

MAINE STATE LEGISLATURE

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MAINE STATE
COMPENSATION COMMISSION

FINAL REPORT

Committee Members

Donald E. Nicoll, Chairman
Charles F. Canning, Jr.
Paul K. McCann
Jane M. Roy
Robert M. Smith

November 1984

MAINE STATE COMPENSATION COMMISSION

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MAINE STATE COMPENSATION COMMISSION

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Charles F. Canning, Jr., Augusta
Paul K. McCann, Millinocket
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Robert M. Smith, Bath

FINAL REPORT, November 29, 1984

INTRODUCTION

With this report the 1983-1984 Maine State Compensation Commission completes its assigned tasks. In earlier reports the Commission submitted recommendations on legislative compensation and reimbursement, constitutional officer compensation and judicial compensation. This report deals with compensation for the Governor, Public Utilities Commission, Workers' Compensation Commission and legislative staff.

As in its earlier work, the Commission has approached the question of compensation for public servants from the perspectives of fairness, reasonableness and sufficiency to attract and retain highly qualified and dedicated individuals. Since each of those perspectives involves value judgements, and since the environment within which public compensation policy operates is constantly changing, the Commission does not contend that it has resolved for all time the compensation problems it was charged to address. Members of the Commission hope their proposals provide fair and practical answers for today's conditions, a solid philosophical base for future policies, and a direction that subsequent Compensation Commissions and Legislatures will find constructive and useful.

Within the limits of time and available resources the Commission has sought information on compensation policies and practices in different agencies within Maine and in other, comparable states. It has compared compensation trends for the subject positions with general economic trends, nationally and in Maine. The Commission has explored different perspectives on Maine's current practices with respect to compensation of its Governor, Public Utilities Commissioners, Workers' Compensation Commissioners and members of the legislative staff.

Our findings differ for each of those areas.

Maine has tended to treat the compensation of its Governor with absent-minded neglect. The Commission recommends bringing the Governor's salary up to date, comparable in purchasing power to the gubernatorial salary established in 1975, and proposes a system for revising future gubernatorial salaries that will be regular and removed as much as possible from short-term political considerations.

Our state has experimented with several approaches to compensation of Public Utilities Commissioners. The Compensation Commission recommends moving toward comparability with senior executive branch officials after a careful review of compensation for those positions, a review this Commission suggests. In the meantime, the Commission recommends an interim increase in recognition of the increased responsibilities borne by the Public Utilities Commission.

The Workers' Compensation Commission is in flux, with major reforms being considered in its program and operation. Those changes could have a substantial effect on the staffing requirements for the Workers' Compensation program and thus on the responsibilities and qualifications of the Commissioners. We have, therefore, proposed that significant changes in Workers' Compensation Commissioner salaries be deferred until the program has stabilized. We recommend an increase in current compensation to make the Commissioners' salaries more commensurate with their responsibilities. It is apparent that during the transition in the Workers' Compensation Commission program, with all the attendant uncertainties over the Commission's status, special attention must be given to Commissioners' morale.

The role of the Maine Legislature, like that of other state legislatures has changed dramatically over the last ten to fifteen years. A steady shift in responsibility from the federal to state levels, a continuing trend toward independence of the legislative branch, and growing public demands for accountability and efficiency in government have significantly increased both the level and quality of state legislative activity and, consequently, the level of staff support and expertise of staff required. The Commission has found no major general problems in legislative staff compensation levels, but there are deficiencies in some of the methods for setting partisan and non-partisan staff salaries. There are inconsistencies in pay policies between different offices and between comparable positions in the legislative and executive departments. There are staffing level problems, especially in face of uneven work loads during different times of the year. There are signs of structural and organizational problems that are beyond the responsibilities of this Commission. There are indications that the supply of qualified part-time, seasonal legislative staff members is shrinking and may require attention. Finally, there are several areas in which transportability of benefits needs clarification. The Commission is recommending a professional compensation analysis for non-partisan staff, a change in the approach to staffing allocation and compensation for leadership offices, and some adjustments to benefits.

Once again the Commission expresses its appreciation to the Legislative Council for its support and to the Commission's staff for its hard work and cheerful response to the Commission's needs. We have been sustained and strengthened in our deliberations by the assistance of Sally Diamond, Legislative Administrative Director, John Selser, Legislative Assistant, and James Clair, Legislative Budget Analyst.

Respectfully submitted,

Chair

GOVERNOR

Findings

The Maine Governor's salary, which is set by statute, is now \$35,000, the amount fixed by the 107th Legislature, effective January 1975. The previous salary had been \$20,000. It is, once again, substantially lower than the salary of any other governor in the United States. The 111th Legislature enacted a salary increase to \$50,000, effective January 1987, a step taken in recognition of the inadequacy of the current salary level.

The Commission finds that the 1987 increase provided for by the Legislature goes about halfway toward restoring the Governor's salary to an appropriate level. Since the Governor's salary was last increased in 1975, the Consumer Price Index has risen approximately 92%. Achieving the 1975 purchasing power of \$35,000 would require \$67,200 today. Moreover, by the time it actually takes effect in January 1987, the new Governor's \$50,000 salary will be farther out of step with both the cost of living in Maine and his or her peers in other States. Finally, in addition to being lower than that of any other Governor, the Maine Governor's salary is substantially below that of more than half of the commissioners of his own executive departments, who are appointed by and accountable to him.

The fact that the Governor's salary has remained constant for ten years -- a period which has seen an unprecedented increase in the cost of living, and concerted efforts to adjust salaries in both Maine's public and private sectors -- has led the Commission to conclude that the current method for determining gubernatorial compensation is ill-suited to ensuring changes in the salary level that are timely and commensurate with economic conditions in the State.

The absence of gubernatorial salary adjustments since 1975 means more than economic discrimination against particular governors. It conveys a misimpression of the importance of the office. The Governor is our chief executive and Maine's chief of state. The Governor is our major representative in the national arena, working with other governors - his peers - in trying to find solutions to complex problems that have an enormous impact on Maine, on the effectiveness of state government, on its economy, on its air and water, and on the quality of life in our state. The Commission does not believe Maine's Governor should be the highest paid state's chief executive in the nation, but we are certain Maine citizens do not wish to suggest that the Governor of Maine is so unimportant that the office carries with it the lowest gubernatorial salary.

Recommendations

The State Compensation Commission recommends the following, effective January, 1987:

1. That the Governor's salary be increased to \$70,000. This figure will compensate for the steady erosion in purchasing power over the past 10 years and will return Maine's governor to a salary level that is comparable with his or her peers in other states.
2. That a new method for periodic review and revision of the Governor's salary be established. This proposal has two major elements:

First, the Commission recommends that the current statutory duties of the State Compensation Commission be revised to require review of the Governor's salary on a quadrennial basis. The review should be scheduled so that the Commission's recommendations are made to the Legislature for consideration in the third year of the incumbent Governor's term.

The second element focuses on changing the current process for authorization of increases in the Governor's salary. The Commission recommends eliminating legislative enactment of increases and substituting legislative review of the Commission's recommendation, reserving the prerogative of legislative rejection of the recommendation. Thus, the Commission's recommendation would stand and be incorporated in appropriations for the Governor's account, unless both the House and the Senate voted to turn down the recommendation.

PUBLIC UTILITIES COMMISSIONERS

The Public Utilities Commission is a public agency of the state created to regulate the public utilities in Maine to ensure adequate and reliable service to the public at rates which are reasonable and just. The Commissioners hear and decide cases involving rates, services, financing, and other activities of electric, water, gas, telephone and two way cable utilities, and selected water carriers.

Initially, the salaries of the Commissioners were tied to the salary of a Supreme Judicial Court Justice. Later, the salary connection to the Justices was terminated and salaries were set by statute. The salaries remained set by statute until 1983, when the salary was set at the level of a Superior Court Justice. In 1984, the judicial salary and retirement structure were radically altered. Any group whose compensation level was linked to judicial compensation was given a statutory salary pending a more complete review of what the appropriate salary level should be and what method should be established for setting those salaries. The State Compensation Commission has reviewed the Public Utilities Commissioners' salaries and makes the following findings and recommendations.

Findings

The State Compensation Commission has found that there has been an increase in the responsibilities and authority of the Public Utilities Commissioners over the last decade. Two examples of the broader role of the Public Utilities Commission are the decisions involving Seabrook and the deregulation of telephone service. The Commission has gone beyond simply determining short-term rate changes to become a long-term policy-making body with profound influences on the economic welfare of the State and its citizens.

Because of the complexity of the cases before the Commission and because of the subject areas of those cases, the Commissioners should be well-qualified individuals, preferably with professional experience in law, engineering, or business finance. A new Commissioner spends much of his or her first years on the Commission developing a background of information and experience as each case is heard. It is essential, therefore, to retain Commissioners who have developed expertise and knowledge. The State Compensation Commission finds that the compensation for Public Utilities Commissioners should be

set at a level that will attract well-qualified professionals and retain them over a period of time to provide professional expertise and continuity in the Commission.

The Public Utilities Commission is competing with the utilities, the federal government, and the business community for competent staff. In order to attract and retain their staff, a reasonable salary must be offered to them to make the jobs competitive with private industry opportunities. Policy considerations require that the salary level of staff members of the Commission not exceed the salary level of the Commissioners. The State Compensation Commission recommends that this be taken into account when setting the salary level of the Commissioners in order to allow the ceiling on staff salaries to be set at a level that does not inhibit the retention of qualified and experienced staff members.

There is evidence that during the earlier period when the Commissioners' salaries were set by the Legislature, the salary level and any adjustments to that salary level were subject to attempts to influence, reward or punish the behavior of Commissioners. Utility companies freely testified about the salary levels and salary adjustments during public hearings on legislation dealing with the compensation of the Commissioners and on other utility legislation as well. The State Compensation Commission finds that the independence of the Public Utilities Commission can be jeopardized by relying on statutory changes designed to provide adjustments for merit or for recognition of length of service or experience.

The State Compensation Commission also examined the function and necessity of maintaining a link between judicial salaries and Commission salaries. Although there is a quasi-judicial function performed by the Commission, and although the rules of practice are the same as a court and the decisions of the Commission may be appealed to the Supreme Court, the State Compensation Commission did not find any significant reasons why the salary levels of the Judiciary and the Commission should be linked. The role of the Commission is much narrower than the judiciary and, even with the desire for reasonable longevity in the Commission, the State does not expect a lifetime commitment from Commissioners as it does from judges.

The State Compensation Commission also examined the compensation level of senior personnel in the Executive branch agencies in seeking some measure of comparison for Public Utilities Commissioners' salaries. Such a comparison would provide a reasonable theoretical benchmark, but it was determined that no comprehensive review of the salary levels of executive department commissioners had been completed in recent years. Therefore, the Commission was unable to make specific long-term proposals.

Recommendations

The State Compensation Commission makes the following recommendations in regard to the compensation of the Public Utilities Commissioners:

1. That the Commissioners' salary not be tied to Judicial salary;
2. That the salary not be fixed in a salary range. Determining the salary level within a salary range and adjusting that salary within that range would make individual Commissioners subject to outside pressures that would inhibit their independent decision-making;
3. That the salary level of the Commissioners be increased by 10%, effective July 1, 1985, in addition to the 7% December 1, 1984 increase, to recognize the responsibilities of the Commission, the need to recruit and retain talented professionals from the fields of law, engineering, and business finance, and the constraints that the Commissioners' salaries places on the professional staff of the Commission. The July 1, 1985 salaries would be \$53,240 for the Chairman and \$51,480 for the other members of the Commission; and
4. That a long-term policy on the Public Utilities Commissioners' compensation be deferred until there has been a review of the compensation of the senior personnel in the Executive branch agencies. The Compensation Commission recommends a long-term goal that would provide consistency between the compensation of Commissioners and senior personnel in the various departments of the Executive branch, based on comparable levels of duties and responsibilities.

WORKERS' COMPENSATION COMMISSIONERS

The Worker's Compensation Commission is a public agency of the State of Maine created to implement the Workers' Compensation Act. The Commissioners hear and decide cases under that Act concerning injuries to workers in the state.

Initially, the salary level of the Commissioners was set by statute. In 1983, legislation was enacted to provide a direct link between the Commissioner's salaries and the salaries of Justices of the District Court. In 1984, the judicial salary and retirement structure was radically altered. Any group whose compensation was linked to judicial compensation was given a statutory salary pending a more complete review of what the appropriate salary level should be and what method should be established for setting salaries. The State Compensation Commission has reviewed the Workers' Compensation Commissioners' compensation and makes the following findings and recommendations.

Findings

The State Compensation Commission has found that the duties of the Workers' Compensation Commissioners have increased during the last several years. The Commission also finds that the role of the Workers' Compensation Commission is in the state of flux. The creation of an informal conference has altered the traditional work load of the Workers' Compensation Commission. The effect of this change has not yet been fully evaluated. Two studies have been conducted in recent years to evaluate the Workers' Compensation system in Maine.

Presently, Workers' Compensation Commissioners are required to conduct informal conferences and formal hearings, and to hear cases on review from those formal hearings. All of the Commissioners are lawyers. The State Compensation Commission finds that the salary level should be set at such a level as to attract well-qualified individuals.

As a result of the recent changes in the Workers' Compensation Commission, the research the State Compensation Commission has done and the comments it has received, it finds that the workload has increased for each individual Commissioner. The State Compensation Commission finds that a change in the compensation of the Commissioners would not reduce the workload. Workload, staff size, number of Commissioners, and uncertainty as to the future direction the Legislature may be contemplating concerning the functions and organization of the Commission have created a morale problem for the Commissioners. That morale problem will require further attention as the Legislature continues to enact workers' compensation reform.

The State Compensation Commission also examined the function of the Workers' Compensation Commission and whether it was necessary or desirable to reestablish a link between judicial salaries and retirement and Commissioners' salaries and retirement. Although the Commissioners act in a limited judicial capacity as hearing officers, following the court established rules of practice for formal hearings, and although appeal to the Supreme Court from the Appellate Division of the Commission is limited, the State Compensation Commission did not find any significant reasons why the salary of the Commission should be linked with the Judiciary at this time. The Commission has a much narrower scope of jurisdiction than Maine Courts. It does not have a tradition of lifetime commitment and there are strong indications that the scope of responsibilities and composition of the Commission may change. In addition, since the Judicial Retirement System and the State Retirement System are almost identical, the only significant effect of removing the Workers' Compensation Commissioners from the State Retirement System and enrolling them in the Judicial Retirement System appears to be symbolic.

Recommendations

The State Compensation Commission makes the following recommendations in regard to the compensation of the Workers' Compensation Commissioners:

1. That the Commissioners' salary and retirement benefits not be tied to the Judiciary. This would in effect fix the salary level to that of another agency whose role and function is different from that of the Commission. In addition, it does not seem appropriate to link the Commissioners' salary to the Judiciary salary when the role of the Commission is in a state of flux; and
2. That the salary level of the Commissioners be increased by 10%, effective July 1, 1985, in addition to the 7% December 1, 1984 increase, to recognize the additional state employee salary increase and to recognize the additional duties which have been required of the Commissioners. The July 1, 1985 salaries would be \$50,830 for the Chairman and \$49,530 for the other Commissioners; and
3. That a long-term policy on the Workers' Compensation Commissioners' compensation be deferred until the role and composition of the Commission becomes more stable. The State Compensation Commission hopes it will be possible for the Legislature to address in the coming session the issues that have created the morale problem for the Commissioners.

PARTISAN LEGISLATIVE STAFF

In reviewing the compensation of those legislative staff members who have traditionally been classified as "partisan", the Commission found that this group actually comprises two distinct groups of employees. The first group works in the leadership offices. Their primary function is to support leadership on policy issues before the Legislature and in the work of the party caucuses. They serve at the pleasure of their respective leaders, and their political affiliation is presumably a factor in their hiring. The second group of staff works in the offices of the Clerk of the House and the Secretary of the Senate. They also serve at the pleasure of their respective office administrators -- the Clerk and the Secretary -- and their political affiliation may be considered in the hiring process. Once hired, however, their role within the Legislature differs markedly from that of staff in the leadership offices. Their duties are focused on support of the legislative process and include preparation of the official legislative calendars, journals, and records, staffing the Legislative Post Office and Document Room, etc. This group is expected to serve all members of the Legislature, regardless of their political party.

LEADERSHIP STAFF

Findings

The importance of highly qualified, dedicated and loyal staff in the leadership offices cannot be overemphasized. Effective majority and minority leadership in a part-time, citizen legislature is essential to wise and effective legislation. That leadership is dependent on staff in the development and discussion of policy questions and in the organization of their respective caucuses. The quality of legislative debate and the quality of legislative decisions are directly related to the level of debate and the focus which the respective parties are able to bring to the caucuses and the floor of the House and the Senate. It is in the public interest, therefore, to insure that the leadership of both the House and the Senate are served by staff comparable with senior staff in the executive departments and the non-partisan offices of the Legislature.

Leadership offices include the following: Office of the President of the Senate, Senate Majority Office, Senate Minority Office, Office of the Speaker of the House, House Majority Office, and House Minority Office. The primary function of the Majority and Minority Offices is to work with members of their respective caucuses. Until recent years, the offices were open only during the legislative session. With the increase in legislative activity during the interim, however, these offices now operate on a year-round basis, although with a smaller number of employees.

Currently the statute provides that salaries for staff in these offices be established by the Legislative Council at the beginning of each legislative biennium. There are no salary ranges. The salary is established for each position; thus the senior partisan aide in each of the four offices receives the same salary, regardless of experience, length of service, or specific responsibilities within the office. Salary adjustments require the action of this same leadership group.

The positions may carry the same title, but they are not necessarily comparable. Their characteristics reflect the individual leaders' styles. The persons occupying these positions vary in terms of their levels of experience, length of service with the legislature and the specific duties and responsibilities they perform. Given their different expectations for their personal staff, it is understandable that individual members of leadership differ in their assessments of the adequacy of the current salary system. An assessment of the appropriateness of individual salaries by the Commission would be inappropriate.

The Commission has concluded that the question of salary level should be approached through examination of the method used to set salaries for this group. The current system, which is position-based, precludes individual members of leadership from determining the staffing roles that will best complement their own leadership style, the number of staff members required, the particular talents needed and the appropriate salary levels suited to experience and job demands. The Commission believes that it is important that the system for setting salaries in the leadership offices be flexible enough, within reasonable limits, to permit the leaders to recruit and retain staff members suited to the demands of the individual offices.

Recommendations

The State Compensation Commission recommends the following, effective January 1, 1985:

1. That the method for setting salaries for staff in the leadership offices be changed so that, instead of setting salaries for individual positions, the Legislative Council establish a lump sum personnel allotment for each leadership office and a limit on the salary any single person can receive. Each office would have authority to set its own staffing pattern and salary levels within those two parameters. The Commission recommends that the Council use current salaries for senior staff in the executive departments and the non-partisan offices of the Legislature as a guide in establishing the allotments for these offices.

OFFICES OF THE SECRETARY OF THE SENATE AND CLERK OF THE HOUSE

The Clerk and Secretary supervise two primary groups of staff: their own office staff, which comprise a variety of secretarial positions, many requiring high levels of technical and editorial skills; and the chamber staff, including doorkeepers, pages, sound system clerks, employees in the Legislative Post Office and Document Room, and the sergeants-at-arms. The majority of both of these groups are seasonal employees, serving only during the period of the legislative session. For example, the Clerk has five year-round employees and a total of 25 during the legislative session.

Findings

Salaries for the employees under the supervision of the Clerk and Secretary are set by the President, Speaker, and Majority Leaders at the beginning of each legislative biennium. The presiding officers of the 111th Legislature have established a policy of comparability in pay for comparable positions in the two chambers. While there are no salary ranges to provide a formal structure for awarding increases, there appears to be a well-established informal system for reviewing individual salaries in terms of the employee's length of service and level of performance. An employee returning for another year is generally granted an increase. No member of this group receives paid overtime; accommodation of irregular work schedules is a condition of employment. Both the Clerk and Secretary award compensatory time, however, so that, on balance, employees average no more than 40 hours a week over the course of the legislative session.

Compensation levels for this group of employees were at one time higher than comparable positions in the private sector. Current salary levels appear to be equivalent and adequate to continue to attract competent people. The flexibility of the current system appears to be essential, however, for it allows the Clerk and Secretary to adjust salary levels on the basis of experience and/or performance and to reflect differences in workload at different points during the year.

One of the Commission's most important findings in reviewing the compensation structure and levels for this group of legislative staff was that the pool of competent people who are available for seasonal work has shrunk steadily in recent years. This trend is, in the Commission's view, a significant issue for the Legislature, and one which will unquestionably

have longer term implications for staffing patterns and/or compensation policies. At the same time, the situation presents an opportunity to the Legislature to reassess how it might provide clerical staff support for the work of its special commissions and committees more effectively.

Recommendations

The State Compensation Commission recommends the following, effective January 1, 1985:

1. Continue the current system for establishing and reviewing salaries for individuals in these offices.
2. Begin to develop a plan for addressing the diminishing pool of qualified persons available for seasonal employment.

NON-PARTISAN LEGISLATIVE STAFF

The Commission spent considerable time in discussions with the directors of the several offices - Law Library, Legislative Assistants, Legislative Research, Legislative Finance, and the Legislative Administrative Director - examining the history of the non-partisan staff program, the evolution of the several offices, the different characteristics of those offices, and the problems individual directors and their staffs see in levels of compensation, approaches to compensation, competition with other job opportunities for professional staff, and policies affecting workload, leave and portability of benefits. Issues examined as part of the review included: salary levels and ranges, "leave" policies (i.e., compensatory time, overtime, vacation leave and sick leave), and other fringe benefits.

The non-partisan legislative staff organization is still in a state of evolution. The Legislature has very wisely strengthened its professional staff resources and consolidated overall administrative authority for the non-partisan offices in response to the growing complexity of demands on the legislative branch. The Legislature was also prudent in developing an expanded staff on the small, but highly competent, base established in earlier years. The present organizational structure maintains the flexibility and economy of small units, but it also suffers from the limitations of small staff sections in its inability to shift resources quickly to cope with uneven demand on different offices. Relatively small staffs also carry with them the absence of widespread opportunity for internal promotion, and a constant search for an appropriate balance between continuity and renewal through turnover in staff. The solution to these problems lies only partly in compensation. It requires consideration of staffing levels and organizational issues as well, issues which lie beyond the scope of this Commission's responsibility. We have examined compensation approaches that may help to alleviate those problems in part, thus contributing to the staff quality the Legislature clearly wishes to maintain.

Findings

The compensation plan for the non-partisan staff offices is, with some exceptions, similar to the compensation plan for the Executive branch. The job duties and responsibilities of the non-partisan staff are such, however, that direct comparison between individual legislative positions and executive positions is not possible. There has never been an independent job evaluation completed for the non-partisan positions, nor has there been an extensive examination of compensation and benefit options. It appears that salary ranges for some legislative positions have not kept pace with comparable positions in the Executive Department. The Commission has concluded that further analysis, which would examine the appropriateness of all non-partisan legislative staff salaries and classification, is needed.

Parts of the non-partisan legislative compensation plan are not administered uniformly by all of the staff offices. Examples include differing office policies regarding eligibility for, and accrual of, compensatory time and paid overtime. The policy regarding starting salary level also varies among these offices. The Commission believes compensation policies should be handled uniformly throughout the staff offices. Many specific compensation issues (i.e., those issues other than salary ranges and classifications) should be resolved by the Legislative Council in consultation with the Legislative Administrative Director.

Recommendations

The State Compensation Commission recommends the following:

1. That the Legislative Council seek the assistance of outside consultation (e.g., Hay Associates, Arthur Young, etc) to determine proper salary ranges for all non-partisan staff. Included in the assessment should be a job evaluation, a review of various "merit pay" options, an examination of non-cash benefits for performance, and a review of the present classification system.
2. That the Director of each of the non-partisan staff offices be responsible for determining the starting salary level of a new employee within the appropriate salary range, subject to the approval of the Legislative Administrative Director.
3. That compensation issues, other than the evaluation of salary ranges and classifications recommended above, be resolved by the Legislative Council upon the recommendation of and in consultation with the Legislative Administrative Director.

ACCUAL OF BENEFITS AND SENIORITY FOR ALL LEGISLATIVE EMPLOYEES

Findings

Both year-round and sessional employees in partisan and non-partisan offices are eligible for state-paid benefits available to other state employees: retirement, health and dental insurance, and life insurance. The Commission is concerned that there is no formal policy or procedure for accrual and transfer of credit for service to another branch of government. This affects salary range eligibility, sick leave and vacation time. In many cases, session employment serves as an entry point for persons who seek full-time employment and who often move into such positions in other branches of state government.

Recommendations

The State Compensation Commission recommends that the Legislative Council take steps to provide for transfer of credit for legislative employment and accumulated balances of vacation and sick leave from one branch of state government to another.

JUDICIAL RETIREMENT

The State Compensation Commission has noted that the justices and judges who have served in other capacities in State Government are not able to combine their state service with their judicial service in order to meet the eligibility requirements for retirement.

The Commission has also been advised that the minimum benefits provision of the judicial retirement program could be misinterpreted to imply an unintended added increase in cost-of-living allowances.

Findings

1. The Commission finds that the lack of portability of State service for purposes of determining eligibility to retire discriminates against state employees who become judges and justices. A justice who has 9 years of non-judicial state service and 9 years of judicial service, a total of 18 years of state service, is not eligible for retirement if he or she is under 60 years of age. A state employee who has 18 years of non-judicial service has vested in the retirement system and may leave state service prior to age 60 and still receive retirement benefits at age 60. The Commission has noted that the calculation of benefits under the State and Judicial Retirement Systems and the vesting requirements under both systems are identical. In addition, a judge may currently use his or her prior non-judicial service for purposes of calculating the benefit, but not determining eligibility.

2. The Commission finds that Sections 1352 and 1358 of Title 4 may be misinterpreted and, therefore, should be clarified.

Recommendation

The State Compensation Commission recommends the following corrections in the judicial retirement statute:

1. That the creditable service for non-judicial state service as a member of the Maine State Retirement System be credited to a judge or justice for purposes of determining eligibility for retirement in the Judicial Retirement System.
2. That 4 MRSA Section 1352, sub-section 4, and Section 1358 be amended to clarify the intent with respect to calculation of minimum benefits as distinct from cost-of-living adjustments in relation to regular benefits.

AN ACT to Implement the State Compensation Commission

Be it enacted by the People of the State of Maine

Sec. 1. 2 MRSA §1 last ¶, as amended by PL 1973 c. 597, §§1 and 2, and by PL 1983, c. 477, Part E, sub-part 24, section 1 is repealed and replaced as follows:

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.

The annual salary of the Governor shall be reviewed in the second year of each gubernatorial term by the State Compensation Commission. The recommendation of the Commission shall be incorporated into the appropriations for the Governor's account unless disapproved by both chambers of the Legislature during the regular session occurring in the third year of the gubernatorial term.

Sec. 2. 3 MRSA §2-A, sub-§1, 3rd ¶, as amended by PL 1983 c. 853, §D, 1, is further amended to read:

The Commission shall be appointed in January at the First Regular Session of each Legislature.

Sec. 3. 3 MRSA §2-A, sub-§ 2, 3rd ¶ is repealed and replaced as follows:

The report shall contain recommendations for: All compensation of 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, including, but not limited to, all payments for salaries, meals, housing, travel, mileage, constituent services and all other expenses and allowances, including additional payments made for additional services by any justice, judge, constitutional officer, President of the Senate, Speaker of the House of Representatives, and members of legislative leadership. As established in 2 MRSA §1, last ¶, in the second year of each gubernatorial term of office, the report shall contain a recommendation for all compensation of the Governor. The report may contain other recommendations.

Sec. 4. 2 MRSA §6-A, sub-§§ 1 & 2 are amended to read:

1. Chairman. The salary of the chairman of the commission shall be \$45,236 \$53,240.

2. Commission members. The salary of members of the commission shall be \$43,736 \$51,480

Sec. 5. 2 MRSA §7 sub-section 2 is amended to read:

2. Regulatory boards. Notwithstanding section 6 or any other provision of law, the salaries of the listed chairmen and of members of the following regulatory boards shall be:

Workers' Compensation Commission	
Part-time chairman and members	
Chairman	\$22,995;
Members other than chairman with more than 4 years' experience	21,420;
All other members	18,900;
Full-time members appointed after January 1, 1980	
Chairman	\$43,186 \$50,831
Members other than chairman	42,086 \$49,533

Sec. 6. 4 MRSA §1302, sub-section 3, ¶ C is repealed

Sec. 7. 4 MRSA §1351, sub-section 1 is amended to read:

1. Age 60. Any member may retire on or after his 60th birthday if he has at least 10 years of creditable service; as a judge;

Sec. 8. 4 MRSA §1351, sub-section 3 is amended to read:

3. Early retirement. Any member who has completed at least 25 years of creditable service, as a judge, may retire any time before his 60th birthday. The retirement allowance shall be determined in accordance with section 1352, except that it shall be reduced by multiplying the retirement allowance by a fraction which represents the ratio of the amount of a life annuity due at age 60 to the amount of a life annuity due at the age of retirement. The tables of annuities in effect at the date of retirement shall be used for this purpose.

Sec. 9 4 MRSA §1358, sub-§2, ¶ E is enacted to read:

E. This adjustment shall not be added for benefits calculated pursuant to §1352, sub-§4.