

MAINE STATE LEGISLATURE

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STATE COMPENSATION COMMISSION

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**REPORT OF THE
STATE COMPENSATION COMMISSION
APRIL 15, 1999**

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PURPOSE:

The State Compensation Commission (SCC) was established by PL 1997, c. 506 (3 M.R.S.A. § 2-B) to accomplish the following purposes:

1. To review all matters of compensation pertaining to Legislators and representatives of Indian tribes; including but not limited to; all payments for salaries, meals, housing, travel, mileage; additional service as a member of legislative leadership and for constituent services;
2. To review current compensation levels for the Attorney general, the Secretary of State, the Treasurer of State and the State Auditor.

The SCC is composed of 5 members. As prescribed by the commission's authorizing statute, two members, not from the same political party, were appointed by the President of the Senate and two other members, also not from the same political party, were appointed by the Speaker of the House. The fifth, and final member, who serves as chair of the commission, was selected by a majority of the other four members.

The SCC's original authorizing statute required the commission to submit its first report by January 1, 1998 with additional reports to be submitted by January 1 of every even-numbered year thereafter. In recognition of the fact that the full compliment of commission members were not appointed until the fall of 1998, the commission's authorizing statute was amended by P.L. 1999, c. 2 to change the commission's first reporting deadline to April 15, 1999 and to clarify that the commission was authorized to submit legislation to implement its recommendations.

PROCESS:

To prepare its recommendations for the first report to the Legislature, the SCC met on the following dates:

- October 5, 1998;
- November 12, 1998;
- December 16, 1998;
- January 21, 1999;
- February 23, 1999; and
- March 17, 1999.

During these meetings, the SCC met with 28 persons to gather information and opinion pertaining to the compensation issues that the commission was charged with reviewing. A complete list of the persons who participated in SCC meetings is included as Appendix 1; this list includes current members of Legislative leadership, current legislators, current Constitutional officers, former members of Legislative leadership, former Constitutional officers, staff from the Maine State Retirement System and legislative staff from the Speaker's Office, the Clerk of the House' Office and the Senate President's Office.

In addition to meeting with numerous individuals, the SCC:

- conducted an extensive compensation opinion survey of all members of the 119th Maine State Legislature;
- conducted a similar compensation opinion survey of members of the 118th Maine State Legislature who are no longer serving as legislators;
- provided a specific opportunity on February 23rd for any legislator to appear before the commission and make comments;
- held a public hearing on March 17th as an additional opportunity to gather comments from the Legislature and interested members of the public;
- invited comments from current and recent members of Legislative leadership;
- invited comments from current and recent Constitutional officers and State Auditors;
- reviewed reports of past State Compensation Commissions;
- developed state-by-state comparisons of current compensation levels for legislators, Constitutional officers and State Auditors;
- reviewed benefit packages offered to legislators, Constitutional officers and the State Auditor; and
- maintained a WEB site with a schedule of all SCC meetings, copies of proposed agendas and copies of meeting summaries.

RESULTS OF LEGISLATIVE SURVEYS:

In January of 1999, the SCC sent surveys to all 186 members of 119th Maine State Legislature. As of early April 1999, the SCC had received 142 completed surveys for an excellent response rate of 76%. In assessing the results of this survey, commission members noted the following:

- 74% of those legislators responding believed that legislative salaries should be increased. The average recommended salary for the first regular session was \$16,837 and \$12,351 for the second regular session;
- 48% Of those legislators responding felt that the current constituent allowances should be increased while 46% felt that no change was needed. For those legislators who favored an increase, the average recommended allowance was \$1,962 for the Senate and \$1,239 for the House;
- 89% of responding legislators believed that current health insurance benefits are adequate;
- 77% of responding legislators felt that current dental insurance benefits were adequate;
- 47% of responding legislators felt that current retirement benefits are adequate; whereas 38% said they are inadequate;
- 66% of those legislators responding to the survey said that the current per diem rates are adequate; and
- 56% of the respondents felt that the current expense allowance rates need no change.

The survey of former legislators from the 118th Maine State Legislature did not elicit a strong response rate; 24 surveys were returned out of a total of 66 sent out for a return rate of 36%. The SCC noted that 50% of those responding felt that legislative salaries should be increased whereas 46% felt that no change is needed. (A complete statistical summary of the 119th Legislator survey is included as Appendix #2.)

CONCLUSIONS:

After careful scrutiny of the available information and the comments received from the many individuals who participated in the SCC's review, members of the commission arrived at the following conclusions:

- The State of Maine should provide legislative salaries which are fair, appropriate and consistent with the value of a part-time citizen legislature and the ever-increasing demands of the job;
- The current legislative salaries of \$10,500 for the first regular session and \$7,500 for the second regular session are low compared to many other salaries in the public and private sectors with comparable responsibilities. The State Compensation Commission is concerned that these relatively low salaries may threaten the continued participation of the highly qualified and dedicated legislators that the state now enjoys because the financial sacrifices may be too great;
- The workload of legislators has increased significantly over the past 10 years. Much of this increased workload can be attributed to factors such as a shift of responsibilities from the federal government to state governments, the proliferation and expanding influence of special interest groups and the significant technological advances that have occurred in recent years;
- Legislative salaries have not kept pace with the rate of inflation; in fact, legislative salaries have not been increased since 1990, when the recommendations of the previous SCC were implemented. Like other public employees and members of the private sector, members of the Legislature deserve to have salaries that fairly reflect cost of living increases;
- The present 10 year vesting requirement for the Legislative Retirement System should be changed to 8 years because the SCC found that the constitutional 8 year term limit makes it difficult for most legislators to become eligible for retirement benefits. The retirement program needs further study particularly as it relates to Social Security benefits and will be included in the commission's report for January 2000;
- Any increase in constituent service allowances should not only reflect the costs of inflation over time but also needs to reflect costs incurred by the increased dependence on, and use of, technology. The needs and concerns of an increasing number of constituents are communicated through the use of such technology as e-mail, the Internet, car phones, cell phones, electronic pagers and fax machines; legislators need to have constituent allowances which are somewhat in line with the costs of using current technology; and

- The salaries of the Attorney General, the Secretary of State and the Treasurer of State need to be increased to properly reflect the significant responsibilities of each of these positions and to attract qualified individuals with the necessary expertise. At the present time, the SCC concluded that the current salary of the State Auditor is appropriate.

RECOMMENDATIONS:

The SCC makes the following recommendations regarding compensation for Legislators and Constitutional officers:

1. Beginning in the 120th Maine State Legislature, increase legislative salaries from \$10,500 to **\$15,750** for the 1st Regular Session and from \$7,500 to **\$11,250** for the 2nd Regular Session;
2. Increase the annual constituent allowance for the Senate from \$1,000 to **\$2,000** and from \$750 to **\$1,500** for the House;
3. Decrease the vesting requirement for the Legislative Retirement system from 10 to **8 years**;
4. Establish that the Attorney General's salary (\$83,470.40 current) will be the same as that paid to District Court Judges, currently established at **\$90,000** for FY 1998-1999 with annual cost-of-living adjustment in subsequent years; and
5. Increase the annual salaries for both the State Treasurer and the Secretary of State (both currently at Range 88, Step 5, \$56,999) to no lower than Range 89, Step 5 which is currently **\$60,777**.

These statutory recommendations have been published as L.D. No. 2168, "An Act to Implement the Recommendations of the State Compensation Commission."

FUTURE REPORT TOPICS:

The SCC has been meeting since October of 1999 and was able to generate the recommendations listed above. In its future reports to the Legislature, the SCC plans to review the following topics in more detail:

- the complicated area of medical benefits provided for legislators and how these benefits relate to Medicare;

- a more detailed look at the subject of constituent allowances and how legislators are coping with increasing constituent workloads;
- the extra workload required of committee chairs;
- a more detailed review of retirement benefits for legislators and how they relate to Social Security; and
- other areas of concern that were brought to the Commission's attention during its initial review effort.

APPENDIX 1

Individuals Who Participated in Meetings of the State Compensation Commission listed in the order in which they met with the Commission.

- Sally Tubbesing, Executive Director of the Legislative Council
- Elizabeth Mitchell; Former Speaker of the House;
- Joseph Mayo, Clerk of the House;
- Joy O'Brien, Secretary of the Senate;
- Mark Lawrence, President of the Senate;
- G. Steven Rowe, Speaker of the House;
- Senator Chellie Pingree, Majority Leader;
- Senator Ann Rand; Assistant Majority Leader;
- Senator Philip Harriman;
- Senator John Nutting;
- Senator Marge Kilkelley;
- Representative Michael Saxl; Majority Leader;
- Representative David Shiah, Assistant Majority Leader;
- Representative Thomas Murphy, Minority Leader;
- Representative Richard Campbell, Assistant Minority Leader;
- Representative Kathleen Stevens;
- Representative John Martin;
- Representative John Tuttle;
- Representative Pam Hatch;
- Andrew Ketterer, Attorney General;
- Dale McCormick, Treasurer of State;
- Representative John Tuttle;
- Rod Scribner, Former State Auditor;
- Bill Diamond, Former Secretary of State;
- Kay Evans, Executive Director of the Maine State Retirement System;
- Nancy Kelleher; Chief of Staff, Speaker's Office
- Pat Damon; Special Assistant, Speaker's Office



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APPENDIX 2

Survey Results, Members of the 119th Maine State Legislature



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SURVEY OF MAINE STATE LEGISLATORS

January, 1999

RESULTS; AS OF 4/11/99,

142 SURVEYS RETURNED OUT OF 186 SENT;

76% RETURN RATE

(totals of less than 100% reflect "no answer")

Conducted by the State Compensation Commission*

1. I am a member of the: House -**80%** Senate -**18%** (please circle one)
2. I have served the following number of terms in the Maine State Legislature: _____

1 term-	27%	6 terms-	2%
2 terms-	35%	7 terms-	2%
3 terms-	18%	8 terms-	1%
4 terms-	8%	9 terms-	1%
5 terms-	2%	10 terms-	1%
		16 terms-	1%

- A. Of those terms: _____ were in the Maine House of Representatives; and
 _____ were in the Maine Senate

3. Other than service as a legislator, my current occupation is: _____
4. My age is _____.

Average age- 51
median age- 51
youngest age- 23
oldest age- 74

5. My gender is: Female **27%** Male **70%** (please circle one)
6. My district is generally considered to be in the following geographical part of the state.

34% South

- 10% West
- 12% North
- 11% East
- 30% Central

7. In my opinion, the current legislative salary of \$10,500 for the first regular session and \$7,500 for the second regular session:

- A. 25% needs no change
0% should be decreased
74% should be increased

B. If your response above was other than "needs no change", please specify the salary levels that you think would be most appropriate:

\$ _____ for the First Regular Session
 \$ _____ for the Second Regular Session

	<u>First Reg Ses</u>	<u>Second Reg Ses</u>
average	\$16,837	\$12,351
median	15,000	10,250
low	10,000	8,000
high	45,000	30,000

8. The current constituent allowance (Senate/\$1,000/year; House/\$750/year):

- A. 46% needs no change
1% should be decreased
48% should be increased

B. If your response above was other than "needs no change", please specify the amount that you think would be most appropriate:

\$ _____ for the Senate
 \$ _____ for the House

	<u>Senate</u>	<u>House</u>
average	\$1,962	\$1,239
median	1,500	1,000
low	1,000	500
high	4,500	3,000

Comments:

9. Please comment on the present level of benefits provided for legislators:

A. Health insurance; State covers 100% of cost for legislator, 50% for dependents:

89% adequate

6% inadequate

Comments:

B. Dental insurance; State covers 100% of cost for legislator, 0% for dependents:

77% adequate

18% inadequate

Comments:

C. Retirement benefits; State pays an amount equal to 6.02% of earnable compensation; legislator pays 7.65% of earnable compensation; 10 years to become vested:

47% adequate

38% inadequate

Comments:

10. The current per diem rate of \$100/day for special session and \$55/day for other interim meetings:

A. 66% needs no change

2% should be decreased

29% should be increased

B. If your response was other than "needs no change", please specify the per diem amount that you think would be most appropriate:

\$_____ special session

\$_____ other interim meetings

	<u>Special Session</u>	<u>Interim meetings</u>
average	\$132	\$ 94
median	125	100
low	65	65
high	200	200

Comments:

11. The current expense allowance rates of:

- a maximum of \$70 per day for meals and lodging; **or**
- a maximum of \$32 per day for meals and mileage at 24¢ per mile not to exceed \$38.00 per day

- A. 56% needs no change
5% should be decreased
35% should be increased

B. If your response was other than “needs no change”, please specify what changes would be most appropriate:

Comments:

12. Other comments; please include any other comments relative to legislative compensation that you think would be relevant to the commission's review.

Name (Optional) _____

*Current members of the State Compensation Commission are: Ralph Leonard, Chair
David Cook
Evelyn Desmond
Barry J. Hobbins
Sally Vamvakias