

# Compensation Options

## State Agency Heads and the Judiciary

REPORT TO MINNESOTA LCER  
OCTOBER 1982

the  
minnesota  
project

A CENTER FOR PUBLIC POLICY STUDY  
AND COMMUNITY DEVELOPMENT  
616 EAST 22<sup>ND</sup> STREET • MINNEAPOLIS, MN. 55404  
(612) 676-4700

OPTIONS FOR COMPENSATION OF THE STATE'S  
AGENCY HEADS AND THE JUDICIARY

A Report to the  
Minnesota Legislative Commission on Employee Relations

Thomas J. Triplett  
The Minnesota Project  
Principal Author

October 21, 1982

## TABLE OF CONTENTS

|                                                                                                 |    |
|-------------------------------------------------------------------------------------------------|----|
| Preface . . . . .                                                                               | 1  |
| Introduction . . . . .                                                                          | 2  |
| Chapter 1 - The Current System . . . . .                                                        | 4  |
| Chapter 2 - Options for Compensation of Executive<br>Branch Agency Heads . . . . .              | 7  |
| Chapter 3 - Use of Job Evaluation Systems for Setting<br>Executive Level Compensation . . . . . | 14 |
| Chapter 4 - Options for Compensation of the Judiciary . . . . .                                 | 17 |
| Chapter 5 - Salary Systems in Use in Other States . . . . .                                     | 24 |
| Appendix A . . . . .                                                                            | 31 |
| Appendix B . . . . .                                                                            | 34 |
| Appendix C . . . . .                                                                            | 38 |
| Appendix D . . . . .                                                                            | 39 |

## PREFACE

The production of this report to the Legislative Commission on Employee Relations was a true joint effort. I want to take this opportunity to express, first of all, my deep appreciation to legislative staff persons who played a very active role in the development of this research activity. Jermaine Foslien, administrative secretary to LCER, coordinated the work, and the following legislative staff persons played key roles in researching and helping to develop the policy options: Mark Shepard of House Research, Gary Bastian of Senate IR Research, Dave Lutes of Senate Research, Betty Anderson of House IR Research, and Larry Jones of Senate Counsel.

The Minnesota Project was under contract to LCER to perform much of the work on this activity, and I served as principal author of this final report. Dave Lutes authored the original draft of Chapter 3, and Mark Shepard and Gary Bastian did much of the background research which resulted in Chapter 5. Other background research was performed by Martha Greenwald of the Minnesota Project and by staff members of the Legislative Reference Library.

On behalf of all the persons involved in the preparation of this report, I also want to thank Representative Wayne Simoneau, chairman of LCER, and the other members of the Commission who clearly demonstrated to us their sincere interest in meaningful reform in the area of executive and judicial compensation, and who gave to us their advice and counsel.

A large number of individuals were consulted in the course of this work, and we want to express our collective appreciation to them. We interviewed nearly three dozen current and former agency heads, and Governor Quie and former Governor Perpich. Also, we had several meetings with representatives of the state's judiciary and bar association. Commissioner Barbara Sundquist, Deputy Commissioner Dick Brainerd, and their staff at the Department of Employee Relations were extremely helpful. Finally, we want to thank the legislative staff persons and agency personnel from the 11 states that provided us with useful comments on their experiences with executive and judicial compensation.

Thomas J. Triplett  
The Minnesota Project  
October, 1982

## INTRODUCTION

This report is submitted to the Minnesota Legislative Commission on Employee Relations to assist the Commission in its study of state employee compensation. That study is required by Laws 1982, Chapter 568, Section 12, and will be used by the Legislature in considering revisions in the method by which executive branch agency heads and the state's judges are compensated.

The Minnesota Project and legislative staff were asked to provide LCER with options for changing the system by which compensation decisions are made in the state service. Because we determined early on in the process that executive and judicial branch compensation involve differing issues, we have separated that discussion in this report. (Chapter 2 discusses options for compensating executive agency heads, and Chapter 4 lists options for judicial compensation.) Chapter 1 summarizes the current system used in Minnesota, Chapter 3 discusses in some detail "job content" systems as one means of determining compensation, and Chapter 5 summarizes the experiences of eleven states. Several appendices are included at the conclusion of the report.

We were asked not to provide recommendations to LCER. Instead, we have noted what appear to us to be the pros and cons of the various options. Several of the individuals who worked in the preparation of this report have reached preliminary recommendations of their own, and we are prepared to state those recommendations if the members of LCER would find that useful.

Non-salary benefits. The 1982 legislation defines the topic of LCER's study to be "compensation" and not purely "salaries." As the members of LCER know, non-salary benefit items such as pension and health insurance are the subject of some controversy and much prior study in the Legislature. Indeed, during the course of our work on this activity, many former agency heads and current judges recommended to us specific improvements in non-salary benefits.

In our opinion, non-salary benefits for agency heads and judges do require legislative attention - but not in the context of this particular study. We believe that LCER and the full Legislature should first resolve salary issues, and then proceed to work on other benefit matters. In recognition of this opinion, this report will focus exclusively on salary items.

Salary theory. This report will deal with salary process; it will not discuss specific salary adjustments for individual positions. At its prior meetings, LCER determined that the process questions should be resolved first. That is, only after a decision is made on how salaries should be set should attention focus on specific dollar amounts.

Similarly, there will be little discussion in this report of

basic salary theory - i.e. the rationale behind specific base salaries or salary adjustments. Various students of salary theory have suggested a number of grounds upon which salary decisions could be based - duties of the office, meritorious performance, completion of predetermined management objectives, political factors, etc. These grounds, and others, will need to be considered at the stage of implementation of the process options ultimately selected by the Legislature.

It is appropriate to note one important reason for the need to consider salary adjustments at this time. According to data submitted by the Department of Employee Relations, the salaries of more and more state employees are reaching salary levels of their agency heads. Under existing state law, employee salaries cannot exceed the salaries of their agency heads without special authorization of DOER. This limitation, combined with upward pressures on salaries prompted by periodic raises for lower-level employees has resulted in a moderately severe "salary compression" problem in the state service. Appendix C to this report shows the number of employees who now earn more than their agency heads, the number that earn the same amount, and the number that earn within 14% of their agency heads. Until adjustments are made (either by increasing agency heads' salaries or by stopping increases for other employees), this compression problem will grow.

## CHAPTER 1. THE CURRENT SYSTEM

The purpose of this chapter is to describe briefly the current statutory system for compensating state agency heads and judges. We will note which positions are now compensated under which system, and we will provide some historical background on the use of these various systems. Appendix A to this Report provides a tabular presentation of the current system for executive agencies.

### Definition of Agency Heads

The law requiring LCER to study executive compensation requires the Commission to review three categories of agency head positions: "the executive positions contained in Section 15A.081, those that have been removed through legislative action, and those that have never been included." Identifying those positions covered by the first two categories is relatively easy (especially if we adopt an arbitrary 20-year timeframe for defining those that "have been removed by legislative action").

The third category - those agency head positions that have never been included - is more difficult to define. It is not always obvious which are the agency head positions that should be included in this type of study. To fill this definitional void, we recommend to LCER that it include the following types of additional agencies:

1. Those whose heads are appointed by the Governor or by an independent, multi-member state board or council, and
2. Those that are otherwise generally viewed as free-standing agencies having statewide significance.

Conversely, we recommend that the following types of agency head positions not be included in this discussion:

1. Heads of legislative branch agencies;
2. Heads of regional or local government agencies;
3. Heads of interstate compact agencies (who are generally appointed by all the participating states);
4. Heads of "quasi-state" agencies which are mentioned, but not specifically created, by statute; and
5. Heads of temporary agencies created by executive order of the Governor.

With these definitions in mind, the chart contained in Appendix A identifies some 96 positions (or 124 individuals) to be included in this discussion of the executive branch.

### Executive Branch Compensation Systems

The agency head positions identified in Appendix A can be categorized as follows:

1. The agency head is appointed by the Governor (38 positions)
  - a. Salary is set by the Legislature (34 positions)
  - b. Salary is set by a governing board within a range prescribed by the Department of Employee Relations (DOER) (4 positions)
2. Agency head is appointed by an independent board (58 positions)
  - a. Salary is set by the Legislature (2 positions)
  - b. Salary is set by the appointing board within DOER-approved ranges (56 positions)
3. Agency head is elected (6 constitutional officers)
  - a. Salary is set by the Legislature (6 positions)
4. Agency head is appointed by another agency head (22 positions)
  - a. Salary is set by the appointing authority within DOER-approved ranges (22 positions)

Therefore, the Legislature now sets the salaries of 42 of the 124 covered agency head positions (33.9 percent). The remaining salaries are set by the appointing authority within ranges approved by the department. Of those 82 positions whose salaries are not now set by the Legislature, 33 of those were in fact set by the Legislature at some time within the past 20 years. (The date the Legislature gave up the salary-setting authority for each of those positions is noted in Appendix A.)

It is unclear why the Legislature decided to forego its salary-setting responsibilities. However, for all of those positions, the salary-setting authority was ultimately transferred to the appointing authority (to be set within ranges approved by DOER). A key issue for LCER consideration, in our opinion, is the appropriateness and rationale for treating these various positions differently. Is it appropriate, in other words, for some positions appointed by the Governor to have their salaries set by the Legislature, and for others to have their salaries set by another entity? Similarly, for those positions filled by appointments from a board or council, is it appropriate to have the Legislature set some of those salaries, with the remainder being set by the appointing board or council?

### The Current System for the Judiciary

On May 4, 1982, the full LCER elected to expand the scope of

this study to include the judicial branch of state government. The precise definition of "judicial branch" was not determined, although it was clear from the May 4 meeting that the prime focus of attention would be on judges.

Minnesota now has a total of 219 judges (133 county/municipal, 77 district, and 9 Supreme Court judges). Salaries for all those judges are now set by the Minnesota Legislature in Section 15A.083. (Sections 15A.081 relating to executive branch salaries, and Section 15A.083 are included as Appendix B to this report.)

## CHAPTER 2. OPTIONS FOR COMPENSATION OF

### EXECUTIVE BRANCH AGENCY HEADS

This chapter will set forth four basic system options for the compensation of executive branch agency heads. We will briefly describe each option and then list what appear to be the major "pros" and "cons" of each.

These options make use of compensation tools first described to LCER at a subcommittee meeting on July 15 of this year. At that meeting, the subcommittee approved continued consideration of the following tools:

1. Retain the current system;
2. Use salary ranges;
3. Use a special "salary plan";
4. Use a legislative veto;
5. Establish a salary commission;
6. Use job content systems;
7. Use "automatic" adjustments;
8. Adopt a merit pay system.

The system options described below each include one or more of the above tools. Those tools are more thoroughly described in an interim report to the LCER Subcommittee on Executive and Judicial Compensation, dated July 9, 1982, and available from the LCER offices.

In subsequent chapters, we will discuss in more detail a key element of one of the options - the use of job content evaluation systems. Also, we will briefly describe some of the systems now in use in other states.

We want to emphasize that the following descriptions are not meant to suggest that each of the options are mutually exclusive. It may be that parts of two or more of the options could be consolidated into one plan. Similarly, several of the tools noted above could be superimposed on top of any of the following options. This is especially true for the salary commission, automatic adjustments, and the merit pay system.

#### Option 1 - Retain the Current System

This option involves the retention of the system now in use and more fully described in Chapter 1 of this Report.

In essence, the Legislature would continue to set salaries by determining specific salary numbers to be contained in Chapter 15A. The Legislature may continue to have some salaries set by appointing authorities (as is now done for several higher education boards, the State Board of Investment, and others). Alternatively,

the Legislature may elect to bring back within Chapter 15A those positions for which the salaries are set elsewhere.

Under this option, the Legislature may elect to seek compensation advice from outside sources (such as the Department of Employee Relations ("DOER") or a special salary advisory commission) or to use LCER as the vehicle for proposing changes to the full Legislature. Ultimately, however, it is the full Legislature that has the final salary-setting authority.

Pros. The first advantage of this option is that it requires no change from existing practice. Current law would remain in effect, and the Legislature would not need to spend its valuable time evaluating and drafting legislation to implement alternative ideas.

The second major advantage is that this option would leave the Legislature with the most direct control over executive compensation. If the Legislature is unhappy over a specific salary, it will have the authority to make a change. In addition, it can more directly incorporate the budgetary impacts of proposed compensation changes into its budget-setting system. Finally, it will be able to most directly relate agency head compensation decisions to decisions it will be making in respect to salary levels for classified employees in the bargaining process.

Cons. The current system has a number of recognized deficiencies. In fact, a prime reason for the institution of this study was widespread legislative dissatisfaction with the subjectivity and irrationality of the current system. Many legislators and others argue that salary decisions under the current system are not based on objective evaluations of the nature of particular positions; rather, they are often made on the basis of opinions about the individuals holding those positions.

Related to the above point is the fact that the statutes do not contain any standards or criteria by which salary decisions are to be made. Although advisors to the Legislature (e.g. the Governor, DOER and the various prior salary commissions) often base their recommendations on specific standards, there is no requirement that the Legislature's final decisions recognize those standards.

Some persons also complain that the current system does not provide for predictable or periodic raises. Salaries are at the total whim of the Legislature, and the failure in any biennium to raise salaries compounds an already serious salary compression problem in the state service.

Finally, there is no rationality under the current system on the issue of why some salaries are now set by statute, and why others are set by the appointing authority. It may be possible to devise rationale, but as of now, none are contained in law.

### Option 2 - Use of Statutory Ranges

Under this option, the role of the Legislature in the process would be reduced and redefined. Rather than setting specific salaries in statute, the Legislature would prescribe salary ranges for groups of agency head positions. The groupings would be made according to some predetermined criteria (e.g. size of agency budget, number of employees, perceived importance of the agency, etc.). For each category, the Legislature would assign a salary range.

The following is an example of how this system option might work. The agency head positions are divided into four categories (although any number would work) based generally upon size of the agency and the agency's perceived importance to state government. For purposes of this example, only a few of the agencies are included in the categories to give an idea of the type of agency that might fall into each of the categories. The salary ranges for the example categories are based solely upon current actual salaries. The ranges are not meant to suggest what we might consider to be appropriate ranges for those categories.

Category 1. (Major state departments.) Energy, Planning and Development; Finance; Natural Resources; Public Welfare; Transportation. Range: \$45,000-60,000.

Category 2. (Major state agencies.) Administrative Hearings; Housing Finance; Pollution Control. Range: \$40,000-55,000.

Category 3. (Lesser department and agencies.) Human Rights; Mediation Services; Veterans Affairs. Range: \$30,000-45,000.

Category 4. (Minor boards.) Medical Examiners, Nursing, Teachers. Range: \$25,000-40,000.

The statutes would categorize all agency head positions within one of the four categories. Periodically, the Legislature (perhaps using LCER and an independent review commission), would review the listing to make sure that agency head positions were assigned to the appropriate categories and that the assigned ranges were proper. The appointing authorities for each of the positions in the categories would establish specific salaries within those ranges.

For some types of positions, such as the constitutional officers and members of the Public Utilities Commission, it may be desirable to retain specific salaries in statute rather than ranges.

The Legislature may want to place in statute guidelines for appointing authorities to use in the setting of individual

salaries. For example, it may be appropriate to say that the salary of an individual when first appointed to a position may not exceed the midpoint (or some other position) in the range. Also, it may be appropriate for the Legislature to say that no salary may be increased by more than a certain percentage (or by some other number such as the cost-of-living increase for the metro area) in any one year. Finally, the Legislature may want to prescribe in statute standards by which individual performance would be measured and salary adjustments made (or to say, for example, that DOER should be consulted on such matters).

Pros. This option continues direct legislative involvement in the compensation process, but it does so in a way that recognizes inherent limitations in the Legislature's ability to establish salaries. This option involves, in essence, a partnership between the Legislature and the appointing authority (with possible additional roles being played by DOER and an advisory commission). Both the Legislature and the appointing authorities play initiatory roles in the process, but neither entity has unilateral authority.

Cons. There will still be subjectivity in the process: the Legislature could assign positions to specific ranges for other than objective reasons, and appointing authorities could make subjective decisions on specific salaries within those ranges (even if the law prescribed certain standards to be used in performance evaluations.)

Many persons complain that the current system does not increase salaries at a predictable and regular rate. Under this option, the Legislature could still refuse to raise ranges and thereby compound compression and other problems. (However, the use of ranges will clearly reduce the severity of this problem from that encountered under the current system.)

Finally, forcing an appointing authority such as the Governor to set specific salaries within ranges would force him or her to distinguish among agency heads. Some appointing authorities may be uncomfortable in performing this function, and some Governors may not feel as though they know their agency heads well enough to make that sort of decision.

### Option 3 - Use of a Salary Plan

This option would build off the current system which uses special compensation plans for the state's unrepresented classified employees and the state's classified managers. It would either involve the creation of a separate compensation plan exclusively for executive branch agency heads, or it would include the agency heads in the existing "Management Plan."

Under this system option, the Department of Employee Relations would have control of the initial design of the compensation plan. DOER could establish ranges for each agency head position, or for

groups of positions. The plan could be based upon evaluations of positions using job content systems like the Hay and Associates point system now used by the Department for lesser positions in the state service. The Department could also choose to convene an advisory commission to make recommendations to it.

Appointing authorities could be empowered to set specific salaries within the ranges contained in the Plan. Alternatively, a particular point in each range - perhaps the midpoint - could be designated by the Legislature, DOER or the appointing authority as the actual salary for each position.

After the Department prepares the Plan, it would be submitted to LCER and the Legislature for their approval (just as the other plans are now submitted). The Legislature would approve or disapprove the Plan and, if the latter, return it to DOER for revisions. (Note: technically the Legislature could make line item changes in the plan, although this practice would not be consistent with the general goal of this option.)

Pros. Like the preceding option, this system involves a shared function in salary-setting. (Unlike the former option, however, this one places the Legislature in a "reactive" rather than "initiatory" role.) This system appears to be more "objective" and "rational", at least on its face, than are either of the preceding options.

By incorporating ranges for agency heads in a Plan, it will be easier to insure that agency head salaries track with the salaries of their subordinates (thereby avoiding compression problems). Also, it will be possible to add "automatic" salary adjustment features which again will make head and subordinate salaries more consistent.

Cons. This system would place heavy reliance on job content systems like that of Hay and Associates. As noted in Chapter 3 to this Report, many persons argue that such systems are not useful in setting salaries of top level positions.

Some might also argue that this system removes too much legislative discretion; and that all that remains will be the authority to approve or disapprove. This line of thinking would say that agency heads should have more accountability to the Legislature than provided under this option.

#### Option 4 - Delegation of Salary-Setting Authority

This option is really a series of variations on a central theme - the divestiture by the Legislature of any significant role in the setting of agency head salaries. The only function retained by the Legislature would be its constitutionally required budget-setting responsibility.

This option could be implemented in a number of ways. For example, the statutes could instruct DOER to establish ranges for the agency head positions, with the appointing authorities setting the actual salaries within those ranges. Alternatively, the Legislature could by law create an independent salary commission that would be given the responsibility of setting salaries. Or, some combination of the preceding could be implemented - e.g. the creation of an advisory commission that would make recommendations to DOER, which would establish ranges to be used by appointing authorities in setting final salaries.

If the Legislature desires, it might retain some authority over salary-setting, beyond its basic budget responsibilities. For example, the Legislature might want to specify in statute those standards and criteria to be used by a commission, by DOER and/or by appointing authorities in setting salaries.

Alternatively, the Legislature may wish to reserve to itself the authority to veto individual salary decisions. Under this approach, the salaries would be set as per one of the above variations, but the Legislature would be able to come back at the next legislative session and reject a particular salary adjustment. (Note: this legislative action could be made retroactive, although a more likely approach would be for prospective application).

Pros. This series of variations would allow the most extensive use of objective job content systems. Presumably, therefore, "political" decisions in the setting of salaries could be reduced to a minimum. Also, by removing salaries from the legislative arena, salaries could presumably be adjusted more often so as to avoid problems of compression with the salaries of lower-ranking employees.

The addition of the legislative veto concept will preserve some legislative role, albeit in a "reactive" mode.

Cons. As noted in Chapter 3 to this report, some persons question the advisability of a purely "objective" approach to salary-setting for top-level executive positions. These persons argue that it is important to have more subjective factors - such as the relative importance of particular agencies to the state's economic recovery - included in salary determinations.

By removing legislative control, you also remove a certain amount of accountability from agency heads. The Legislature enacts programs to be administered by executive branch agency heads, and one way of retaining accountability to the Legislature is to have some legislative control over salary determinations. (Note: some persons argue, however, that control over salaries is not an appropriate technique for insuring agency head accountability.) Even with the legislative veto concept, the Legislature would no longer be playing a partnership role in the process; its functions would be simply to react to the actions of others.

The idea of a legislative veto has its own drawbacks. There is little precedent for this technique in current law, and the idea as used in the Congress is now under U.S. Supreme Court review. There may also be state constitutional problems. Finally, substantial thought must go into the process of how the legislative veto would work - would it be a joint resolution, or could a single House of the Legislature unilaterally veto the proposed adjustments? Each of these techniques has deficiencies and will need further review.

CHAPTER 3. USE OF JOB EVALUATION SYSTEMS FOR  
SETTING EXECUTIVE LEVEL COMPENSATION

The process of arranging jobs in a hierarchy is known as "job evaluation." Job evaluation is a method of making systematic value judgments concerning relative pay relationships within an organization.

Use of such a system is possible in several of the options described in Chapter 2. Because the use of such a system adds a new "objective" dimension to salary-setting, and because these systems have equally strong proponents and detractors, we thought it would be appropriate to devote an entire chapter of this report to the topic.

The state of Minnesota uses a formal job evaluation technique called the "Hay Guide Chart-Profile Method." This system is one of the most widely used job evaluation systems in the public and private sectors. In the public sector in Minnesota, Hay & Associates have instituted point systems in Olmstead County, the city of Roseville, and the St. Paul Housing Authority, as well as in state government.

Under the Hay system, the value of a whole job is measured by know-how, problem-solving, and accountability. The three job elements are defined as follows:

1. KNOW-HOW is the sum total of every kind of skill, however acquired, that is required for acceptable job performance.
2. PROBLEM-SOLVING is the original, "self-starting" thinking required by the job for analyzing, evaluating, creating, reasoning, and arriving at conclusions.
3. ACCOUNTABILITY is the answerability for an action and for the consequences thereof. It is the measured effect of the job on end results.

(NOTE: The Hay system also has another measurement factor known as "working conditions." But since "working conditions" are relatively unimportant in the overall system, it will be ignored in the remainder of this chapter.)

There are approximately 1,800 job classes in the state service. Nearly 800 of those classes have now been assigned Hay points. The remaining classes are largely "one person" job classes.

The Hay system has played a limited role in the salary setting process in the state service. Collective bargaining and the Commissioner's plans set specific salary rates. Most often, the

Hay job evaluation system has been used to:

1. Establish pay ranges for newly created job classes;
2. Justify the state's position at the bargaining table;
3. Determine "under-valued" female-dominated occupations under the "pay equity" legislation enacted during the 1982 legislative session;
4. Recommend salaries or salary ranges for executive agency heads and judges.

The Hay system (and similar job evaluation systems) have been the subject of substantial controversy in recent years, especially in their application to top level political appointment positions. Supporters claim that their system can be applied to any work environment, and that the Guide Chart-Profile Method has several advantages:

1. It is based on simple business concepts and principles that are easy to use;
2. It narrows matters of opinion to a minimum and brings sharp judgments to bare from more than one independent perspective;
3. By providing a framework within which evaluation decisions must be made, it does away with endless committee discussions;
4. It forces disciplined and orderly thinking about job content and quickly highlights vague and poorly conceived or designed jobs;
5. It provides a clear, understandable basis for interrelating all kinds of jobs at all levels - top executives, middle managers, hourly workers, day laborers, scientists, technical personnel, and professional people such as physicians and lawyers. It also takes into consideration the wide variety of conditions under which people work - conditions such as extreme heat, noise, isolation, danger, boredom, repetitiveness, and pressure of deadlines. (From C. G. VanHorn, Handbook of Wage and Salary Administration; McGraw-Hill, Inc., 1972.)

Critics of the Hay system cite several problems in attempting to apply a top-level point system to executive and judicial job classifications. First, point systems are particularly subject to bias at this level in the organization. One bias which appears prevalent in the existing evaluations is the tendency to mirror existing wage structure in the Hay ratings. Thus, a governor is frequently rated highest, whether or not the job in fact uses all of the qualities the evaluation system says are necessary to perform the job.

A second problem is the manner in which the Hay system assigns points to different amounts of know-how, problem-solving, and accountability. The numbering scheme used in the system is a geometric scale with a difference of approximately 15 percent between gradations within each of the three factors. (Or, to put it another way, the value of each of these three factors grows in 15 percent increments.)

For example, on the dimension of "know-how," there is a seven point difference in the gradation between factor degrees for lower ranked jobs (e.g., mailroom handler) while there is a 240 point difference in the gradation between factor degrees for jobs in the upper structure of the organization (e.g., Governor and Chief Justice of the Supreme Court). Thus, at these high position levels, only a slight gradation difference in job content will lead to a significant difference in final point totals for the position.

A third problem is the system's perceived inability to measure the relative "importance" and "visibility" of executive level positions. That is, two agencies may have comparable budgets and personnel complements but be widely dissimilar in their relative importance from a public policy perspective. Critics of the Hay system contend that this "importance" element simply cannot be measured on a point system, and yet is - or should be - a basic determinant of the relative salary of agency heads.

#### CHAPTER 4. OPTIONS FOR COMPENSATION OF THE JUDICIARY

The 1982 Legislature directed LCER to review the manner by which compensation is determined for executive agency heads and to report back to the 1983 Legislature on any needed changes in that process and recommendations for specific salary adjustments. In the summer of 1982 LCER voted to expand the scope of the study to include the state's judiciary. The purpose of this chapter is to outline options for changes in the way compensation is established for the state's judges.

In preparing these options, we consulted with a number of individuals and organizations familiar with the judiciary. On September 16, 1982, LCER arranged for a meeting of representatives of the state bar association, the Minnesota Supreme Court, the state District Judges Association, and the state County Judges Association. This meeting, and various other consultations, helped produce the options described below.

As with the discussion of executive compensation options in Chapter 2, the following discussion will not conclude with a specific recommendation to LCER. Rather, our goal is to help LCER reach an independent conclusion based upon the "pros and cons" of each of the options and the experiences of other states, which are set forth in Chapter 5.

##### Option 1 - Retain the Current System

Under this option, the Legislature would retain the current system which has specific salaries for the state's judges enumerated in Minnesota Statutes, Section 15A.083. Continued use could be made of ad hoc salary commissions to advise the Governor and the Legislature (such as the recent "Pillsbury commissions"), but the conclusions of such commissions would be advisory only.

Pros. A major advantage of this option is that it requires no change and would not necessitate lengthy legislative hearings. Efforts could be concentrated toward salary adjustments without having to worry about confusing and complex process changes. The Legislature - a politically accountable body - would continue with its total control over the compensation system and would not have to worry about delays in receiving recommendations from other bodies. There is no question but that this option satisfies the mandate of the Minnesota Constitution that "the compensation of all judges shall be prescribed by the legislature."

Cons. There is widespread dissatisfaction among legislators and members of the judiciary with the current system, and this option would only perpetuate those perceived problems. The present system is viewed by some as one that is as too irrational and political and which ultimately results in keeping salaries too low. Judges and members of the bar complain that the system forces judges to engage in the "unseemly" practice of directly lobbying

for pay increases. The final result under the current system, so the argument goes, is that the low pay dissuades qualified individuals from serving in the judiciary.

### Option 2 - Create a Judicial Compensation Commission

In general terms, this option involves the establishment of a compensation commission that could have a range of possible powers. According to data compiled in 1980 by the National Center for State Courts, some 21 states now make use of such commissions. Although some of these commissions are charged with making salary recommendations for executive and legislative positions, as well as judicial, most seem to deal only with the judiciary.

This option includes three suboptions. Because each of the three offers unique advantages and disadvantages, they will be considered separately.

#### Suboption A - A total delegation of authority

Under this suboption, the Legislature would create a commission and delegate to it total authority to set compensation for state judges. Certain parameters for the commission could be defined (e.g. the total salary package must be within general budget guidelines, judges' salaries must be in line with judges' salaries in other states, the salary of the highest paid judge could not exceed the salary of the Governor, and/or any salary increases must not exceed certain percentages every year). Also, the commission could be required to consult with groups like LCER, bar associations and the judiciary before making final decisions. Ultimately, however, the authority to set the final salaries would reside in the commission.

Pros. This option could go far toward adding objectivity and rationality to the system. Assuming the commission consisted of competent and nonpartisan individuals representing a range of interest groups (from both the bar and the public), citizens of the state could probably be assured of salaries approaching appropriate levels. The Legislature would be relieved of a difficult political burden, and judges would not have to engage in lobbying.

Cons. A severe potential problem with this option is the constitutional mandate that the Legislature set judicial compensation. Under this suboption, control over compensation would be removed from a politically accountable body, and there is no guarantee that the commission would act in an unbiased manner. Giving such broad power to a commission would also raise issues with the method used to select commission members and the interest groups they are selected to represent. (How many lawyers, as opposed to "disinterested" citizens, for example, should serve on the commission?)

#### Suboption B - An advisory commission

Under this suboption, the powers of the commission would be advisory only. As with prior commissions that advised on executive, judicial and legislative compensation, the commission could be charged with reporting its recommendations first to the Governor for inclusion in his or her budget message. Alternatively, the Legislature may elect to create a commission that would deal only with judicial compensation and that would report directly to the full Legislature or LCER rather than reporting first to the Governor.

Pros. This suboption would avoid the constitutional infirmities inherent in the first suboption. The Legislature would be less constrained - it could accept, reject or modify the commission's recommendations. Because the work of the commission would be only advisory, it may be possible to provide more input from interest groups like the judiciary and the bar without raising questions about undue or biased influence from those groups.

Cons. The work of advisory commissions in the past has often been ignored by the Legislature (although having the group report directly to LCER might reduce this problem). However the commission would be structured, the Legislature could still ignore its work and thereby alienate the judiciary and their bar association supporters. (One reason why this might happen could be the commission's inability to take into account broader budget issues and compensation levels developed for other public employees.)

Because the recommendations would be advisory, the ultimate result of this suboption might simply be the addition of another layer of decision-making. Therefore, judges and others seeking raises for judges may determine that the same amount of lobbying and political activity may still be needed to accomplish alterations in judicial salaries.

#### Suboption C - Use of a legislative veto

This suboption may be characterized as a hybrid of the preceding two. Under this approach, a commission would be delegated the authority to adjust unilaterally the salaries of the judiciary, but any adjustments would be subject to a veto by the Legislature within a given period of time.

There is precedent for the use of a legislative veto in the Congress and in other states. The veto power can be exercised in one of two ways: either a joint resolution would be required (with both houses of the Legislature passing the veto resolution), or each house could be given an independent veto power. Under this second technique, either house of the Legislature could veto salary increases by a majority vote (or some larger percentage vote) of the members of that house. Concurrence of the other body and the approval of the Governor would not be required. Upon rejection of the salary adjustments, the commission would be instructed to

rework its recommendations and report back to the Legislature.

Pros. This suboption appears to avoid the worst features of the preceding two. The Legislature does not totally forego its responsibilities, but its role becomes one of reacting to the actions of a body that is selected for its competence and objectivity in dealing with this narrow question. The Legislature would not become bound up with specific salary determinations; its role would be purely that of accepting or rejecting a salary proposed to it.

Cons. Although the constitutional problems with this approach do not appear to be as significant as with those of Suboption A, some hurdles do remain (including whether the legislative veto is permissible for "separation of powers" and other reasons). With each house of the Legislature having independent veto powers, inter-house disputes could easily emerge. Also, because Minnesota does not now have a precedent for the use of legislative vetoes, the institution of this technique for this narrow purpose could establish a precedent for its use in other areas.

### Option 3 - Automatic Salary Adjustments

This option moves away from direct, periodic decisions by the Legislature on particular salary increases. Under this approach, the Legislature would prescribe a formula for the "automatic" adjustment of judges' salaries. These adjustments would occur upon the application of an objectively-based formula and would not involve any legislative ratification.

This option could be applied in several different ways. The Legislature could, for example, prescribe in statute that judges' salaries would be increased every two years by the percentage increase in the consumer price index for the Minneapolis-St. Paul metro area. Or, the formula could specify an increase only to the extent of a percentage of the CPI increase. Or, some other formula such as the GNP deflator could be used.

Alternatively, the amount of increase could be tied to increases accorded other public employees (such as, for example, the average increase given to classified state employees). Or, to meet the possible criticism that an 8 percent increase on a judge's salary means much more in net dollars than an 8 percent increase to the average state employee, the Legislature could say that the increase is only a percentage of the increase given state employees (or could not exceed a flat dollar amount).

This option could also be used as a "fallback" mechanism in the event the Legislature fails to vote an increase in pay for judges. In other words, an automatic adjustment formula could be placed in statute to be used only if the Legislature otherwise fails to vote a "regular" increase for judges.

Pros. This option has the advantage of providing period salary adjustments based on objectively determined standards. The Legislature's role is limited to developing a formula; the adjustments would take place without the need for specific legislative ratification. For the judiciary, the system has the advantage of more or less insuring periodic increases which reflect general economic conditions and the relative buying power of a specific salary.

It could be argued that the use of automatic adjustments is appropriate for "career" public officials such as judges (even though, to be precise, judges do run for reelection every six years). Because the various classifications of judges all receive the same salaries, there is no reason to make individual distinctions among particular judges, and across-the-board adjustments affecting all judges would therefore seem appropriate.

Cons. There may be constitutional problems with this option; one could argue that the Legislature has delegated its constitutional duty to other entities or economic forces. In the past, the Legislature has shown a reluctance to use automatic adjustments arguing that such adjustments do not take into account such factors as the condition of the state treasury or market factors (which might argue that a higher or lower salary adjustment is appropriate for judges).

Another disadvantage of using statutory automatic adjustments is that other employee groups might argue that placing automatic adjustment factors in statute is desirable for them as well as judges. These employee groups could contend that they must go through a bargaining process to gain their increases, and it is therefore inappropriate to give one group of employees a "free ride." Finally, the state Department of Employee Relations has recently indicated its strong dislike of automatic adjustments and its intention to resist future efforts to impose them for classified employees through the bargaining process.

#### Option 4 - Tie Salaries to Other Standards

Under this option the Legislature would equate judges' salaries to some external standards. There are several standards that could be used under this model: the salaries of federal judges (or a stated percentage of those salaries), average salaries of other states' judges, the salary of a state official such as the Attorney General, salaries of public attorneys such as county prosecutors, or average salaries of certain categories of attorneys in private practice in the region, state or nation.

Pros. This option would go far toward resolving one of the major complaints of the state's judges - they are underpaid in respect to their peers on the bench and in respect to attorneys in private practice. This option would specifically relate judicial salaries to "the market." This system would be more "objective"

than some of the other options described above, and its implementation would relieve the Legislature of the difficult and time-consuming tasks of biennially reviewing appropriate salary levels for judges.

Cons. There are severe constitutional issues raised by this option; it is easy to argue that this option totally delegates the salary setting power to an authority other than the Minnesota Legislature (such as the Congress or general market conditions). Also, if market standards are to be used, it may be difficult to insure accuracy in the determination of, say, the average salary of senior attorneys practicing in the metro area. Finally, depending on which measurement standard is employed, such a system could tend to cause problems with salary consistency between other sectors of the public workforce (that is, under this option the current relationships with elected and appointed state officials could become altered).

### Option 5 - Create (or Re-create) Distinctions

#### Among Categories of Judges

Under this option, distinctions would be made among various categories of judges. This approach to compensation questions the desirability of similar salary levels for all classes of trial judges. It allows for differentiations to be based on a number of factors, including such matters as workload size, experience of individual judges and varying cost-of-living factors inherent in different regions of the state.

This option could be implemented in a number of ways. Judges with more years of service could receive higher salaries, district judges could be paid more than county and municipal judges, and/or judges in the higher population counties (or that otherwise experience a higher caseload) could receive a larger salary increase. In respect to the last mode, the Legislature may want to give counties the option of paying their judges more rather than paying the difference out of the state treasury.

Pros. This option would take into account both real and perceived differences between categories of judges and would allow the payment of higher salaries without having to justify those higher salaries for all judges. Such a system could reflect differing circumstances among judges, such as higher caseloads, and could recognize the assumption that judges become more valuable to the state after gaining more experience.

Cons. In recent years, many battles have been fought in the Legislature over salary distinctions between district and county judges and between metro and non-metro area judges. To attempt to reinsert such distinctions would undoubtedly reopen longstanding and bitter differences among legislators (and could confuse any forthcoming efforts toward court unification). It may be difficult

to conclude that district judges or judges assigned to the metro area necessarily have more difficult caseloads or assignments, have higher costs-of-living or are otherwise "more valuable" than other judges. Finally, although it perhaps could be shown that the first few years of a judge's tenure are spent learning the trade, it is difficult to conclude that a judge with, say, ten years experience is any less competent or valuable than a judge with twenty years experience.

#### Option 6 - Establish a Merit Pay System

Under this option the Legislature would establish a system for rewarding judges whose work is particularly meritorious. Bonuses or base salary increases could be awarded judges whose performance over the preceding year, as evaluated by a special committee or pursuant to objectively determined standards, exceeds the performance of other judges. As an alternative, the Legislature could provide for the institution of a "management-by-objective" system comparable to that used in many private corporations and some public employment situations.

Criteria that could be used in rewarding superior performance include productivity (based upon increases in the number of cases disposed of or administrative improvements in the court) or quality of work (excellence of opinion drafting, percentage of cases affirmed on appellate review, etc.).

Pros. The institution of a merit pay system would hopefully encourage superior and diligent performance by judges. It would give monetary reward and public visibility to those members of the judiciary who do the most to improve the administration of justice in the state. Such encouragement may help to retain the most competent jurists on the bench.

Cons. Most compensation theorists believe that unless a merit pay system can be objectively and fairly implemented, a system can do more harm to an employment situation than provide benefits. There will be severe difficulties in implementing a fair and workable merit system for the judiciary. Some of the problems sure to be encountered in such an exercise include developing relevant and meaningful standards (for example, the number of cases considered by a judge in one year is largely beyond his or her personal control, and some judges may have relatively few cases but those cases may be extremely complex and time-consuming), and difficulties in measuring work quality (who, for example, is truly competent to evaluate the quality of judges' opinions, and is reversal by the Supreme Court necessarily indicative of unmeritorious work?).

## CHAPTER 5 - SALARY SYSTEMS IN USE IN OTHER STATES

The purpose of this chapter is to summarize the findings from our investigation of salary systems in use in other states. To help us provide this information, we contacted legislative and executive staff persons in 14 states. We asked for written responses on a number of predetermined questions, and we followed up with telephone calls to some of the responding states. Eleven states responded to our inquiries, and summaries of their responses follow.

It is our hope that the following information will be useful to Minnesota legislators in deciding which, if any, changes should be made in our system for compensating executive and judicial branch personnel. However, we want to caution readers that there are a number of reasons why the experiences in one state with a system may not be indicative of how that system would work in Minnesota. Each state has its own political environment and history, and we therefore found it difficult to draw definitive conclusions from many of the contacted states.

After the name of each state in the following paragraphs, we have categorized each state as either a "strong executive," a "strong legislative" or a "shared system" state. The strong executive states are those that place prime responsibility for setting executive salaries within the executive branch - either in the appointing authority, an independent commission or the state's department of employment relations. The strong legislative states are those where the prime responsibility for salaries lies in the legislative branch. The "shared system" states either use differing systems for various groups of agency heads or use one system that does not place prime reliance on either the executive or the legislative branches in setting salaries.

\* \* \* \* \*

1. New York (strong legislative). In the state of New York, salaries for executive agency heads and judges are set by statute. For agency heads, the Legislature has adopted a system of categorization of agencies; approximately 70 executive branch positions are assigned to one of six salary categories having salaries ranging from \$49,500 in the lowest category to \$74,000 for the highest. Ranges are not used for the categories; a specific salary is assigned for each. The Legislature determines both the assignment of agency heads to categories, and the salary for each of the categories.

Information supplied by the Governor's Office of Employee Relations indicates that salary compression has been perceived in New York as a very serious problem. In 1981, some 640 managerial employees were compensated at a rate equal to their agency heads. New York state law prohibits managerial salaries from exceeding the

salaries of agency heads, but there is apparently no such limitation on the salaries of members of collective bargaining units. As a result, in one department 35 professional employees earn more than their agency head.

Salary raises were granted agency heads in 7 of the 13 years ending 1982, with the average raise under 8% per year.

The Legislature also sets the salaries of judges. The state has a complicated salary structure for their judiciary, with salaries varying depending on the relative importance of the court and its location (with appellate and New York City judges earning the most). For some judge positions, ranges are provided in statute. It is unclear from the information provided, what factors are used to distinguish between judges within those ranges (or who sets the actual salaries within the ranges).

The New York Legislature does not appear to rely on an independent salary commission for advice. The state's personnel office contracted with an outside evaluation firm to advise it on recommendations for salary adjustments.

2. Ohio (strong executive). The salaries of Ohio's six elected constitutional officers are prescribed in statute. The salaries of directors of executive departments are "fixed administratively." By this is meant that the directors are assigned to a job classification in the state job classification plan by the Governor at the time of appointment. The Governor assigns the initial salary within a classification range as approved by the State Employees Compensation Board (which consists of three state executives and two legislators). Thereafter, the Director of Administrative Services can make adjustments every six months.

According to Ohio staff personnel, salary compression under this system is a major problem. Top-level salary adjustments are not made often enough to avoid having subordinates' salaries encroach upon the salaries of top executives. As a result, executive morale was described as being very low.

The salaries of Ohio state court judges are set by statute, except that counties are allowed to supplement that salary (supplements now range between \$3500 and 14,000). The salaries of local trial judges are set by local government units. Although there are no standard criteria used by the Legislature in setting judicial salaries, and the last raise was in 1980, morale among judges on salary questions was described as "okay."

3. Pennsylvania (strong legislative). The salaries of 23 constitutional officers and executive branch agency heads are prescribed in statute. The positions are grouped into three categories (based on the size of the agency) with positions earning either \$48,000, \$51,000 or \$55,000 (with the Governor earning \$75,000, and the Lieutenant Governor \$57,500). No information was supplied regarding the salary history of these positions.

Telephone conversations with Pennsylvania officials revealed that until recently the state set salaries through a compensation commission consisting of the Governor, the Speaker, and the President of the Senate. The Legislature was allowed to veto the decisions, but they were required to act within thirty days of the commission's decision. This process came under intense criticism with this "backdoor" approach to raises, and the authority to set salaries was returned to the Legislature.

A weakness in the system is the constitutional limitation that an agency head's salary cannot be raised while the individual is in office. This has meant that, for example, the Commissioner of Administration now earns only \$44,000 (his salary upon assuming office) even though his "statutory salary" as a "Tier 1" commissioner is \$55,000.

The salaries of Pennsylvania judges are also prescribed in statute. Salary distinctions are based on the type of court (appellate courts earning the highest), and the size of the judicial district (districts having more judges having the highest salaries). Pennsylvania judges apparently have not had trouble receiving raises recently, although they lobby very heavily for their raises.

4. Texas (strong legislative). The only materials supplied by the Texas Legislative Reference Library indicate that the Legislature sets specific salaries of executive branch agency heads in statute after receiving the advice of appointing authorities. The salaries are set in biennial budget bills, without any standards or criteria, and the resulting system was described to us as very political. There is apparently some effort to recognize an agency's relative size, budget and complexity in determining the salary of the agency head, but the people with whom we spoke questioned the ultimate relevance of those factors in the process.

The state makes no use of independent commissions, and the role of the state's personnel department in this process appears to be minimal.

The salaries of Texas judges are set in the same way - legislatively in the biennial budget bills.

5. Oregon (strong executive). From the information supplied us by the Oregon Legislative Research Office, it appears that that state relies heavily on a job content/evaluation system to determine executive salaries. We were given charts supplied the state by its consultant, Norman D. Willis, and those charts use a system very comparable to the Hay System's. Categories used to evaluate positions include "knowledge and skills," "mental demands," and "accountability."

It appears that the point rankings are used only to determine salary ranges. Range determinations are made on the basis of size

of the agency budget and whether or not programs have been added to the jurisdiction of the agency since the last biennial review.

The information supplied us does not indicate who sets the final salaries, but it is undoubtedly either the appointing authority or the head of the state's personnel or administration departments. According to state staff persons with whom we spoke, the system is "objective" and is working well, even during this period of extremely tight state budgets.

The salaries of Oregon judges are set by statute. All judges within general categories (circuit judges, district judges, etc.) receive the same salary. The system is apparently accepted well by all participants, and the salaries are deemed to be fair.

6. Wisconsin (shared between executive and legislative). The Wisconsin system involves assigning executive department heads to one of ten salary groups, with each of those groups being assigned a range. The relevant statutes prescribe standards to be used in assigning positions to groups and salaries within those ranges.

Elected officials and judges are also included within the ten groupings. For the Governor, his or her salary is placed at the range maximum; other constitutional officers have their salaries established at the midpoint. Initial salaries are set by the appointing authority within the applicable range, and subsequent alterations in the ranges are proposed by the state Secretary of Employment Relations. The proposed range changes are then referred to the Legislature's Joint Committee on Employment Relations. JOCER makes final decisions on the plan adjustments. Specific salaries within the ranges are set by appointing authorities.

Several persons with whom we spoke contended that the Wisconsin system was over-politicized and ineffective. Agency head morale was said to be low, in part because it has now been two years without any increases in executive compensation, and salary compression is apparently a major current problem. Plans have been initiated to study possible changes in the system.

Judges also appear to fare poorly under the Wisconsin system. Their adjustments require full legislative approval, and are therefore seen to be even more political. Because of the inability of the two houses of the Legislature to reach agreement, judges are still being paid under the 1979-80 pay schedule.

7. Iowa (shared system). The Iowa system for setting compensation levels for executive and judicial employees is a combination of some of the systems we have seen from other states. According to information supplied us by the Iowa Legislative Council, the Legislature directly sets salaries for the following positions: elected state officials, judges, and the members of the state's Public Employment Relations Board.

For non-elected agency head positions, the Governor is

empowered to set salaries within statutorily-prescribed ranges. There are five such ranges, with the base of the lowest range being \$5,400, and the ceiling of the highest range being \$48,600.

Some 50 positions are listed as being covered by the five ranges. There does not appear to be a great deal of logic or consistency used in assigning positions to a range. For example, members of multi-member agency governing boards appear in ranges one, two and four.

In assigning specific salaries to covered positions, the statute gives the Governor a list of factors to be considered "among other items." These listed factors include the following:

1. The experience of the individual in the position;
2. Changes in the duties of the position;
3. The incumbent's performance of assigned duties;
4. The availability of qualified candidates for the position;  
and
5. Subordinates' salaries.

The statute also requires the Governor to take into account "other employee benefits which may be provided for an individual including but not limited to housing."

Another interesting characteristic of the Iowa system is the fact that the statutory sections referred to above do not appear to be codified in the Iowa Code. From the wording of the statutory sections, it appears that the Legislature did not intend that the specific salaries would appear in the permanent statute volumes.

8. Arizona (strong legislative). We were not provided with much information about the system used to compensate Arizona's agency heads and judges. We do know, however, that salaries for agency heads are first determined by the state Department of Administration's Personnel Division. The salaries are then forwarded to the Legislature for "adoption or modification."

Elected officials and the state's appellate judges are exempt from this process, and their salaries are presumably established exclusively by the Legislature. We were not provided with information on the process used for setting the salaries of trial judges.

9. Florida (shared system). Florida has a relatively complex system for the setting of agency heads' salaries. If the agency head is an elective position, the salary is set by the Legislature in the appropriate biennial appropriations bill. Generally, in recent years, those salaries have been adjusted to reflect cost-of-living and, occasionally, meritorious performance.

For appointive agency head positions, the process is confined to the Executive Branch. The state Department of Administration is required to set salaries that "are competitive with the private sector." The department sets ranges based upon current responsibilities and "relative value" of the positions, and the appointing authority then sets the specific salary within that range. The ranges are included in a Senior Management Service pay and classification plan which is approved by an "Administration Commission" and which is then reviewed by a Senior Management Service Policy Committee.

The Policy Committee is charged with reviewing general issues of significance to the state's senior management service, and with revising all rules relating to the service. Legislators serve on the Committee, and this appears to be the only route for regular legislative input into such issues.

10. Illinois (strong legislative). According to an Illinois legislative staff person, his state "like Minnesota, does not use a consistent system for setting the salaries of the directors of its executive branch agencies." Most of the agency head positions, however, are set by the Legislature, either in the state's "Civil Administration Code" (equivalent to our Chapters 15 and 15A) or in the individual statutory chapters which create the various agencies.

Salaries of the heads of several smaller agencies (which are governed by a board or commission) are set by the agencies themselves. This system, again, appears analogous to Minnesota's delegation of salary-setting authority to a limited number of multi-member boards.

The Illinois staff person provided us with information showing that the state's agency heads have received increases in each of the last three years although, interestingly, not all agency heads received raises every year. We were not provided details of how the system works in a political sense, but it is clear - given the disparate treatment accorded the various heads - that political decisions enter into the process in Illinois.

11. California (shared system). Like several of the preceding states, California has established several categories of agency head positions, and uses differing compensation systems for each. Thirteen of the most important agency head positions have their salaries specifically prescribed by the Legislature in statute. The largest group of agency heads has their salaries set by the appointing authority but these salary adjustments must be approved by the state Department of Personnel Administration. The final grouping, "a very small group," has their salaries set by the appointing authorities without Department approval.

Data provided by the California legislative staff indicates that most agency heads received annual salary increases during each

of the preceding twelve years. A significant departure from this trend, however, is the state's constitutional officers, who have had only one moderate increase during this period. The Governor of the state has had the same salary (\$49,100) since 1969. His salary is now exceeded by about 2/3 of the state's 72 agency head positions.

## APPENDICES

Appendix A: Minnesota State Agency Heads

Appendix B: Chapter 15A, Minnesota Statutes, State and  
Other Public Officers and Employees

Appendix C: Salary Relationships

Appendix D: Working Bibliography

APPENDIX A

T. Triplett & M. Greenwald  
The Minnesota Project  
May 4, 1982

MINNESOTA STATE AGENCY HEADS

The following listing of state agency heads is provided the Legislative Commission on Employee Relations as part of LCER's required study of compensation procedures and levels for agency heads in the executive branch of Minnesota state government. (Laws 1982, Chapter 568, Section 12 requires LCER to "review the executive positions" and report back to the Legislature no later than February 15, 1983.)

In preparing this listing, we began with Minnesota Statutes, Section 15A.081, and supplemented the statutory listing with positions identified by the Department of Employee Relations (DER), listed in the Guidebook to State Agencies and the state phone directory, and from various other sources. Characteristics of the listed positions include the following:

1. only executive branch (not legislative or judicial) agencies are included
2. only positions appointed by the governor or an independent board are included (thus excluding agency heads appointed by another staff person)
3. with the exception of metropolitan area agencies (which are specifically listed in 15A.081), only those agencies having statewide jurisdiction or memberships (such as IRRRB or the Voyageurs park committee) are included
4. not included are interstate compact agencies (such as the Minnesota Wisconsin Boundary Area Commission) or certain "semi-state" agencies (such as the Minnesota Safety Council) which are not specifically created by statute) or entities created by Executive Order of the governor.

Note: "DER" below means DER establishes the range; appointing authorities set the salary

| AGENCY TITLE                      | HEAD APPOINTED BY | SALARY SET BY                     |
|-----------------------------------|-------------------|-----------------------------------|
| 1. Abstractors board              | Board             | Dept. of Employee Relations (DER) |
| 2. Accountancy board              | Board             | DER                               |
| 3. Administration dept.           | Governor          | Legislature                       |
| 4. Administrative hearings        | Governor          | Legis                             |
| 5. Aging board                    | Governor (?)      | DER                               |
| 6. Agriculture                    | Governor          | Legis                             |
| 7. Agriculture Society (st. fair) | Board of society  | Board                             |
| 8. Animal Health board            | Board             | DER (?) (Legis until 1973)        |
| 9. Arch, Engr, Land Survey board  | Board             | DER                               |
| 10. Arts Board                    | Board             | DER                               |
| 11. Assessors board               | Board             | DER                               |
| 12. Attorney General              | Elected           | Legis                             |
| 13. Auditor                       | Elected           | Legis                             |
| 14. Barber examiner board         | Board             | DER                               |
| 15. Black Minnesotans             | Council           | DER                               |
| 16. Boxing board                  | Board             | DER                               |
| 17. Cable Communications board    | Admin commr       | DER                               |
| 18. Capitol Area Arch & Plan bd   | Board             | DER                               |
| 19. Chiropractic board            | Board             | DER                               |

| AGENCY TITLE                      | HEAD APPOINTED BY        | SALARY SET BY                   |
|-----------------------------------|--------------------------|---------------------------------|
| 20. Commerce                      |                          |                                 |
| Banks                             | Governor                 | Legislature                     |
| Insurance                         | Governor                 | Legis                           |
| Securities & Real Estate          | Governor                 | Legis                           |
| Consumer Services                 | Governor                 | Legis                           |
| Executive Secretary               | Comm Dept commrs         | DER (Legis until 1980)          |
| 21. Community colleges board      | Board                    | Board (Legis until 1981)        |
| 22. Corrections                   | Governor                 | Legis                           |
| Corrections ombudsman             | Governor                 | Legis                           |
| 23. Corrections board             | Corrections commr        | DER                             |
| 24. Crime victims repara board    | Board                    | DER                             |
| 25. Dentistry board               | Board                    | DER                             |
| 26. Economic security dept.       | Governor                 | Legis                           |
| 27. Education dept.               | Bd of Ed w/ appr of gov  | Legis                           |
| 28. Educ Computing Consortium bd  | Board                    | DER (?)                         |
| 29. Electricity bd                | Board                    | DER                             |
| 30. Employee Relations dept       | Governor                 | Legis                           |
| 31. Energy, plan & dev dept       | Governor                 | Legis                           |
| 32. Environ Educ Bd               | Board                    | DER                             |
| 33. Ethical practices board       | Board                    | DER                             |
| 34. Finance dept                  | Governor                 | Legis                           |
| 35. Governor                      | Elected                  | Legis                           |
| 36. Handicapped council           | Council                  | DER (?) (Legis until 1973-74)   |
| 37. Health dept                   | Governor                 | Legis                           |
| 38. Higher ed coord board         | Board                    | Board (Legis until 1982)        |
| 39. Higher ed facilities auth     | Board                    | Board                           |
| 40. Historical society            | Society board            | Board (?)                       |
| 41. Horticultural society         | Society board            | Board                           |
| 42. Housing finance agency        | Governor                 | Legis                           |
| 43. Human rights dept             | Governor                 | Legis                           |
| 44. Humane society                | Board                    | DER (?)                         |
| 45. Humanities commission         | Commission (?)           | DER (?)                         |
| 46. Indian Affairs Intertribal bd | Board                    | Legis                           |
| 47. Investment board              | Board                    | Board (Legis until 1977)        |
| 48. Iron Range Res & Rehab bd     | Governor                 | Legis (except during 1973-77)   |
| 49. Labor & industry dept         | Governor                 | Legis                           |
| 50. Lieutenant governor           | Elected                  | Legis (since 1973)              |
| 51. Mediation services bureau     | Governor                 | Legis                           |
| 52. Medical examiners bd          | Board                    | DER                             |
| 53. Metro airports comm           | Gov (chrn), Comm (direc) | Legis (chrn), Comm (director)   |
| 54. Metropolitan council          | Gov (chrn), Coun (direc) | Legis (chrn), Coun (director)   |
| 55. Metro sports facilities comm  | Gov (chrn), Comm (direc) | Legis (chrn ?), Comm (director) |
| 56. Metro transit comm            | Gov (chrn), Comm (direc) | Legis (chrn), Comm (director)   |
| 57. Metro waste control comm      | Gov (chrn), Comm (direc) | Legis (chrn), Comm (director)   |
| 58. Military affairs dept         | Governor                 | Federal pay stds for officers   |
| 59. Municipal board               | Board                    | DER (Legis until 1972-73)       |
| 60. Natural resources dept.       | Governor                 | Legis                           |

| AGENCY TITLE                                                 | HEAD APPOINTED BY         | SALARY SET BY                   |
|--------------------------------------------------------------|---------------------------|---------------------------------|
| 61. Nursing board                                            | Board                     | DER                             |
| 62. Nursing home admintors bd                                | Board                     | DER                             |
| 63. Optometry board                                          | Board                     | DER                             |
| 64. Peace officers training bd                               | Board                     | DER (Legis until 1972-73)       |
| 65. Pharmacy board                                           | Board                     | DER                             |
| 66. Podiatry board                                           | Board                     | DER (?)                         |
| 67. Pollution control agency                                 | Governor                  | Legis                           |
| 68. Psychology board                                         | Board                     | DER                             |
| 69. Public Employee Relat board                              | Board (?)                 | DER                             |
| 70. Public safety dept.                                      | Governor                  | Legis                           |
| 71. Public service dept.                                     | Governor                  | Legis                           |
| 72. Public utilities comm                                    | Gov (commrs), Comm (secy) | Legis (commrs), DER (exec secy) |
| 73. Public welfare dept.                                     | Governor                  | Legis                           |
| 74. Revenue dept.                                            | Governor                  | Legis                           |
| 75. Secretary of State                                       | Elected                   | Legis                           |
| 76. Sentencing Guidelines comm                               | Commission                | Commission                      |
| 77. Soil & Water Conserv bd                                  | Commr DNR (w bd approv)   | DER (Legis until 1972-73)       |
| 78. Spanish speaking people coun                             | Council                   | DER (?)                         |
| 79. State institutions (19)<br>(corrections, schools, hosps) | Agency heads              | DER (Legis until 1972-73)       |
| 80. State Retirement system bd                               | Board                     | Board (Legis until 1972-73)     |
| 81. State university board                                   | Board                     | Board (Legis until 1981)        |
| 82. Teachers retirement board                                | Board                     | Board (Legis until 1972-73)     |
| 83. Teaching Board                                           | Board                     | DER                             |
| 84. Transportation dept.                                     | Governor                  | Legis                           |
| 85. Treasurer                                                | Elected                   | Legis                           |
| 86. University of Mn                                         | Regents                   | Regents                         |
| 87. Veterans affairs dept.                                   | Governor                  | Legis                           |
| 88. Veterans Home                                            | DPW comm (?)              | DER (Legis until 1972-73)       |
| 89. Veterinary medicine bd                                   | Board                     | DER                             |
| 90. Volunteer services office                                | Governor                  | DER                             |
| 91. Voyageurs natl park commit                               | Committee                 | DER (?)                         |
| 92. Waste management board                                   | Governor                  | DER (?)                         |
| 93. Watchmaking board                                        | Board                     | DER                             |
| 94. Water planning board                                     | Governor                  | DER                             |
| 95. Water resources board                                    | Board                     | Board (Legis until 1972-73)     |
| 96. Zoological garden board                                  | Board                     | DER (?)                         |

## APPENDIX B

## STATE AND OTHER PUBLIC OFFICERS AND EMPLOYEES 15A.081

## CHAPTER 15A

STATE AND OTHER PUBLIC OFFICERS  
AND EMPLOYEES

15A.081 Salaries and salary ranges for certain employees.

15A.083 Salaries for positions in the judicial branch.

## 15A.081 SALARIES AND SALARY RANGES FOR CERTAIN EMPLOYEES.

Subdivision 1. The following salaries or salary ranges are provided for the below listed employees in the executive branch of government:

|                                                                      | Salary or Range              |                              |                              |
|----------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|
|                                                                      | Effective<br>July 1,<br>1979 | Effective<br>July 1,<br>1980 | Effective<br>July 1,<br>1981 |
| Administration,<br>department of<br>commissioner                     | \$44,000                     | \$47,000                     |                              |
| Administrative hearings<br>office                                    |                              |                              |                              |
| chief hearing<br>examiner                                            | 38,000                       | 40,000                       |                              |
| Agriculture,<br>department of<br>commissioner                        | 38,000                       | 40,000                       |                              |
| Commerce,<br>department of<br>commissioner of<br>banks               | 34,000                       | 36,500                       |                              |
| commissioner of<br>insurance                                         | 34,000                       | 36,500                       |                              |
| commissioner of<br>securities and real estate                        | 34,000                       | 36,500                       |                              |
| director of<br>consumer services                                     | 28,000                       | 30,000                       |                              |
| Community college<br>system                                          |                              |                              |                              |
| chancellor                                                           | 44,000                       | 46,000                       |                              |
| Corrections,<br>department of<br>commissioner                        | 42,000                       | 45,000                       |                              |
| ombudsman                                                            | 33,000                       | 35,000                       |                              |
| Economic security,<br>department of<br>commissioner                  | 43,000                       | 45,000                       |                              |
| Education,<br>department of<br>commissioner                          | 43,000                       | 45,000                       |                              |
| Energy, planning and<br>development<br>department of<br>commissioner |                              |                              | 46,000                       |

## 15A.081 STATE AND OTHER PUBLIC OFFICERS AND EMPLOYEES

|                                                                                                                      |                  |                  |
|----------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Finance, department of<br>commissioner                                                                               | 48,000           | 50,000           |
| Health, department of<br>commissioner                                                                                | 47,000           | 49,000           |
| Higher education<br>coordinating board<br>executive director                                                         | 40,000           | 42,000           |
| Housing finance agency<br>executive director                                                                         | 39,000           | 41,000           |
| Human rights,<br>department of<br>commissioner                                                                       | 31,000           | 33,000           |
| Indian affairs board<br>executive director                                                                           | 27,000           | 29,000           |
| Iron range resources<br>and rehabilitation<br>board<br>commissioner                                                  | 30,000           | 31,000           |
| Labor and industry,<br>department of<br>commissioner<br>judge of the<br>workers'<br>compensation<br>court of appeals | 38,000           | 40,000           |
| Mediation services,<br>bureau of<br>director                                                                         | 36,000           | 38,000           |
| Natural resources,<br>department of<br>commissioner                                                                  | 44,000           | 47,000           |
| Personnel,<br>department of<br>commissioner                                                                          | 44,000           | 47,000           |
| Pollution control<br>agency<br>director                                                                              | 38,000           | 40,000           |
| Public safety,<br>department of<br>commissioner                                                                      | 38,000           | 41,000           |
| Public service,<br>department of<br>commissioner,<br>public utilities<br>commission<br>director                      | 34,000<br>34,000 | 36,000<br>36,000 |
| Public welfare,<br>department of<br>commissioner                                                                     | 44,000           | 48,000           |
| Revenue,<br>department of<br>commissioner                                                                            | 44,000           | 47,000           |

## STATE AND OTHER PUBLIC OFFICERS AND EMPLOYEES 15A.083

|                                                      |        |        |
|------------------------------------------------------|--------|--------|
| State university<br>system<br>chancellor             | 44,000 | 46,000 |
| Transportation,<br>department of<br>commissioner     | 44,000 | 48,000 |
| Transportation,<br>regulation board,<br>board member |        | 32,000 |
| Veterans affairs,<br>department of<br>commissioner   | 31,000 | 33,000 |

[For text of subds 6 and 7, see M.S.1980]

History: 1981 c 356 s 90; 1Sp1981 c 4 art 4 s 48

Subd. 6. The following salaries are provided for the constitutional officers of the state:

|                     | Effective<br>July 1,<br>1979 | Effective<br>July 1,<br>1980 |
|---------------------|------------------------------|------------------------------|
| Governor            | \$62,000                     | \$66,500                     |
| Attorney general    | 52,500                       | 56,000                       |
| Lieutenant governor | 38,000                       | 40,000                       |
| Auditor             | 34,000                       | 36,000                       |
| Secretary of state  | 34,000                       | 36,000                       |
| Treasurer           | 34,000                       | 36,000                       |

The salaries of the chief deputy attorney general, deputy auditor, deputy secretary of state and deputy treasurer shall be 95 percent of the salaries of their respective superior constitutional officers.

## 15A.083 SALARIES FOR POSITIONS IN THE JUDICIAL BRANCH.

Subdivision 1. Elective judicial officers. The following salaries shall be paid annually to the enumerated elective judicial officers of the state:

|                                                                                                                          | Effective<br>July 1,<br>1979 | Effective<br>July 1,<br>1980 |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| (1) Chief justice of the<br>supreme court                                                                                | \$56,000                     | \$59,000                     |
| (2) Associate justice of<br>the supreme court                                                                            | 52,500                       | 56,000                       |
| (3) District judge, judge<br>of county court<br>(learned in the law),<br>probate court, and<br>county municipal<br>court | 45,000                       | 48,000                       |
| (4) Judge of a county court<br>(not learned in the<br>law)                                                               | 29,500                       | 31,500                       |

Subd. 2. County court and county municipal judges. (1) Notwithstanding any other law to the contrary, the salary paid to a judge of a county court shall also be paid to judges of the probate court of St. Louis county and to judges of the Duluth municipal court.

(2) Judges of the county municipal courts, and county courts in the counties of Hennepin, Ramsey, Washington, Anoka, Scott, St. Louis, Carver and Dakota shall receive a salary of \$45,000, effective July 1, 1979, and \$48,000, effective July 1, 1980.

(3) If any judge enumerated in this subdivision dies while in office, the amount of his salary remaining unpaid for the month in which his death occurs, shall be paid to his estate.

Subd. 3. **Salary to be paid by the state.** Beginning January 1, 1978, the entire compensation of county, probate and county municipal court judges shall be paid by the state. Beginning on July 1, 1977, the salary increases provided in Laws 1977, Chapter 35, Section 13, and Laws 1977, Chapter 432 for county, probate and county municipal judges shall be paid by the state. All payments made pursuant to sections 490.11 and 490.12, subdivision 1, after January 1, 1978, shall be made by the state regardless of whether the payments commenced before or commence after July 1, 1977.

Notwithstanding any other provision in this section to the contrary, an increase in compensation provided a district or supreme court judge in Laws 1977, Chapter 432 shall not take effect as to any judge of the district court or any justice of the supreme court who served in the district or supreme court prior to July 1, 1967, until that judge submits an executed agreement to the executive director of the Minnesota state retirement system in accord with section 490.106.

Subd. 4. **Ranges for other judicial positions.** Salaries or salary ranges are provided for the following positions in the judicial branch of government. The appointing authority of any position for which a salary range has been provided shall fix the individual salary within the prescribed range, considering the qualifications and overall performance of the employee. Appointments to fill vacancies shall not be made above the midpoint of the salary range prescribed for the position unless the state court administrator has been consulted in advance and his approval obtained. Any salary increase that would adjust an employee's rate of pay beyond the midpoint of the range prescribed for the position must be approved in advance by the state court administrator.

|                                                      | Salary or Range              |                              |
|------------------------------------------------------|------------------------------|------------------------------|
|                                                      | Effective<br>July 1,<br>1979 | Effective<br>July 1,<br>1980 |
| Public defender                                      | \$37,500                     | \$40,000                     |
| District<br>administrator                            | 27,000-37,500                | 28,500-40,000                |
| County attorneys<br>council<br>executive<br>director | 22,000-32,000                | 23,500-34,000                |
| Board on judicial<br>standards<br>executive director | 36,000                       | 38,000                       |
| State court<br>administrator                         | 44,500                       | 47,000                       |

Subd. 4a. [ Repealed, 1979 c 332 art 2 s 7 ]

Subd. 5. **Tax court.** Salaries of judges of the tax court shall be the same as the base salary for district judges as provided in subdivision 1.

Subd. 6. **Referee salaries.** Notwithstanding any other law or ordinance to the contrary, no referee or hearing examiner employed by a court in this state shall receive a salary which is in excess of 90 percent of the salary paid a judge of the court by which he is employed.

APPENDIX C

SALARY RELATIONSHIPS BETWEEN MANAGERIAL EMPLOYEES  
AND THEIR DEPARTMENT HEADS EFFECTIVE OCTOBER 18, 1983

| <u>Percent Difference Between Managerial<br/>Employee Rate and Department Head Rate</u> | <u>No. of Employees</u> |
|-----------------------------------------------------------------------------------------|-------------------------|
| (over Department Head rate)                                                             | 7                       |
| Same rate as Department Head rate                                                       | 51                      |
| Less than or equal to 1%                                                                | 27                      |
| More than 1% but less than or equal to 4%                                               | 56                      |
| More than 4% but less than or equal to 8%                                               | 65                      |
| More than 8% but less than or equal to 11%                                              | 28                      |
| More than 11% but less than or equal to 14%                                             | <u>52</u>               |
| TOTAL                                                                                   | 286                     |

SALARY RELATIONSHIPS BETWEEN NON-MANAGERIAL EMPLOYEES  
AND THEIR RESPECTIVE DEPARTMENT HEADS AS OF JUNE 30, 1983

| <u>Percent Difference Between Non-Managerial<br/>Employee Rate and Department Head Rate</u> | <u>No. of Employees</u> |
|---------------------------------------------------------------------------------------------|-------------------------|
| (over Department Head rate)                                                                 | 2                       |
| Same rate as Department Head rate                                                           | 8                       |
| Less than or equal to 1%                                                                    | 0                       |
| More than 1% but less than or equal to 4%                                                   | 5                       |
| More than 4% but less than or equal to 8%                                                   | 22                      |
| More than 8% but less than or equal to 11%                                                  | 24                      |
| More than 11% but less than or equal to 14%                                                 | <u>26*</u>              |
| TOTAL                                                                                       | 87                      |

Note: These figures are based upon projected increases due employees under collective bargaining agreements through June 30, 1983.

\*Includes 19 employees whose salaries are set by statute.

WORKING BIBLIOGRAPHY: LCER STUDY ON EXECUTIVE PAY IN MINNESOTA

PART I: EXECUTIVE PAY IN GOVERNMENT

- AGARWAL, Naresh C. "Determinants of Executive Compensation." Industrial Relations, Vol. 20, No. 1 (Winter 1981). Describes relationship between executive compensation and job complexity, employer's ability to pay, and executive human capital. Finds job complexity and ability to pay are most important factors.
- BORJAS, George J. Wage Policy in the Federal Bureaucracy. American Enterprise Institute, 1980. Description of federal salary system; political factors contributing to salary differences among agencies.
- CALIFORNIA. Commission on California State Government Organization and Economy. Report on California Statutory Salaries of Executive Branch of Government. Sacramento, CA: The Commission, 1968. Recommends salaries for executive level positions. Suggests formation of Executive Salary Review Committee.
- . Study of Salaries of Exempt Executive and Administrative Positions in California State Government. Sacramento, CA: The Commission, 1972. Recommends salary treatments for executive officers, executive secretaries, department executives.
- COHEN, Stephen L. "Prepackaged vs. Tailor Made: The Assessment Center Debate." Personnel Journal December, 1980. pp. 989-991. Outlines pros and cons of assessment center approach to performance appraisal.
- ELLIG, Bruce R. "Perquisites: The Intrinsic Form of Pay." Personnel. January-February, 1981. pp.23-31. Describes range of perquisites for executive pay.
- FOSS, Gary C. "The Compensation Treatment of Public Executives." Public Personnel Management. March-April, 1979. pp.. 75-88. Describes relationship between compensation plans and motivation of public managers.
- FOSTER, Kenneth E. "A Different Perspective on Executive Compensation," Compensation Review. Third quarter, 1980. pp. 47-54. Outlines determinants of relative job value in executive positions.
- GENNGER, Wendy M. "Identification and Evaluation of Data Necessary to Establish 'Equitable' Pay Scales for Federal Government

- Employees." Public Personnel Management Journal. 1981.
- HAY Associates. 1979 Salary Survey of State Governments. Chicago: Hay Associates, 1978.  
Regional averages of salaries for managers and executives.
- HOAG, Donald E., and Trudel, Robert J. How to Prepare a Sound Pay Plan. International Personnel Management Association. 1976.
- INTERNATIONAL City Management Association. Salaries of Municipal Officials for 1981. Urban Data Service, March 1981.
- LANOUILLE, William J. "SES--From Civil Service Showpiece to Incipient Failure in Two Years." National Journal, July 18, 1981, pp. 1296-1299.  
Federal bonus system for executives ruined by cap on executive pay.
- LUBIN, Roger. "How Should Managers Be Paid? Some Public and Private Sector Comparisons." Public Management, October 1981, pp. 2-6.
- MINNESOTA Department of Employee Relations. Commissioner's Plan, July 1, 1981 - June 30, 1983.  
Establishes compensation and employment terms for non-managerial employees.
- MINNESOTA Department of Employee Relations. Managerial/C.E.S. Plan, July 1, 1981 - June 30, 1983.  
Establishes compensation and employment terms for managerial employees appointed to the Career Executive Service.
- MINNESOTA Department of Employee Relations. State of Minnesota Compensation Schedules. Computer print-out: July 2, 1980 - Dec. 30, 1980; Dec. 31, 1980 - June 30, 1981.
- MINNESOTA Governor's Commission on Compensation of Unclassified Personnel. Report and Recommendations. December 1970.  
Finds top salaries compressed; recommends salaries to be set by statute.
- MINNESOTA Governor's Loaned Executives Action Program. Central Management Task Force Personal Report. St. Paul, December 1972. JK6138 1972. M551972.  
Addresses hiring procedures; performance appraisal for classified employees; labor bargaining; unified personnel system; an integrated compensation plan; management training; promotion practices.
- Legislature. Joint Legislative Interim. Report of the Joint Legislative Interim Commission on Civil Service and Unclassified Personnel. November 1972.

Studies salary ranges; proposes salary and fringe benefit legislation; studies work rules.

MINNESOTA, Public Employment Study. Comparison of Benefit Plan Practices of the Public and Private Sectors in Minnesota. St. Paul: Hay Associates, in consultation with Minnesota Department of Finance, 1978.

----- Comparison of Salary Practices of the Public and Private Sectors in Minnesota. St. Paul, Minnesota. Hay Associates, in consultation with Minnesota Department of Finance, 1979.

----- Critique of Minnesota's Personnel Position Classification Plan. St. Paul: Hay Associates, in consultation with Minnesota Department of Finance, 1978.

----- Public Employment Study: Final Report. St. Paul: Hay Associates, in consultation with Minnesota Department of Finance, 1979.  
Describes employment and compensation trends; evaluates state classification and compensation systems; compares public and private compensation.

----- Public Employment Study: Major Findings, Policy Implications and Recommendations. St. Paul: Hay Associates, in consultation with Minnesota Department of Finance, 1979.  
Executive Summary of findings in regard to Compensation (public, private, state and local compared), employment, state and local payrolls.

----- Recommended Job Content Evaluation and Salary Plan for the State of Minnesota. St. Paul: Hay Associates, in consultation with Minnesota Department of Finance, 1979.  
Focuses on clerical, labor, health trades, but recommends broader salary ranges to allow for differences in performance at the management level.

----- Review of Current Benefit Plan Practice. St. Paul: Hay Associates, in consultation with the Minnesota Department of Finance, 1978.  
Examines benefits; recommends changes in system.

MINNESOTA. State Retirement System. Unclassified Employees Retirement Plan. 1980.

STANTON Associates. Twin Cities Metropolitan Area Salary Survey, 1981. August, 1981. Vols. 1 and 11. St. Paul: Minn. League of Metro Municipalities, 1981.  
Outlines salaries, benefits offered by units of government in the TCMA. Derived from more complete salary surveys of all Minnesota cities published by Minnesota League of

Cities.

UNITED STATES. General Accounting Office. "Federal Executive Pay Compression Worsens." Report to the Congress. July 31, 1980.

Outlines compression problem; procedure for setting Federal executive salaries.

----- House of Representatives. Committee on Post Office and Civil Service. Ad Hoc Subcommittee on Presidential Pay Recommendations. Presidential Pay Recommendations. Washington, D.C.: Government Printing Office, 1977. Y4.P84/10:95-1.

Outlines compensation problems and solutions including the establishment of a Quadrennial Commission to help set salaries and deal with pay inequities.

----- Office of Personnel Management. State Salary Survey, Aug. 1, 1980. Washington: Government Printing Office, 1980.

For 31 occupational groups excluding department heads, top executives.

----- Special Task Force on the Quadrennial Pay Commission. Recommendations. Washington, D.C.: Government Printing Office, 1981. Y4.P84/.

Hearings before the task force to review adequacy of current compensation of high-level government officials.

----- Subcommittee on Compensation and Employee Benefits. Executive Level and Congressional Pay. Washington, D.C.: Government Printing Office, 1980. Y4.P84/10:96-97.

Examines effects of limiting salaries for top-level Federal executives to the amount paid to Congress members.

----- Incentive and Performance Awards Program. Washington, D.C.: Government Printing Office, 1980. Y4.P84/10:96-108.

Hearings including testimony, memorandums on incentive systems in the Senior Executive Service (SES).

## PART II: JUDICIAL PAY

BERKSON, Larry C. and Carbon, Susan B. "Compensation and Benefits of Trail Court Judges: 1980." State Court Journal. Spring, 1981. pp. 11-17.

ILLINOIS State Bar Association. The Case for Judicial Salary Increases, Committee on Judicial Salaries, 1982.

NATIONAL Center for State Courts. Judicial Compensation Commissions, Virginia, 1979.

Survey of Judicial Salaries. Volume 7, Nos. 1 and 2, 1981.

"Survey of Judicial Salaries: Update." State Court Journal, Volume 5  
(Winter 1981), 23-24.