



## Legislative Coordinating Commission

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## COMPENSATION COUNCIL

March 27, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

Dear Madam Speaker and Mr. President:

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

### Background

**Judges' salaries.** There was strong consensus on the Council regarding our recommendation regarding salary increases for the judiciary. Our recommendations, in accordance with our statutory directive, are shown in two sections: those recommendations required of the Council by law, and other recommendations made by the Council as a result of its deliberations.

**Legislators' salaries.** The Council also had consensus that the salaries for legislators should be increased. However, we did not have a clear agreement about how that should be done. We suggest two alternatives.

**Constitutional officers' salaries.** The Council did not reach consensus on salary changes for Constitutional Officers. The Council was divided between those who recommend the governor's salary be adjusted by the rate of inflation, those who favored no change, and those who supported an increase of 3% each year. The Council agreed to report the proposals it considered and the support for each.

**Agency head salary ranges.** The Council had consensus on not recommending changes to the salary ranges for heads of state and metropolitan agencies.

### Recommendations

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

1. **Salaries of judges.** We recommend that, effective July 1, 2009, and July 1, 2010, the salaries of judges of the Supreme Court, Court of Appeals, and District Court should be increased by the average of the percentage increase in total compensation for state employees provided in negotiated collective bargaining agreements, arbitration awards, or other pay plans for FY 2010 and FY 2011 approved by the Legislative Coordinating Commission before the 2009 regular legislative session. The Commissioner of Employee Relations must calculate the new salaries, which must be based on all compensation increases, including general salary adjustments, merit-based increases, and any other benefit increase provided to state employees, except insurance.
2. **Salaries of legislators.** We recommend that the salaries of legislators be set at 33% of the salary of the governor, beginning January 5, 2009. If the Legislature is not able to implement this recommendation, the Council recommends, as a minimum alternative, that legislator pay increase by 3% on January 5, 2009 and by 3% on January 1, 2010.
3. **Salaries for constitutional officers.** The Council considered three options. Those options, and the support by Council members for each, are:
  - a. Adjust the salary of the governor by the rate of inflation since the salary was last increased in 1998. The Council used the salary recommended by the 2005 Compensation Council of \$137,869. This amount would be adjusted by the rate of inflation (CPI-U) between 2007 and 2009, based on a calculation by the Commissioner of Finance. The new salary would be implemented January 3, 2011. [5 votes.]
  - b. Make no change in the salary of the governor. [5 votes.]
  - c. Adjust the salary of the governor by 3% on January 3, 2009, and 3% on January 1, 2010. [2 votes.]

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

4. **Salary ranges of agency heads.** We recommend no changes to the salary ranges for heads of state agencies and metropolitan agencies. Additional information as described in recommendation 7 is necessary to consider changes in future years.

### Other recommendations

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

5. **Judges' salaries.** We recommend that the salaries of judges of the Supreme Court, Court of Appeals and District Court be increased by 5% effective July 1, 2007, and by 5% on July 1, 2008.
6. **Salary limits.** We recommend that the salary limit on employees of local units of government, established under Minnesota Statutes 43A.17, Subdivision 9, be repealed.
7. **Market analysis.** We recommend that the Legislature define the comparative market associated with each major job category, as well as a target position relative to those external markets. In addition, the Department of Employee Relations should, using existing data, provide the Compensation Council, by January 5 of each odd-numbered year, a market position report by job group and salary classification, an analysis of internal compression by department, a turnover and hiring success profile, and a summary, by job group, of any extraordinary payments unique to a position or individual.

These policy guides and analysis materials will allow the Compensation Council to provide the legislature with an expanded recommendation supporting both internal congruency and external competitiveness. The Department of Employee Relations should coordinate this work with the staff of the Legislative Coordinating Commission in its capacity of providing administrative support to the Compensation Council.

I have included a list of the members of the Council at the end of this recommendation. The members worked diligently and thoughtfully to develop these recommendations for consideration by the Legislature.

Respectfully submitted,



Craig Shaver  
Chair, Compensation Council

cc: Governor Tim Pawlenty  
Lt. Governor Carol Molnau  
Chief Justice Russell Anderson  
Attorney General Lori Swanson  
State Auditor Rebecca Otto  
Secretary of State Mark Ritchie  
Senator Larry Pogemiller  
Senator David Senjem  
Representative Tony Sertich  
Representative Marty Seifert

#### **Members of the Compensation Council**

##### **Appointed by the Governor**

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

##### **Appointed by the Supreme Court**

Mr. Tom H. Swain  
Mr. John Stanoch

##### **Appointed by the House of Representatives**

Rep. Joe Atkins  
Rep. Ron Erhardt  
Rep. Tom Rukavina

##### **Appointed by the Senate**

Senator Paul Koering  
Senator Ron Latz  
Senator Mee Moua