984 BASED ON THE 1984 SURVEY OF 2,400 COMPANIES). ANTICIPATED TO BE 5.7% FOR 1985.

CONSTITUTIONAL SALARIES ARE EFFECTIVE JANUARY 1, 1985.

7.5% CAP AFTER ONE-TIME ADJUSTMENT.

ADDENDUM

THE COUNCIL AGREED THAT A NUMBER OF SPECIFIC TOPICS SURFACED DURING THE DISCUSSIONS ON SALARIES OF THE OFFICIALS. AN ADDENDUM TO THIS REPORT WILL BE SUBMITTED BY JANUARY 31, 1984 COVERING SPECIFIC RECOMMENDATIONS TO BE DEALT WITH BY THE LEGISLATURE.