

# MAINE STATE LEGISLATURE

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**SECOND  
INTERIM REPORT**

**MAINE STATE COMPENSATION COMMISSION**

**January 15, 1990**



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Commission Members

Stephen R. Crockett, Chair  
Philip Annis  
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SUMMARY OF RECOMMENDATIONS  
TO THE SECOND REGULAR SESSION  
OF THE 114th LEGISLATURE

Governor:	Increase salary for next newly-elected Governor to \$87,500.												
Justices and Judges:	Implement a three-year salary increase schedule of 5% each year, starting on July 1, 1990 (FY 91).												
Legislators and Indian Representatives:	Provide state funding for legislators' basic life insurance, as is provided for state employees.												
Constitutional Officers and State Auditor:	<table border="0"><tr><td><u>Attorney General</u></td><td>-</td><td>no recommendation at this time;</td></tr><tr><td><u>State Auditor</u></td><td>-</td><td>Increase salary range assignment from 89 to 90; maintain initial step assignment within the salary range at Step E;</td></tr><tr><td><u>Secretary of State</u></td><td>-</td><td>Increase salary range assignment from 88 to 89; increase initial step assignment within the salary range from Step C to Step D.</td></tr><tr><td><u>Treasurer of State</u></td><td>-</td><td>Increase salary range assignment from 88 to 89; increase initial step assignment within the salary range from Step C to Step D.</td></tr></table>	<u>Attorney General</u>	-	no recommendation at this time;	<u>State Auditor</u>	-	Increase salary range assignment from 89 to 90; maintain initial step assignment within the salary range at Step E;	<u>Secretary of State</u>	-	Increase salary range assignment from 88 to 89; increase initial step assignment within the salary range from Step C to Step D.	<u>Treasurer of State</u>	-	Increase salary range assignment from 88 to 89; increase initial step assignment within the salary range from Step C to Step D.
<u>Attorney General</u>	-	no recommendation at this time;											
<u>State Auditor</u>	-	Increase salary range assignment from 89 to 90; maintain initial step assignment within the salary range at Step E;											
<u>Secretary of State</u>	-	Increase salary range assignment from 88 to 89; increase initial step assignment within the salary range from Step C to Step D.											
<u>Treasurer of State</u>	-	Increase salary range assignment from 88 to 89; increase initial step assignment within the salary range from Step C to Step D.											
Commissioners, Public Utility Commission:	Increase the salaries of the Commissioners by 2.5% upon completion of the third year of the first term; Associate Commissioners would then be called "Senior Commissioners".												
Commissioners, Workers' Compensation Commission:	Increase the salaries of the Commissioners by 2.5% upon completion of the third year of the first term; Associate Commissioners would then be called "Senior Commissioners".												

MAINE STATE COMPENSATION COMMISSION

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INTERIM REPORT

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## MAINE STATE COMPENSATION COMMISSION

Interim Report  
January 15, 1990

### 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 the 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.

According to Title 3, section 2-A of the Maine Revised Statutes, 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 3 M.R.S.A. §2-A 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 Private and Special Law of 1989, c. 23, 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 would implement the Commission's recommendations.

## RECENT STATE COMPENSATION COMMISSION REPORTS

The First Regular Session of the 114th Legislature reviewed two reports from the State Compensation Commission: the Final Report of the 113th Commission (1987-88) and the First Interim Report of the 114th Commission (1989-90). The information provided in Table 1 below summarizes the major recommendations made in those reports and the changes implemented during the First Regular Session of the 114th Legislature. Copies of these reports are available in the Law and Legislative Reference Library in the State House.

**TABLE 1:** Recent State Compensation Commission Recommendations vs. Changes Implemented by the 114th Legislature

<u>Area of Review</u>	<u>SCC Recommendation</u>	<u>SCC Report</u>	<u>Legislative Implementation</u>	<u>Chapter Reference</u>
Governor	• Increase Gov.'s Expense Account by \$15,000	114th SCC 1st Interim Report (5/15/89)	• Accept SCC Recommendation	PL 1989, c. 501, Part A
Legislators	• Increase biennial salaries from \$16,500 to \$18,000; Increase meals allowance by \$6/day; Increase housing allowance by \$4/day; Increase constituent service allowance for Senators to \$1,000; and Increase constituent service allowance for Representatives to \$750;	114th SCC 1st Interim Report (5/15/89)	• Accept SCC Recommendation	PL 1989, c. 501, Parts A & O
	• Create "Special Session per diem" of \$100; create waiver provision to Maine Legislative Retirement System.	113th Final Report (11/15/89)	• Accept SCC Recommendation	PL 1989, c. 501, Part O



<u>Area of Review</u>	<u>SCC Recommendation</u>	<u>SCC Report</u>	<u>Legislative Implementation</u>	<u>Chapter Reference</u>
Indian Representatives	<ul style="list-style-type: none"> <li>• Increase per diem from \$100 to \$110</li> </ul>	114th SCC First Interim Report (5/15/89)	<ul style="list-style-type: none"> <li>• Accept SCC Recommendation</li> </ul>	PL 1989, c. 501 Parts A and O
Justices & Judges	<ul style="list-style-type: none"> <li>• Implement 3-year salary increase schedule (approximately 7% each year)</li> </ul>	113th SCC Final Report (11/15/89)	<ul style="list-style-type: none"> <li>• 4% increase in FY 90 only effective 9/4/89</li> </ul>	PL 1989, c. 596, Part C
	<ul style="list-style-type: none"> <li>• Implement automatic COLA based on CPI, effective 7/1/91</li> </ul>	113th SCC Final Report (11/15/88)	<ul style="list-style-type: none"> <li>• Accept SCC Recommendation</li> </ul>	PL 1989, c. 501, Part O
	<ul style="list-style-type: none"> <li>• Increase Active Retired Justice &amp; Judge per diem from \$75 to \$150</li> </ul>	113th SCC Final Report (11/15/89)	<ul style="list-style-type: none"> <li>• Accept SCC Recommendation</li> </ul>	PL 1989, c. 596, Part C
Constitutional Officers & State Auditor	<ul style="list-style-type: none"> <li>• Increase salary range assignment for Attorney General from 90 to 91.</li> </ul>	114th SCC First Interim Report (5/15/89)	<ul style="list-style-type: none"> <li>• Accept SCC Recommendation</li> </ul>	PL 1989, c. 596, Part C
	<ul style="list-style-type: none"> <li>• Increase salary range assignment for State Auditor from 88 to 89; increase minimum starting step from A to E</li> </ul>	114th SCC First Interim Report (5/15/89) 113th SCC Final Report (11/15/89)	<ul style="list-style-type: none"> <li>• Accept SCC Recommendation</li> <li>• Accept SCC Recommendation</li> </ul>	PL 1989, c. 596, Part C PL 1989, c. 501, Part O
	<ul style="list-style-type: none"> <li>• Increase salary range for Secretary of State &amp; State Treasurer from 87 to 88; increase minimum step to C</li> </ul>	114th SCC First Interim Report (5/15/89)	<ul style="list-style-type: none"> <li>• Accept SCC recommendation</li> </ul>	PL 1989, c. 596, Part C
	<ul style="list-style-type: none"> <li>• Eliminate Step G as maximum step</li> </ul>	113th SCC Final Report (11/15/89)	<ul style="list-style-type: none"> <li>• Accept SCC recommendations</li> </ul>	PL 1989, c. 501 Part O

## SECOND INTERIM REPORT - AREAS OF REVIEW

In continuing its review of certain compensation policies, this Commission has considered the work of preceding Commissions and the subsequent action by the Legislature on those recommendations. It also has considered the actions taken by the First Regular Session of the 114th Legislature in response to the Commission's most recent recommendations.

The recommendations included in this report fall into one of three categories. The first category addresses some constitutional or statutory provision that compels the Commission to make a recommendation at this time. The recommendation in this report concerning the Governor's salary belongs in the first category. The second category addresses some earlier recommendation of the Compensation Commission that was defeated or only partially implemented by the 114th Legislature. The judicial salary increase recommendation belongs in the second category. The third category addresses those compensation policies within the Commission's purview that, due to new data or simply the passage of time, require the Legislature's attention at this time. The recommendation for Commissioners of the Public Utilities Commission and the Workers' Compensation Commission fall into this third category.

### GOVERNOR'S SALARY

Much progress has been made in the Governor's salary since 1986. At that time, Maine's Governor, along with the Governor of Arkansas, received the lowest annual salary in the nation (\$35,000). The 112th State Compensation Commission, in its 1986 Second Interim Report, recommended, with the 112th Legislature concurring, that the Governor's salary be increased to \$70,000, effective January 1987. According to 1989 Data, the salary paid to Maine's Governor ranks thirtieth among the fifty states, with five other states also paying their Governor \$70,000. (See Appendix A).

The 112th State Compensation Commission's Second Interim Report also recommended that the Governor's salary be reviewed in the third year of each gubernatorial term in office. This review requirement was incorporated into the Maine Revised Statutes in Title 2, section 1. The Compensation Commission's purpose was to ensure that the Governor's salary would maintain its standing in relation to the salaries paid to Maine's top state government officials and the Governors in other states.

Given that 1989 is the third year of the current Governor's term, the 114th Commission initiated its quadrennial review of the Governor's salary. Complicating this review, however, is Article V, Part First, Section 6 of the Maine Constitution which prohibits the Governor from receiving an increase during his "...continuance in office". This phrase has been interpreted by the Attorney General, in an opinion requested by the 113th Compensation Commission, to preclude a sitting Governor from receiving a salary increase upon the commencement of his second, consecutive term. Appendix B provides a copy of that opinion. The opinion goes on to state, however, that there is no constitutional prohibition against the Legislature's passing a statutory change to increase the Governor's salary at any time. The practical effect of such a change is that the "sitting" Governor could not receive the increase at any time during a possible eight-year, consecutive continuance in office.

It is the position of the 114th Compensation Commission that a recommendation on the Governor's salary must be made at this time. An increase will prevent further slippage of the Governor's salary in relation to the salaries paid to Maine state government officials and the Governor's peers in other states.

#### Recommendation

Increase the Governor's salary to \$87,500.

#### GOVERNOR'S RETIREMENT

Title 2, section 1-A of the Maine Revised Statutes provides a retirement allowance to former Governors and their surviving spouses. In brief, the retirement allowance is  $\frac{3}{8}$  of the annual salary being paid the current Governor on the date the former Governor reaches age 60 or leaves office, whichever comes later.

The 113th Compensation Commission, in its final report, recommended that its succeeding Commission conduct a review of the Governor's Retirement Plan. The Commission has conducted its review and finds no major issues that need to be addressed at this time. Commission members were concerned with the relatively low retirement allowances provided to some former Governors or their surviving spouses. These allowances resulted from the relatively low salary paid to the sitting Governor when these individuals applied for their retirement allowance. This Commission finds that no changes could be recommended for the Governor's Retirement Allowance for any current beneficiaries without disrupting the equity of the current plan as well as the equity of Maine's other retirement plans.

### Recommendation

No change in current policy at this time. This Commission will continue its review of retirement benefits for participants in the Governor's Retirement Plan and will include any recommendations in its final report.

### JUSTICES AND JUDGES

The Final Report of the 113th State Compensation Commission included a recommendation to implement a three-year salary increase schedule for Maine's justices and judges that would average 7% each year. That Commission's intent was to maintain a level of judicial compensation that would continue to attract and retain well-qualified individuals to Maine's bench. The Commission was also cognizant of the need to maintain some link to Federal judicial salaries, although it found that completing that link was problematic. A complete discussion of the 113th Commission's rationale in making its recommendation can be found in its November 15, 1988 Final Report.

In January 1989, a two-year salary increase schedule for Maine's judiciary of 5% each year was included in the Governor's "Part 2" (new and expanded) budget proposal for the FY 90-91 biennium. This proposal was later decreased to 4% a year for FY 90 and FY 91. The Legislature, in PL 1989, c. 596, Part C authorized a 4% salary increase for all Maine's justices effective on September 4, 1989 for FY 90 only.

Although aware of the financial pressures on state government, the 114th Commission decided, however, to immediately reconsider the judicial salary issue. While other state officials are scheduled to receive an approximate salary increase of 20.4% in a two-year period, Maine's justices and judges are scheduled to receive, at best, an 8% salary increase over the same period. As in the past, three factors guided their discussion:

- Maine's justices and judges have no mechanism for additional salary increases under current statutory language. (Starting in FY 92, judicial salaries will be adjusted automatically based on the Consumer Price Index, with no annual increase exceeding 4%);
- The association to federal judicial salaries, initiated in 1983 with legislative approval, should be maintained to the extent possible (Parenthetically, as of the writing of this report, federal judicial salaries are scheduled to increase by approximately 30%); and

- Judicial salaries should be set at a level that will continue to attract and retain individuals to Maine's bench.

As the Commission began its deliberations two other issues surfaced that became equally important and compelling to Commission members. First, simply resubmitting the original three-year schedule of 7% annual increases would be fiscally impossible in light of the status of Maine's General Fund. And second, the impact of the recent collective bargaining agreements for state employees would effectively pay certain "benchmark" positions in state government more than an Associate Judge of the District Court by July 1, 1991. The collective bargaining agreement will provide salary increases of approximately 20.4% (compounded) to positions such as Commissioners of the Public Utilities Commission and the Workers' Compensation Commission and members of the Governor's Cabinet for the period July 1, 1989 through July 1, 1991. Appendix C provides a salary comparison for Maine's justices and judges in relation to these other positions given the scheduled salary increases currently in effect.

After reviewing a number of options, this Commission supports a three-year schedule of salary increases which will provide Maine's justices and judges with annual increases of 5% (see Table 2).

**TABLE 2. Proposed Judicial Salary Schedule (FY 91 - FY 93)**

	FY 1990 <sup>(1)</sup>	FY 1991 <sup>(2)</sup>	FY 1992 <sup>(2)</sup>	FY 1993 <sup>(2)</sup>
SUPREME JUDICIAL COURT				
•Chief Justice (105%)	\$84,412	\$88,633	\$93,065	\$97,718
•Associate Justice	\$80,392	\$84,412	\$88,633	\$93,065
SUPERIOR COURT				
•Chief Justice (105%)	\$79,825	\$83,816	\$88,007	\$92,407
•Associate Justice	\$76,024	\$79,825	\$83,816	\$88,007
DISTRICT COURT				
•Chief Judge (105%)	\$76,632	\$80,464	\$84,487	\$88,711
•Deputy Chief (102.5%)	\$74,808	\$78,548	\$82,476	\$86,599
•Associate Judge	\$72,983	\$76,632	\$80,464	\$84,487

(1) Current salary per Title 4 of the Maine Revised Statutes

(2) Each salary increase effective on July 1st; FY 1992 and FY 1993 increases do not include COLA's per 4 MRSA §4, sub-§2A (4% maximum each year). State employees will receive a 7% increase on July 1, 1991 (FY 92).



Commission members are conscious of the fiscal constraints under which the State is operating. They are also aware from the history of state compensation that failure to maintain reasonable levels of pay and benefits for elected and appointed officials accumulates problems that in the long run are more expensive to correct than modest adjustments made on a regular basis. "Justice delayed is justice denied," and fair, reasonable and just compensation delayed leads to untold difficulties in lost opportunities and frustration over the financial burdens borne by public servants.

#### Recommendation

Effective July 1, 1990, implement the three-year judicial salary increase described in Table 2.

#### CONSTITUTIONAL OFFICERS AND STATE AUDITOR

The 114th Legislature, based on recommendations made by the 114th Compensation Commission in its First Interim Report and the 113th Compensation Commission in its Final Report, enacted legislation which increased the salary range assignments, minimum step assignments and maximum step achievements for the three Constitutional Officers and the State Auditor. Table 3 shows the new salary range assignments to which each of these positions are now assigned.

TABLE 3. Salary Range Assignments for the Constitutional Officers and the State Auditor

	<u>Salary Range</u>	<u>Minimum Step</u>	<u>Maximum Step</u>
Secretary of State	88	C	H
Treasurer of State	88	C	H
State Auditor	89	E	H
Attorney General	91	E	H

The Legislative Council, at its September 29, 1989 meeting, requested the Compensation Commission to re-examine their most recent recommendations concerning these salary range assignments "...with particular focus on making remuneration for these positions comparable to that of commissioners in the executive branch".

Compensation Commissions in the past decade have repeatedly



studied the salaries of the constitutional officers. Some commissions have concluded, based in large part on a modified "Hay Evaluation", that all four positions should be paid in the same range as cabinet officers. Others have differed, finding it difficult to establish exact comparability between appointed and elected positions. The Legislature itself has not accepted comparability for all four positions with Cabinet-level commissioners.

It was clear to this Commission, as reported in a May 15, 1989 interim report, that the responsibilities of all four positions have increased and salaries have lagged behind.

Based on these past studies and on the guidance offered by the Legislative Council, this Commission has concluded:

- No adjustment is needed to the Attorney General's salary range assignment as it is already in salary range 91, the salary range assignment for the Governor's Cabinet; and
- Further upgrading of the pay ranges covering the three other positions should be considered by the Legislature.

#### Recommendations

Attorney General:	No recommendation at this time.
State Auditor:	Move from Salary Range 89 to Salary Range 90; maintain minimum step for initial appointees at Step E.
Secretary of State and Treasurer of State:	Move from Salary Range 88 to Salary Range 89; increase minimum step for initial appointees from Step C to Step D.

#### LEGISLATORS AND INDIAN REPRESENTATIVES

The State Compensation Commission, over the past six years, has attempted to provide legislators with fringe benefits that are comparable to those of state employees. This has included supporting the establishment of a separate Legislative Retirement System and the extension of 60% spousal health insurance coverage for all legislators.

Unbeknownst to the Commission, there is one other benefit available to state employees that legislators still do not receive: state payment of basic life insurance. A state employee receives, as part of his/her fringe benefit package, state payment of a basic life insurance premium valued at the employee's annual salary. The employee can increase the value of the life insurance benefit beyond the basic coverage at his or her own cost.

Legislators currently do not receive state payment of a life insurance premium at the value of their annual salary. The Commission finds this policy to be inconsistent with recent attempts to provide legislators with a fringe benefit package that is comparable to state employees.

#### Recommendation

Provide funding and authorization for state payment of legislators' basic life insurance.

#### SECRETARY AND ASSISTANT SECRETARY OF THE SENATE: CLERK AND ASSISTANT CLERK OF THE HOUSE OF REPRESENTATIVES

In an addendum report dated May 26, 1987, the 113th Commission recommended placing the positions listed above in salary ranges within the legislative staff salary structure created by the Legislative Council in the fall of 1986. These recommendations were adopted by the 113th Legislature in Public Law 1987, chapter 349.

Table 4 shows the legislative salary ranges to which these positions have been assigned.

**TABLE 4. Salary Range Assignments for Secretary and Assistant Secretary of the Senate; Clerk and Assistant Clerk of the House of Representatives.**

<u>Position</u>	<u>Legislative Salary Range</u>
Secretary	14
Assistant Secretary	9
Clerk	14
Assistant Clerk	9

The Commission reviewed the salaries provided for these salary ranges and each position's placement within that range and finds that no recommendations are needed at this time.

#### Recommendation

No change in current policy at this time.

COMMISSIONERS, PUBLIC UTILITIES COMMISSION AND WORKERS' COMPENSATION COMMISSION

In 1986, the Second Regular Session of the 112th Legislature, upon recommendation of the 112th Compensation Commission, enacted legislation that placed the salaries for the Commissioners of the Public Utilities Commission (PUC) and Workers' Compensation Commission (WCC) within the Executive Branch's salary system for confidential employees. Table 5 shows the salary range assignments to which these positions have been assigned.

**Table 5.** Salary Range Assignments for the Commissioners of the Public Utilities Commission and the Workers' Compensation Commission.

<u>Position</u>	<u>FY 87</u>	<u>FY 88 (&amp; thereafter)</u>
Chair, PUC	Range 91, Step G	Range 91, Step H
Commissioner, PUC	Range 90, Step G	Range 90, Step H
Chair, WCC	Range 91, Step G	Range 91, Step H
Commissioner, WCC	Range 90, Step G	Range 90, Step H

Unlike the other state government officials for whom the State Compensation Commission is charged with reviewing on a biennial basis, the Commissioners of these two agencies do not fall under the Commission's statutory purview. As part of its 1988-89 programmatic review of the Workers' Compensation Commission, the Joint Standing Committee on Audit and Program Review recommended that "... a review of (WCC) Commissioners' salaries should be undertaken by the State Compensation Commission with particular emphasis on the turnover in Commission ranks caused by promotion to the District Court judiciary ...". That Committee's report went on to state "... that linking Commissioner's salaries with the judiciary in some way may serve to retain Commissioners who otherwise may accept appointment to judicial ranks, increase the morale and prestige of the Workers' Compensation Commission Commissioners, and reflect the quasi-judicial role of the Commissioner." This Compensation Commission expanded the Audit and Program Review Committee's request to include the PUC Commissioners, a group the Compensation Commission finds comparable to the WCC Commissioners in many ways and an action requested by the Legislature in past reviews.

In the past, the Compensation Commission has utilized four objectives in evaluating PUC and WCC Commissioner salaries. These objectives are listed below:

- A salary had to be implemented that would attract and retain well-qualified individuals to these positions;
- Salary adjustments should be insulated from the political arena;

- A compensation policy should be established that would provide equitable compensation yet was separate from judicial compensation policy; and
- These Commissioners, although performing a quasi-judicial function, are members of the Executive Branch and should be compensated at a level comparable with the Governor's cabinet.

The Compensation Commission met with members of the Public Utilities Commission and the Workers' Compensation Commission earlier this fall in order to discuss their attitudes and concerns about their compensation. The Chairman of the Public Utilities Commission, Kenneth Gordon, recommended "...a modest increase in the Commissioner's salaries". A summary of his proposal can be found in Table 6. His reasons for making this recommendation included:

- The need to attract and retain highly trained and experienced people to these positions; requires a compensation level that more closely approximates private sector salaries;
- Responsibilities are commensurate with those of more highly paid state officials, including Superior Court Justices; and
- The analyses required of the PUC are increasingly complex; the associated workload continues to increase.

The Chairman of the Workers' Compensation Commission, Ralph Tucker, also recommended an increase in Commissioner's salaries (see Table 6), along with a recommendation to substantially increase salaries upon completion of a Commissioner's first term (or some other period of time) and to state that it is the long-term goal of the Legislature to achieve parity with District Court judges. The specific reasons for advocating the last recommendation included:

- Applicants for commission openings are attorneys who must give up the practice of law;
- The Legislature, via the 1989 Audit and Program Review Committee report, has again recognized the similarity of commissioner work and skills vis a vis judges by lengthening terms of office from four to six year (note: judges are appointed to seven-year terms);
- Commissioners are gubernatorial appointments which must be screened by the Joint Standing Committee on Judiciary;

- Commission work and skills are the same as work and skills of judges;
- The Commission is a specialized court, relieving the court system of massive litigation of work injuries;
- The Commission is a non-political, independent, dispute-resolving agency;
- Average seniority on Maine WCC is 2.5 years, lower than similar jurisdictions in Connecticut and Rhode Island;
- Historical commitment to service is long-term, as with members of Maine's judiciary;
- Other states with similar workers compensation commissions link Commissioner salaries to judicial salaries; and
- Current projected salaries for Commissioners (with 20.4% increase over 25 month period per collective bargaining increases) may not solve retention and attraction issue.

**Table 6.** Salary Proposals by PUC Chair and WCC Chair

PUC SALARY PROPOSAL\*

	<u>CURRENT SALARY</u>	<u>PROPOSED SALARY</u>	<u>% INCREASE</u>
Chair - from 91(H) to 91(I)	\$68,557	\$72,051	5.1%
Commission from 90(H) to 91(H)	\$64,605	\$68,557	6.1%

\*Suggested by Kenneth Gordon, Chair of Public Utilities Commission, at 9/28/89 meeting.

WCC SALARY PROPOSAL\*\*

	<u>CURRENT SALARY</u>	<u>PROPOSED SALARY</u>	<u>% INCREASE</u>
Chair - from 90(H) to 5% above 91(I)	\$68,557	\$75,654	10.4%
Commission from 90(H) to 91(H)	\$64,605	\$72,051	11.5%

\*\*Suggested by Ralph Tucker, Chair of Workers' Compensation Commission, at 9/28/89 SCC meeting as further discussed with SCC Staff.



The Compensation Commission evaluated the salary proposals proffered by the Chairmen in comparison to Maine judicial salaries, salaries paid to members of the Governor's Cabinet and their peers in the other New England States. Appendices C and E provide salary comparison data.

The Commission finds that the current salary range and step assignments for these positions are very much in step with their peers in Maine state government and in New England. While concerned about turn-over among Commissioners, it was statistically significant to Compensation Commission members that only four WCC Commissioners have left the Commission since July 1, 1986 (when the Compensation Commission's salary range assignment recommendations took effect).

Given that these Commissioners are "locked" into specific salary ranges and steps, the Compensation Commission finds that some mechanism should be adopted to encourage retention. This is specifically in response to the Audit and Program Review Committee's recommendation that actions be taken to stem the loss of Workers' Compensation Commissioners to private practice and District Court appointments. A longevity award of 2.5% of current salary to those Commissioners who have completed three years of their first term would provide a financial incentive which would assist in attraction and retention.

Past Compensation Commissions have been reluctant to recommend compensating these Commissioners at the same level as judges. This Commission affirms, in conjunction with the third objective stated earlier, that PUC and WCC Commissioners are members of the Executive Branch and should be compensated at a level comparable with the Governor's Cabinet. The Commission finds that the salary range and step assignments recommended by the 112th Commission continue to satisfy their four objectives, while insuring that these Commissioners would be eligible for cost-of-living, or collectively bargained, salary adjustments.

#### Recommendations

- Effective on July 1, 1990, increase the salaries of PUC and WCC Commissioners by 2.5% upon completion of the third year of the first term; and
- Amend the statutes to title the Associate Commissioners as "Senior Commissioners" upon completion of the third year of their first term.



# **A P P E N D I X   A**

## **Governor's Compensation In All 50 States**

**(Source: The Book of the States, 1988-89 Edition,  
Volume 27, The Council of State Government)**

## GOVERNORS

Table 2.3  
THE GOVERNORS: COMPENSATION

State or other jurisdiction	Salary	Governor's office staff(a)	Access to state transportation			Travel allowance	Official residence
			Automobile	Airplane	Helicopter		
Alabama	\$70,223	22	*	*	*	(b)	*
Alaska	81,648	67	*	*	*	(b)	*
Arizona	75,000	23	*	*	*	(b)	*
Arkansas	35,000	48	*	*	*	(c)	*
California	85,000	84	*	*	*	(c)	(d)
Colorado	70,000	41.5	*	*	*	(e)	*
Connecticut	78,000	38	*	*	(f)	(e)	*
Delaware	70,000	22	*	*	*	\$ 18,500(c)	*
Florida	96,646	122 (g)	*	*	*	(b)	*
Georgia	84,594	50	*	*	*	(c)	*
Hawaii	80,000	33	*	*	*	(e)	*
Idaho	55,000	15 (h)	*	*	*	(c)	(i)
Illinois	93,266	135	*	*	*	220,000(b)	*
Indiana	77,200	34	*	*	*	0	*
Iowa	70,000	10	*	*	*	(b)	*
Kansas	65,693	22	*	*	*	(e)	*
Kentucky	68,164	78	*	*	*	(b)	*
Louisiana	73,400	46	*	*	*	32,000(c)	*
Maine	70,000	21	*	*	*	(e)	*
Maryland	85,000	109 (j)	*	*	*	(e)	*
Massachusetts	85,000	100	*	*	*	(e)	*
Michigan	100,077	45	*	*	*	(c)	*
Minnesota	94,204	30	*	*	*	(c)	*
Mississippi	63,000	39 (k)	*	*	*	24,017(c,d)	*
Missouri	81,000	33	*	*	*	(c)	*
Montana	50,432	23	*	*	*	(b)	*
Nebraska	58,000	13	*	*	*	(b)	*
Nevada	77,500 (l)	16	*	*	*	(c)	*
New Hampshire	68,005	25	*	*	*	(e)	*
New Jersey	85,000	60	*	*	*	(m)	(i)
New Mexico	63,000	38	*	*	*	(c)	*
New York	130,000 (m)	216	*	*	*	(b)	*
North Carolina	105,000	84	*	*	*	11,500	*
North Dakota	60,836	15.25	*	*	*	(c)	*
Ohio	65,000	30	*	*	*	(e)	*
Oklahoma	70,000	34	*	*	*	(e)	*
Oregon	73,500	44	*	*	*	0	*
Pennsylvania	85,000	60	*	*	*	(b)	*
Rhode Island	69,900	49	*	*	*	8,500(c)	(i)
South Carolina	81,600	28	*	*	*	20,000	*
South Dakota	57,324	26	*	*	*	(e)	*
Tennessee	85,000	40	*	*	*	(e)	*
Texas	91,600	178	*	*	*	(b)	*
Utah	60,000	14	*	*	*	(c)	*
Vermont	63,600	21	*	*	*	(c)	*
Virginia	85,000	36	*	*	*	(b)	*
Washington	83,800	37	*	*	*	N.A.	*
West Virginia	72,000	42	*	*	*	(n)	*
Wisconsin	86,149	34	*	*	*	(e)	*
Wyoming	70,000	8 (o)	*	*	*	(c)	*
American Samoa	50,000	25	*	*	*	(c)	*
Guam	50,000	N.A.	*	*	*	N.A.	*
Puerto Rico	45,000	N.A.	*	*	*	N.A.	*
Virgin Islands	64,400	N.A.	*	*	*	N.A.	*

## Key:

\*—Yes

—No

N.A.—Not available

(a) Definitions of "governor's office staff" vary across the states—from general office support to staffing for various operations within the executive office.

(b) Reimbursed for travel expenses. Alabama—reimbursed up to \$40/d in state; actual expenses out of state. Alaska—governor is reimbursed \$80/d or if exceed for actual amount. Arizona—reimbursed for actual expenses to a maximum of \$40/d in state and \$75/d out of state. Florida—reimbursed at same rate as other state officials: in state, choice between per diem or actual expenses; out of state, actual expenses. Idaho—standard per diem, \$15/d in state; \$20/d out of state. Iowa—No set allowance. Kentucky—mileage at same rate as other state employees. Montana—reimbursed for actual and necessary expenses in state up to \$55/d, and actual lodging plus meal allowance up to \$30/d out of state (no annual limit). Nebraska—reasonable and necessary expenses. New York—reimbursed for actual and necessary expenses. Pennsylvania—reimbursed for reasonable expenses. Texas—reimbursed for actual expenses.

(c) Amount includes travel allowance for entire staff. Arkansas, Michigan, Missouri—amount not available. California—\$130,000 in state;

\$27,000 out of state. Nevada—\$19,411 in state, \$9,389 out of state. New Mexico—\$67,400 in state, \$48,400 out of state. Utah—\$9,600 in state, \$26,000 out of state. Wyoming—\$45,536 in state; \$46,158 out of state. American Samoa—\$142,000.

(d) In California—provided by Governor's Residence Foundation, a non-profit organization which provides a residence for the governor of California. No rent is charged; maintenance and operational costs are provided by California Department of General Services.

(e) Travel allowance included in office budget.

(f) Emergency authorization for use of National Guard's.

(g) Does not include Office of Planning and Budgeting and a number of state commissions located within executive office of governor for budget purposes.

(h) Number on staff varies from 12 to 20 during the year.

(i) Governor does not occupy residence.

(j) Includes positions added when Criminal Justice Coordinating Council moved into governor's office.

(k) Currently 18; budget request is for 39.

(l) On employee/employer paid retirement system.

(m) Accepts \$100,000.

(n) Included in general expense account.

(o) Also has state planning coordinator with staff of 9.

## **A P P E N D I X   B**

**December 1988 Attorney General's Opinion;  
Increasing the Salary of the Governor**



JAMES E. TIERNEY  
ATTORNEY GENERAL

STATE OF MAINE  
DEPARTMENT OF THE ATTORNEY GENERAL  
STATE HOUSE STATION 6  
AUGUSTA, MAINE 04333

December 27, 1988

Stephen R. Crockett, Chairman  
State Compensation Commission  
Office of Fiscal and Program Review  
State House Station #5  
Augusta, Maine 04333

Dear Mr. Crockett:

I am writing in response to an inquiry on behalf of the State Compensation Commission from the Office of Fiscal and Program Review soliciting the opinion of this Department as to the power of the Legislature to increase the salary of a sitting Governor during his first term in office, to be effective upon the commencement of his second, consecutive term. For the reasons which follow, it is the opinion of this Department that, while the Legislature may, of course, pass a statute raising the salary of the Governor at any time, such a statute may not be applied to a sitting Governor for so long as he continues without break in office.

Article V, Part First, Section 6 of the Maine Constitution provides:

The Governor shall, at stated times, receive for his services a compensation, which shall not be increased or diminished during his continuance in office.

This provision, which appears in the original Maine Constitution of 1821, has not been interpreted by the Supreme Judicial Court.

The issue which your question presents is the meaning of the words "continuance in office," a phrase which also appears in the provision of the Maine Constitution relating to the compensation of judges. Me.Const., art. VI, § 2 (The judges of the State, who serve for terms of seven years, "shall, at

stated times, receive a compensation, which shall not be diminished during their continuance in office.") There is no indication in the debates of the Maine Constitutional Convention of 1819-20 as to what the intention of the framers of the Maine Constitution was when they included this phrase in the compensation clauses in question. Nor is there any indication in the Constitution of the Commonwealth of Massachusetts, from which Maine separated in 1821, as to the meaning of the phrase, the compensation clauses of that state's constitution being entirely different. Of possible significance, however, is the phrasing of the compensation clauses for the President of the United States and the judges of the United States in the Federal Constitution, which entered into force some 30 years previously, and would have therefore been available as a model to the Maine framers. Article III, Section 1 of that document provides that the federal judges "shall, at stated Times, receive for their Services a Compensation, which shall not be diminished during their Continuance in Office," language almost identical to that of the two compensation clauses in the Maine Constitution. However, Article II, Section 1, paragraph 7, of the United States Constitution provides:

The President shall, at stated Times,  
receive for his Services a Compensation  
which shall neither be increased nor  
diminished during the Period for which he  
shall have been elected, . . .

Thus, it is clear that, under the United States Constitution, federal judges, who serve for life, may not have their compensation diminished during their tenure in office, but that the President may have his compensation increased or decreased, so long as that change is not effective during the President's term of office in which the change is enacted.

The phrase "during the period for which he shall have been elected" was therefore not unknown to the drafters of the Maine Constitution. Indeed, the drafters used that very phrase in the provision of the Maine Constitution prohibiting members of the Legislature from being appointed to certain Executive Branch positions during their terms. Me.Const., art. IV, pt. 3, § 10.<sup>1/</sup> Thus, had the drafters of the Maine

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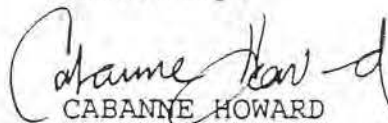
<sup>1/</sup> "No Senator or Representative shall, during the term for which he shall have been elected, be appointed to any civil office for profit under this State, which requires the approval of the Legislature for appointment or which shall have been created, or the emoluments of which increased during such term, except such offices as may be filled by elections by the people." (Emphasis added)

Constitution wanted to allow the Legislature to increase the salary of a sitting Governor to be effective in future terms of office of that Governor, they could easily have done so by using the terms of the compensation clause of the President in the United States Constitution, terms of which they made use in at least one other place in the Maine Constitution. Since they did not choose to employ those terms in the compensation clause relating to the Maine Governor, it must be concluded that they intended to prohibit the Legislature from raising a sitting Governor's salary for so long as he continued in office.

This Department regrets that the effects of this conclusion may be severe, in an inflationary age, on a Governor commencing on a term of office which may last for as long as eight years. It must be remembered, however, that at the time of the establishment of the Maine Constitution, Governors served for only one year and had no constitutional impediment to indefinite reelection. Thus, it may be that the framers of the Maine Constitution intended, by including the phrase "continuance in office" rather than the phrase "during the term for which he shall be elected" in the Governor's compensation clause, to prohibit a politically powerful Governor from inducing the Legislature into passing salary increases for his personal benefit. The fact that the President of the United States has served, from the beginning of the Republic, a four-year term may have motivated the framers of the United States Constitution not to limit the power of Congress to increase his salary so severely. In any event, the contrast in meaning between the phrase "continuance in office" and the phrase "during the term for which he shall have been elected" is stark, and must be given effect.

I hope the foregoing answers the Commission's question. Please feel free to reinquire if further clarification is necessary.

Sincerely,



CABANNE HOWARD  
Deputy Attorney General  
Chief, Opinions Division

CH/ec

cc: Governor John R. McKernan, Jr.  
Bent Schlosser

Director, Office of Fiscal and Program Review



# **A P P E N D I X   C**

## **Salary Comparison According to Scheduled Salary Increases**

# S A L A R Y   C O M P A R I S O N

<u>POSITION</u>	<u>SALARY INFO</u>	<u>9/27/89 SALARY</u>	<u>4/1/90 SALARY(1)</u>	<u>10/1/90 SALARY(1)</u>	<u>4/1/91 SALARY(1)</u>	<u>7/1/91 SALARY(2)</u>	<u>10/1/91 SALARY(4)</u>
PUC							
Chair	Range 91, Step H	\$68,557	\$70,614	\$72,732	\$74,914	\$80,158	\$80,158
Commissioner	Range 90, Step H	\$64,605	\$66,553	\$68,550	\$70,606	\$75,548	\$75,548
WCC							
Chair	Range 91, Step H	\$68,557	\$70,614	\$72,732	\$74,914	\$80,158	\$80,158
Commissioner	Range 90, Step H	\$64,605	\$66,553	\$68,550	\$70,606	\$75,548	\$75,548
DISTRICT COURT							
Chief Judge	4 MRSA §157, sub§2	\$76,632	\$76,632	\$76,632	\$76,632	\$79,697 <sup>(3)</sup>	\$82,885 <sup>(3)</sup>
Judge	4 MRSA §157, sub§4	\$72,983	\$72,983	\$72,983	\$72,983	\$75,902 <sup>(3)</sup>	\$78,938 <sup>(3)</sup>
CABINET-LEVEL							
COMMISSIONER	Range 91	\$49,005- \$72,051	\$50,475- \$74,212	\$51,989- \$76,438	\$53,549- \$78,731	\$57,297- \$84,242	\$57,297- \$84,242

(1) 3% salary increase, per recent collective bargaining agreement.  
(NOTE: Justices and Judges not included))

(2) 7% salary increase, per recent collective bargaining agreement.  
(NOTE: Justices and Judges not included)

(3) Justices and Judges eligible for first COLA on 7/1/91; these figures  
assume 4% maximum COLA each year.

(4) No positions listed are eligible for the 5% salary increase, per recent collective bargaining agreement.  
(NOTE: Cabinet-level commissioners are not scheduled to receive  
this increase; justices and judges not included.)

# **A P P E N D I X   D**

## **Salary History**

Commissioners' Salary History: Public Utilities  
Commission and Workers' Compensation Commission

PUBLIC UTILITIES  
COMMISSION

CHAIR

MEMBER

- |                      |   |   |
|----------------------|---|---|
| • PL 1977,<br>c. 697 | • Salary within Salary<br>Range 91  | • Salary within Salary<br>Range 89  |
| • PL 1981,<br>c. 452 | • Salary set at Salary<br>Range 91, Step B  | • Salary set at Salary<br>Range 89, Step A  |
| • PL 1983,<br>c. 477 | • Same as annual salary of<br>Superior Court Justice<br>plus \$1,500                                    | • Same as annual salary of<br>Superior Court Justice  |
| • PL 1983,<br>c. 853 | • \$45,236  | • \$43,736  |
| • PL 1983,<br>c. 863 | • \$48,400  | • \$46,800  |
| • PL 1985,<br>c. 693 | • FY 87: Salary Range 91,<br>Step G<br>• FY 88 (and annually<br>thereafter): Salary<br>Range 91, Step H | • FY 87: Salary Range 90,<br>Step G<br>• FY 88 (and annually<br>thereafter): Salary<br>Range 90, Step H |

WORKERS' COMP.  
COMMISSION

CHAIR

MEMBER

- |                      |   |   |
|----------------------|---|---|
| • PL 1977,<br>c. 709 | • \$22,995  | • \$21,420 (if more than<br>4 years of service)<br>• \$18,900 (less than 4<br>years of service)         |
| • PL 1979,<br>c. 651 | • Full-time members<br>appointed after 1/1/80:<br>Same salary as Chief<br>Judge of District Court       | • Full time members<br>appointed after 1/1/80:<br>Same salary as District<br>Court Judge                |
| • PL 1983,<br>c. 853 | • \$43,186  | • \$42,086  |
| • PL 1983,<br>c. 863 | • \$46,210  | • \$45,030  |
| • PL 1985,<br>c. 693 | • FY 87: Salary Range 91,<br>Step G<br>• FY 88 (and annually<br>thereafter): Salary<br>Range 91, Step H | • FY 87: Salary Range 90,<br>Step G<br>• FY 88 (and annually<br>thereafter): Salary<br>Range 90, Step H |

# **A P P E N D I X   E**

**Salary Comparison  
PUC and WCC Commissioners  
v.  
New England States**

# PUC COMMISSIONER SALARIES

NEW ENGLAND STATES  
(Alphabetical Order)

STATE	1989 SURVEY <sup>(1)</sup>		1988 SURVEY <sup>(2)</sup>		1987 SURVEY <sup>(3)</sup>	
	CHAIR	COMM'R	CHAIR	COMM'R	CHAIR	COMM'R
NEW HAMPSHIRE	\$70,100- \$86,100	\$65,200- \$76,600	\$70,117- \$86,074	\$65,173- \$79,580	\$67,420- \$78,447	\$62,666- \$76,519
MAINE	\$68,557 <sup>(4)</sup>	\$64,605 <sup>(4)</sup>	\$66,560	\$62,732	\$55,814	\$52,655
MASSACHUSETTS	\$63,000	\$58,000	\$61,093	\$48,143- \$56,037	\$61,093	\$48,143- \$56,037
NEW HAMPSHIRE	\$64,000	\$64,000	\$64,605	\$64,605	\$62,529	\$62,059
RHODE ISLAND	\$60,000 <sup>(5)</sup>	\$50,000 <sup>(5)</sup>	\$64,768	\$58,522	\$62,778	\$42,653- \$44,581
VERMONT	\$60,600	\$30,300	\$55,200	\$29,150	\$55,200	\$29,150

<sup>(1)</sup> SOURCE: Regulatory Focus, August 23, 1989, Regulatory Research Associates, Inc.

<sup>(2)</sup> SOURCE: 1988 Annual Report, National Association of Regulatory Utility Commissioners

<sup>(3)</sup> SOURCE: 1987 Annual Report, National Association of Regulatory Utility Commissioners

<sup>(4)</sup> Salary figures in report for Maine not correct, figures cited above are correct.

<sup>(5)</sup> Rhode Island's 1989 survey figures are clearly in error!



W C C COMMISSIONER SALARIES<sup>(1)</sup>

NEW ENGLAND STATES  
(Prioritized Order)

STATE	CHAIR'S SALARY	COMMISSIONER'S SALARY
Rhode Island	\$78,623	\$71,476
Connecticut	\$77,132	\$71,132-\$76,182
Maine	\$68,557 <sup>(2)</sup>	\$64,605 <sup>(2)</sup>
Vermont	\$50,000-\$55,000 <sup>(3)</sup>	\$40,000-\$45,000 <sup>(3)</sup>
New Hampshire	\$37,800-\$48,100 <sup>(3)</sup>	\$27,500-\$38,000 <sup>(3)</sup>
Massachusetts	N/A	N/A

(1) Source: International Association of Industrial Accident Boards and Commissions; July 1, 1989

(2) Maine data cited in the survey did not include the most recent 3% COLA; 3% COLA is included above.

(3) NOTE: Vermont and New Hampshire's Workers' Compensation system is organizationally part of the Department of Labor in each state.

# **A P P E N D I X F**

## **Draft Legislation**

PURSUANT TO TITLE 3, §2-A

AN ACT to Implement Certain Recommendations  
of the State Compensation Commission

**Emergency Preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the State Compensation Commission has recommended, among other things, salary increases for Maine's justices and judges, constitutional officers and State Auditor, and Commissioners of the Public Utilities Commission and Workers' Compensation Commission; and

Whereas, these salary increases will become payable as of July 1, 1990; and

Whereas, in the judgement of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

**Sec. 1.** 2 MRSA §1, 3rd paragraph, as amended by PL 1987, c. 437, §1, is further amended to read:

Until the first Wednesday of January 1987, the Governor shall receive an annual salary of \$35,000. Beginning the first Wednesday of January 1987, the Governor shall receive an annual salary of \$70,000. Beginning the first Wednesday of January 1991, the Governor shall receive an annual salary of \$87,500.

**Sec. 2.** 2 MRSA §6-A, sub-§1, as amended by PL 1987, c. 631, §1, is further amended to read:

1. Chairman. The salary of the chairman of the commission shall be within salary range 91, step G, for fiscal year 1987; and salary range 91, step H, for fiscal year 1988, and annually thereafter, except that effective July 1, 1990 the salary of the chairman of the commission shall be equal to 102.5% of salary range 91, step H, upon completion of the third year of the chairman's first term.

Sec. 3. 2 MRSA §6-A, sub-§2-A, is enacted to read:

2-A. Senior Commission Members. For the purposes of this section, "senior commission members" refers to any commissioner, other than the chairman, who has completed the third year of the first term. Effective July 1, 1990, the salary of the senior commission members shall be equal to 102.5% of salary range 90, step H.

Sec. 4. 2 MRSA §7, sub-§2, as amended by PL 1985, c. 693, §4 is further amended to read;

2. Regulatory boards. Notwithstanding section 6 or any other provision of law, the salaries of the Workers' Compensation Commission commissioners shall be:

A. For the chairman, a salary within salary range 91, step G, for fiscal year 1987; and a salary within salary range 91, step H, for fiscal year 1988; and annually thereafter; except that, effective July 1, 1990, the salary of the chairman shall be equal to 102.5% of salary range 91, step H, upon completion of the third year of the chairman's first term.

B. For the members, a salary within salary range 90, step G, for fiscal year 1987; and a salary within salary range 90, step H, for fiscal year 1988; and annually thereafter; and

C. For the purposes of this section, "senior commission members" refers to any member, other than the chairman, who has completed the third year of the first term. Effective July 1, 1990, the salary of senior commission members shall be equal to 102.5% of salary range 90, step. H.

Sec. 5, 3 MRSA §162-B, as amended by PL 1989, c. 501, Part O, is further amended to read:

**§162-B. Salaries of constitutional officers.**

Notwithstanding any other provisions of law, the salaries of the following state officials shall be at the salary ranges indicated in this section. At the time of initial appointment, the salary of the Secretary of State and the Treasurer of State shall be set at the Step C D of the official's respective range. At the time of initial appointment, the salaries of the Attorney General and the State Auditor shall be set at Step E of their salary ranges. The Legislative Council may adjust the salary of each official by one step for each year of continuous service after the initial appointment to office.

The salary ranges shall be provided by law for confidential employees who take the salary increase option instead of state payment of retirement contribution. No other state salary may be paid. These officials are not eligible for state payment of employee retirement contributions.

1. Range 88 89. The salary of the State Auditor shall be within salary range 88 89, but shall not be less than Step E in that range.

A. Secretary of State; and

B. Treasurer of State

2. Range 89 90. The salary of the State Auditor shall be within salary range 89 90, but shall not be less than Step E in that range.

3. Range 91. The salary of the Attorney General shall be within salary range 91, but shall not be less than Step E in that range.

**Sec. 6. 4 MRSA §4, sub-§2, as amended by PL 1989, c. 501, Part 0, is repealed and the following enacted in its place:**

2. Associate justice; salary. Each associate justice of the Supreme Judicial Court shall receive a salary as follows:

A. For fiscal year 1990, \$80,392;

B. For fiscal year 1991, \$84,412;

C. For fiscal year 1992, \$88,633; and

D. For fiscal year 1993, and thereafter, \$93,065.

**Sec. 7. 4 MRSA §102, sub-§2, as amended by PL 1989, c. 501, Part 0, is repealed and the following enacted in its place:**

2. Associate justice; salary. Each justice of the Superior Court shall receive a salary as follows:

A. For fiscal year 1990, \$76,024;

B. For fiscal year 1991, \$79,825;

C. For fiscal year 1992, \$83,816; and

D. For fiscal year 1993, and thereafter, \$87,007.

Sec. 8. 4 MRSA §157, sub-§4, amended by PL 1989, c. 501, Part 0, is repealed and the following enacted in its place:

4. Associate judge; salary. Each associate judge of the District Court shall receive a salary as follows:

A. For fiscal year 1990, \$72,983;

B. For fiscal year 1991, \$76,632;

C. For fiscal year 1992, \$80,464; and

D. For fiscal year 1993, and thereafter, \$84,487.

Sec. 9. **Legislative Intent.** It is the intent of the Legislature that, beginning with the 115th Legislature, members of the Legislature shall receive state payment of basic life insurance coverage.

Sec. 10. **Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act:

	<u>1990-91</u>
<b>AUDIT, DEPARTMENT OF</b>	
<b>Audit - Departmental Bureau</b>	
Personal Services	\$ 4,481
Provides funds for the salary and related costs of the State Auditor per the Maine Revised Statutes, Title 3, section 162-B.	
<b>JUDICIAL DEPARTMENT</b>	
<b>Courts - Supreme, Superior, District and Administrative</b>	
Personal Services	\$281,012
Provides funds to increase the annual salary and related costs for justices and judges by 5% beginning July 1, 1990	
<b>LEGISLATURE</b>	
<b>Legislature</b>	
Personal Services	\$ 9,055
Provides funds for state payment of basic life insurance.	



**TREASURER OF STATE****Administration - Treasury**

Personal Services \$ 4,781

Provides funds to increase the salary and related costs of the Treasurer of State per the Maine Revised Statutes, Title 3, section 162-B.

**PUBLIC UTILITIES COMMISSION****Public Utilities - Administration Division**

Personal Services \$ 1,939

Provides funds to increase the salary and related costs of a senior commission member per the Maine Revised Statutes, Title 2, section 6-A.

**WORKERS COMPENSATION COMMISSION****Workers' Compensation Commission**

Personal Services \$ 11,914

Provides funds to increase the salary and related costs of senior commission members per the Maine Revised Statutes, Title 2, section 7.

**TOTAL APPROPRIATIONS**

\$313,182

**FISCAL NOTE**

Enactment of this legislation requires a General Fund appropriation of \$304,127 in fiscal year 1990-91 to fund salary increases for the constitutional officers and the State Auditor, Maine's justices and judges, and commissioners of the Public Utilities Commission and the Workers' Compensation Commission.

In addition, this legislation implements statutory language that will generate future costs to the General Fund. The most significant future costs will result from implementing the second and third annual 5% salary increase for Maine's justices and judges. It is estimated that these increases will require additional General Fund appropriations of approximately

\$576,100 in fiscal year 1992 and \$885,900 in fiscal year 1993. Other future costs items include:

- Eventual implementation of a \$17,500 increase in the Governor's salary (effective upon the seating of the next newly-elected Governor); and
- Additional members of the Public Utilities Commission and Workers' Compensation Commission becoming eligible for a 2.5% salary increase upon completion of their third year. (These costs will be built into the FY 1992-93 biennial "current services" budget).

#### STATEMENT OF FACT

This bill implements the recommendations of the 114th State Compensation Commission made in their January 15, 1990 "Second Interim" Report as follows:

1. Increasing the salary of the next Governor to \$87,500;
2. Implementing a three-year salary increase schedule of 5% each year, starting on July 1, 1990 (FY 1991);
3. Providing state funding of legislators' basic life insurance, as is provided for state employees;
4. Increasing the salary range assignments for each of the constitutional officers and the State Auditor; increasing the minimum step assignment for initial appointments of the Secretary of State and Treasurer of State; and
5. Authorizing a 2.5% salary increase for members of the Public Utilities Commission and the Workers' Compensation Commission upon their completion of their third year of their first term (to be called "Senior Commissioners"). It is legislative intent that commissioners who completed their third year of their first term prior to the effective date of these provisions are not eligible for retroactive salary increases.

Further information on these recommendation, as well as other non-statutory recommendations, may be found in the State Compensation Commission's Second Interim Report, dated January 15, 1990.