

MAINE STATE LEGISLATURE

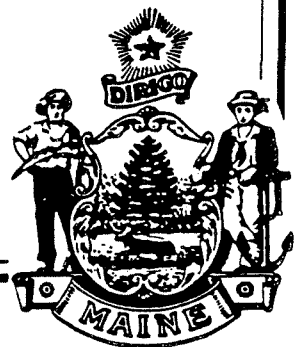
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INTERIM REPORT
MAINE STATE COMPENSATION COMMISSION
May 15, 1989



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MAINE STATE COMPENSATION COMMISSION

**Interim Report
May 15, 1989**

INTRODUCTION

The Maine State Compensation Commission serves for a two-year period which coincides with the legislative biennium. Two members are appointed by the President of the Senate, two members are appointed by the Speaker of the House of Representatives, and the fifth member, who serves as a chair, is elected by the four appointed members. The 114th Compensation Commission is the fifth Commission to have been appointed since the law establishing the Commission took effect, and it will serve until December, 1990. The Commission provides the Legislature and the citizens of Maine with an independent, bipartisan approach to the compensation of Maine's elected officials and others.

The Commission is charged by law to review the compensation and make recommendations to the Legislature on the following: the Governor, justices and judges, constitutional officers, legislators, Clerk and Assistant Clerk of the House of Representatives, Secretary and Assistant Secretary of the Senate, and representatives of Indian Tribes elected to the Legislature. The Commission is also authorized by Title 3, §2-A, of the Maine Revised Statutes to make "... other recommendations".

INTERIM REPORTS

In advance of the final report, the State Compensation Commission is required by Title 3, section 2-A of the Maine Revised Statutes to submit two interim reports to the Legislature. The purpose of these interim reports is to provide the Legislature with a description of the Commission's activities and to make any recommendations requiring immediate attention. The first interim report is due by May 1st of every odd-numbered year of the Commission; the second interim report is due by January 15th of every even-numbered year of the Commission.

The 114th Legislature, in L.D. 1463, extended the reporting deadline for the first interim report to May 15, 1989. This extension was requested because the Compensation Commission, in March 1989, concluded some compensation policies needed immediate redress. The extension provided the time necessary to conclude the review and draft the legislation which will implement the Commission's recommendations.

The Commission has reviewed the November 15, 1988 Final Report of its predecessor Commission and endorses the recommendations made therein. Their statutory recommendations can be found in L.D. 138 Bill "An Act to Implement Certain Recommendations of the State Compensation Commission".

This first interim report includes recommendation on four compensation policies:

- Governor's expense account
- Legislators' salaries and expenses;
- Indian Representatives' per diem and expenses;
- Constitutional Officers' and State Auditor's salaries; and

The 114th Compensation Commission will initiate its review of all other compensation policies under its purview this summer and will report its findings to the Legislature by January 15, 1990.

GOVERNOR'S EXPENSE ACCOUNT

Governor Muskie's Budget Document for the 1958-1959 biennium recorded a \$15,000 appropriation in state Fiscal Year 1955-56 for the "Governor's Expense Account". The sum of \$15,000 was appropriated for Fiscal Year 1957, Fiscal Year 1958, and Fiscal Year 1959. In fact, the Governor's Expense Account has been budgeted at \$15,000 per year ever since. The "Part I Budget" for the 1990-1991 biennium, recently enacted as PL 1989, c.68, also includes \$15,000 in each year of the upcoming biennium for the Governor's Expense Account

While funding for the Governor's salary, immediate staff and Blaine House have been adjusted over time, the Governor's Expense Account, paradoxically, has remained constant for the past 30-plus years. If one were to adjust for inflation*, the account would have to be increased to approximately \$67,000 to provide the Governor with the purchasing power of \$15,000 in 1956.

Title 2, section 2 of the Revised Statutes states the Governor's Expense Account "...shall be available for expenditure by the Governor at his discretion". Historically, this has involved paying for extraordinary expenses not already budgeted in the Governor's Office or Blaine House accounts.

*Based on U.S. Department, Consumer Price Index (1967=100)

The Commission finds that the Governor's expense account has been neglected and requires a small, albeit needed, infusion of funds.

Recommendations

Increase the Governor's Expense Account to \$30,000 per year.

LEGISLATORS

Of all the compensation issues with which the State Compensation Commission has grappled, none has been more difficult, and more delicate, than the subject of legislators' salaries and expenses. Over the years this discussion has been complicated by three factors: First, it is difficult to determine an equitable salary and expense reimbursement for "part time" officials who, for a large percentage of the year, must work "full-time" hours yet wish to remain a "part-time" Legislature; second, the Commission has had to balance "equity" and "equality" issues against the Legislature's sense of "political reality" and "consensus"; and third, the Commission must determine that salary and reimbursement level which is reasonable for the next Legislature (ie, a "sitting" Legislature can only increase the next Legislature's salary and reimbursement level).

Past Compensation Commission interim and final reports provide the history and rationale supporting recent changes in legislators' compensation. Table 1 provides a summary of recent increases in legislators' compensation since the 110th Legislature.

In making the recommendations listed below, the Commission was guided by the following:

- Workload for legislators' is increasing; issues are becoming more complex;
- As a "part-time" Legislature, the salary and reimbursement levels have to continue to adjust for inflation and remain at a level that attracts and retains candidates, yet does not "overcompensate"; and
- Salary differential between the first and second regular sessions should be closer over time. Originally recommended by the 113th Compensation Commission, this guideline recognizes that the workload from year to year is becoming more constant.

RECENT INCREASES IN
 LEGISLATORS' COMPENSATION

	110th Legislature (1981-1982)	111th Legislature ¹ (1983-1984)	% Inc.	112th Legislature ² (1985-1986)	% Inc.	113th Legislature ³ (1987-1988)	% Inc.	114th Legislature ⁴ (1989-1990)	% Inc.
SALARIES									
-1st Regular	\$4,500	\$6,500	44.4%	\$7,500	15.4%	\$9,000	20%	\$9,900	10%
-2nd Regular	\$2,500	\$3,500	40.0%	\$4,000	14.3%	\$6,000	50%	\$6,600	10%
PER DIEM									
	\$25/day	\$35	40.0%	\$50	42.9%	\$55	10%	\$55	—
MEALS/HOUSING									
-Meals	\$35/day	\$45	28.6%	\$50	11.1%	\$60	20%	\$60	—
-Housing				\$26	—	\$26	—	\$26	—
				\$24	—	\$34	41.7%	\$34	—
CONSTITUENT SERVICES									
	\$200/year	\$300	50.0%	\$330	10.0%	\$500	51.5%	\$500	—
INDIAN REPRESENTATIVES									
	\$25/day	\$35	40.0%	\$77	120.0%	\$100	29.9%	\$100	—

1/ PL 1981, c.702

2/ PL 1983, c.853

3/ PL 1985, c.693

4/ PL 1987, c.816

Recommendations

Salary: First Regular Session salaries should be increased 6.1% from \$9,900 to \$10,500. Second Regular Session salaries should be increased 13.6% from \$6,600 to \$7,500.

Meals Allowance: Meals allowance should be increased 23.1% from \$26 per day to \$32 per day. This is in recognition of no increase having been granted in the meals allowance since 1985, and an accepted recommendation not taking effect until 1991.

Housing Allowance: Last increased in 1987, housing allowance should be increased 11.8% from \$34 per day to \$38 per day.

Constituent Service Allowance: The 113th Compensation Commission's Final Report recommended a \$1,000 per year constituent service allowance for Senators only, with Representatives continuing to receive \$500 per year. This Commission recommends a \$1,000 allowance for Senators and a \$750 allowance for Representatives with the following caveat. Each legislator would receive 2/3 of their constituent service allowance at the start of each regular session and the remaining 1/3 upon adjournment of each regular session.

	<u>SENATE</u>	<u>HOUSE</u>
Start of Regular Session	\$ 650	\$500
Month following adjournment	<u>\$ 350</u>	<u>\$250</u>
Total	\$1,000	\$750

Special Session Per Diem: This Compensation Commission endorses the recommendation of its predecessor. A legislator would receive a \$100 per diem for special session days while retaining the \$55 per diem for authorized committee/commission meetings and Senate confirmation sessions.

INDIAN REPRESENTATIVES

The two Indian Representatives receive a \$100 per diem for every day in attendance during the regular and special sessions. This per diem rate has now been in effect since 1987. A 10% increase in the per diem will provide the Indian Representatives with a similar

increase to that recommended for legislators' salaries. The Indian Representatives will receive the same increase in expense reimbursements that are granted to legislators.

Recommendation

Increase the Indian Representative per diem 10% from \$100 to \$110 per day in attendance.

CONSTITUTIONAL OFFICERS AND STATE AUDITOR

The 111th Legislature, based on recommendations made by the 111th State Compensation Commission, enacted legislation which assigns each of the Constitutional Officers to a salary range within the salary structure established for unclassified employees. Table 2 shows the salary ranges to which the "constitutional officers" are assigned, along with the step within their ranges to which they are initially appointed and the maximum step to which they can be assigned.

Table 2. Salary Range Assignments for the Constitutional Officers and State Auditor

	<u>SALARY</u> <u>RANGE</u>	<u>MINIMUM</u> <u>STEP</u>	<u>MAXIMUM</u> <u>STEP</u>
Secretary of State	87	A	G
Treasurer of State	87	A	G
State Auditor	88	A	G
Attorney General	90	E	G

The 113th Compensation Commission, in its November 15, 1988 Final Report, identified two issues concerning these positions. First, unlike any other positions that are assigned to an Executive Branch "salary range", the constitutional officers and state auditor are prohibited from advancing to the top two "steps" of their respective ranges. That is, of the 9 steps available in their salary ranges (A-I), these positions can advance only to Step G. Second, given the professional requirements for this position, the State Auditor should start at Step E of his/her salary range, as does the Attorney General.

This Commission has reviewed the salary range assignments of each of the four positions and concludes that there are some equity and retention issues which require the attention of the Legislature.

Specifically, the Commission concludes the following:

- The complexities of each of these positions have increased considerably over the recent past;
- The size and responsibilities of their respective departments are comparable to the Governor's Cabinet, each of whom are assigned to salary Range 91;

- Salaries must be set at a level to attract and retain qualified candidates; and
- Salaries must be set at a level that allows these officers to receive a salary that is at, or above, their respective senior staffs.

Recommendations

Attorney General: Move from Salary Range 90 to Salary Range 91; maintain provision that initial appointees shall be placed at Step E.

State Auditor: Move from Salary Range 88 to Salary Range 89; establish minimum step for initial appointees at Step E.

Secretary of State
and
Treasurer of State: Move from Salary Range 87 to Salary Range 88; establish minimum step for initial appointees at Step C.

All Four Positions: Make all four positions eligible for all steps within their respective salary ranges, except where minimum step assignments are authorized.