

# MAINE STATE LEGISLATURE

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**MAINE STATE  
COMPENSATION COMMISSION**

**FINAL REPORT  
NOVEMBER 15, 1988**

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**MAINE STATE COMPENSATION COMMISSION**

**FINAL REPORT**

November 15, 1988

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## **MAINE STATE COMPENSATION COMMISSION**

### **FINAL REPORT**

November 15, 1988

### **INTRODUCTION**

The Maine State Compensation Commission serves for a two-year period which coincides with the legislative biennium. Two members are appointed by the President of the Senate, two members are appointed by the Speaker of the House of Representatives, and the fifth member, who serves as a chair, is elected by the four appointed members. The 113th Compensation Commission is the fourth Commission to have been appointed since the law establishing the Commission took effect, and it will serve until December, 1988. The Commission provides the Legislature and the citizens of Maine with an independent, bipartisan approach to the compensation of Maine's elected officials and others.

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

### **INTERIM REPORTS**

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

The 113th State Compensation Commission's first interim report, dated May 1, 1987, laid out the scope and schedule for completing its statutory review. It described the major issues before the Commission. In a May 26, 1987 Special Report the Commission recommended that the Secretary and Assistant Secretary of the Senate and the Clerk and Assistant Clerk of the House of Representatives be moved from their assignment in the pay ranges

of the classified state service to the newly-adopted salary ranges for legislative non-partisan and leadership staff. This recommendation was accepted by the Legislature and was enacted into law as Part K of Public Laws of 1987, chapter 349.

The second interim report, dated January 15, 1988, provided an update on the Commission's activities and made a number of recommendations concerning the constitutional officers and legislators. These recommendations, presented to the Second Regular Session of the 113th Legislature as L.D. 2245, included longevity step increases for the constitutional officers, an initial appointment to Step E for the State Auditor and salary and expense increases for legislators. In reviewing legislators' compensation, the Commission had concluded that recent legislative salary increases had made possible the participation of all citizens in the legislative process. The Commission proceeded to recommend a \$1,000 salary increase for legislators in the first regular session in order to equalize the ratio of regular session salaries to length of session. The Commission also recommended increasing legislators' expense allowances and the salaries of legislative leaders. L.D. 2245 was reported out of the Joint Standing Committee on Appropriations and Financial Affairs "Ought Not to Pass". The Legislature subsequently increased legislators' salaries by 10% in P.L. 1987, c. 816, Part KK. Salaries for the first year of the next legislative biennium were increased from \$9,000 to \$9,900; salaries for the second year were increased from \$6,000 to \$6,600.

## GOVERNOR

The 113th State Compensation Commission will not be making a recommendation concerning the Governor's salary at this time. As established in Title 2, section 1 of the Revised Statutes, the State Compensation Commission must make a report on this issue in the third year of each gubernatorial term of office, the timing of which makes this issue the responsibility of the 114th State Compensation Commission.

The Compensation Commission examined two other issues related to gubernatorial compensation: The Governors' Retirement Plan and the Governor's Expense Account. The 113th Legislature, during the First Regular Session, enacted P.L. 1987, c.422, "AN ACT to Reduce the Retirement Age Requirement for Governors." This legislation lowered the age at which a former Governor could begin to collect a retirement allowance from age 65 to 60. It also amended the provisions by which a surviving spouse of a Governor or former Governor could collect a retirement allowance. The 113th Commission discussed the need to review the Governors' Retirement Plan in relation to the State Employee, Judicial and Legislative retirement systems.

The Governor's Expense Account is made available for expenditures by the Governor at his discretion. The amount appropriated to the Governor for this purpose in FY 1989 was \$15,000. This is the same annual appropriation that has been made to this account since at least 1956. The Commission discussed the need to review this account in relation to the Governor's compensation.

### RECOMMENDATIONS

- That the 114th State Compensation Commission conduct a comprehensive review of the Governors' Retirement Plan in conjunction with its review of the Governor's salary. The review should include an assessment of the changes made by P.L 1987, c.422 and a comparison of retirement benefits for the Governor, state employees, members of the judiciary and members of the Legislature.
- That the 114th State Compensation Commission examine the adequacy of the biennial appropriation to the Governor's Expense Account.

### JUSTICES AND JUDGES

The 111th State Compensation Commission made recommendations concerning judicial salaries and retirement that were adopted by the 111th Legislature in its Second Regular Session. A series of annual salary increases were authorized in Title 4 of the Maine Revised Statutes that will be completed with the commencement of State Fiscal Year 1989, on July 1, 1988. Existing statutory language calls for justices and judges to receive those Fiscal Year 1989 salaries "...annually thereafter." Table 1 lists the schedule of salary increases as recommended by the 111th State Compensation Commission and enacted in P.L. 1983, c.853.

Table 1. Judicial Salary Increases Recommended by the 111th State Compensation Commission and Adopted by the 111th Legislature

	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989***</u>
<u>Supreme Judicial Court</u>				
Chief* (4MRSA §4, sub-§1)	\$61,698	\$68,485	\$75,333	\$81,165
Associate (4MRSA §4, sub-§2)	\$58,760	\$65,224	\$71,746	\$77,300
<u>Superior Court</u>				
Chief* (4MRSA §102, sub-§1)	\$60,733	\$66,806	\$72,151	\$76,755
Associate (4MRSA §102, sub-§2)	\$57,841	\$63,625	\$68,715	\$73,100
<u>District Court</u>				
Chief* (4MRSA §157, sub-§2)	\$58,442	\$64,286	\$69,429	\$73,685
Deputy Chief** (4MRSA §157, sub-§3)	\$57,050	\$62,756	\$67,776	\$71,930
Associate (4MRSA §157, sub-§4)	\$55,659	\$61,225	\$66,123	\$70,176

\* 105% of Associate Justice/Judge salary

\*\* 102.5% of Associate Judge salary

\*\*\* No scheduled salary increase after Fiscal Year 1989

The 111th Commission recommended salary increases that used the salaries of federal judges having similar responsibility as a guide. That Commission's intent was to provide Maine's justices and judges by FY 1989 with the 1984 salaries received by their federal "peers". Justices of Maine's Supreme Judicial Court by FY 89 would receive the 1984 salaries of U.S. Court of Appeals judges, justices of the Maine Superior Court by FY 89 would receive the 1984 salaries of U.S. District Court judges, and Maine District Court judges by FY 89 would receive 96% of the 1984 salaries of U.S. District Court judges.

Since enactment of the salary increases for Maine's justices and judges, federal judicial salaries have received a number of salary increases which have effectively eliminated any link between Federal and Maine judicial salaries. Maine's justices and judges in Fiscal Year 1989 will receive approximately 82% of the salaries currently received by their peers on the federal bench. Table 2 compares Fiscal Year 1989 Maine judicial salaries to their federal "peers":

Table 2. FY 1989 Maine Judicial Salaries Compared to Federal Judicial Salaries

Supreme Jud. Ct. Justices	\$77,300	U.S. Circuit Judges	\$95,000
Superior Court Justices	\$73,100	U.S. District Judges	\$89,500
District Court Judges	\$70,176	U.S. Dist. Judges (96%)	\$85,920

The State Compensation Commission is committed to maintaining a level of judicial compensation which will continue to attract and retain well-qualified individuals to Maine's bench while also maintaining the uncompromising commitment to justice upon which Maine's citizens depend. It is important to the Commission that a correlation between federal and state judicial salaries be maintained as Maine wants the same quality of judges as those on the federal courts and prospective jurists for federal and state positions often come from the same pool of talent.

After reviewing a number of options, this Compensation Commission supports a three-year schedule of salary increases which will tie Maine judicial salaries to current federal judicial salaries by state Fiscal Year 1991-92 (see Table 3). Reasons cited for this option were three-fold: Maine's justices and judges have no mechanism for additional salary increases under existing statutory language; the link built in 1983 to federal judicial salaries can be updated and maintained; and a mechanism to attract and retain individuals to the Maine bench can continue.

Table 3. Proposed Judicial Salary Schedule: FY 1990 - FY 1992

	<u>FY 1989*</u>	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>
<u>Supreme Judicial Court</u>				
Chief Justice	\$81,165	\$86,968	\$93,183	\$99,750
Associate Justice	\$77,300	\$82,827	\$88,749	\$95,000
<u>Superior Court</u>				
Chief Justice	\$76,755	\$82,128	\$87,877	\$93,975
Associate Justice	\$73,100	\$78,217	\$83,692	\$89,500
<u>District Court</u>				
Chief Judge	\$73,685	\$78,842	\$84,361	\$90,216
Deputy Chief Judge	\$71,930	\$76,965	\$82,353	\$88,068
Associate Judge	\$70,176	\$75,088	\$80,344	\$85,920

\*Current salaries per Title 4 of the Maine Revised Statutes.

The Compensation Commission, however, is concerned that a long-term link to Federal judicial salaries may be problematic. First, Maine salaries can never achieve parity with their federal "benchmark" salaries. In fact, a federal compensation commission is reviewing federal judicial salaries and is scheduled to make recommendations to the President by December 15, 1988. By Fiscal Year 1992, federal salaries will have increased by some margin to effectively break the link to Maine's salaries. Second, as is required now at the end of the 1983 judicial salary increase, affirmative legislative action will be required in four years to ensure that Maine judicial salaries maintain a relationship to their federal peers.

In order to provide for inflation-induced salary adjustments in future years, the Commission supports a cost-of-living adjustment (COLA) for judicial salaries that would begin in Fiscal Year 1993. A COLA approach would enable the judicial salaries to keep up with similar wage adjustments granted to federal judges and virtually every other state employee.

#### RECOMMENDATION

- Effective July 1, 1989, implement the three-year judicial salary increase described in Table 3;
- Effective July 1, 1992, implement an annual cost-of-living adjustment to be made on the State Fiscal Year 1992 judicial salaries, to be based on the percentage change in the U.S. Consumer Price Index for the previous calendar year.

**ACTIVE RETIRED JUSTICES AND JUDGES**

As recently as 1979, a retired district court judge who entered "active retired" status would be eligible for his or her retirement allowance plus reimbursement for "actual and reasonable expenses" related to active retired duty. In 1980 a per diem was established for all active retired justices of the Supreme Judicial and Superior Courts and judges of the District Court at \$50 for a full day and \$30 for a half day's service (PL 1979, c.692). The per diem was subsequently increased in 1983 to \$75 for a full day and \$45 for a half day (PL 1983, c.416).

In a meeting with representatives of the Supreme Judicial, Superior and District Courts, the State Compensation Commission learned that Maine's active retired justices and judges provide a critical function in daily judicial operations. Of particular importance is the flexibility active retired justices or judges provide to the management of the judicial process. A full-time justice or judge can continue on a particular case or in a certain area while an active retired justice or judge can assist in the case backlog or can be sent to a geographically isolated area.

Even at current per diem rates, an equity issue arises when an active retired justice or judge is earning significantly less for a day's work than his or her full-time peers while dealing with cases of similar complexity and committing similar amounts of time. In today's market, the hourly wage for an active retired judge working an eight or nine hour day is significantly less than the court reporter transcribing the case.

As can be seen in Table 4, the ten active retired justices and judges serving in calendar year 1987 cost the State of Maine significantly less than would the salary and fringe benefits of one full-time justice or judge. Meanwhile, if one calculates the value of the total number of days worked in 1987, (i.e., 726 days), the State has purchased the full-time equivalent of slightly less than three full-time justices or judges. The salaries, fringe benefits and related costs for three full-time Associate Judges of the Maine District Court in FY 1989 would exceed \$350,000.

Table 4. Active Retired Justices and Judges Calendar Year 1987

<u>COURT</u>	<u># OF ARJ'S</u>	<u># OF COURT DAYS</u>	<u>TOTAL PER DIEM</u>	<u>TOTAL ALL EXPENSES*</u>
Supreme Judicial	2	188 (F) 21 (H)	\$15,045	\$16,809
Superior	2	149 (F) 4 (H)	\$11,355	\$15,196
District	6	371 (F) 11 (H)	\$28,320	\$32,820
Total	10	708 (F) 36 (H) 726 Full-time Equivalent Days	\$54,720	\$64,825

F = Full Days

H = Half Days

\* Includes mileage, lodging, meals and other expenses

The use of active retired justices and judges has become an important management tool for the judiciary. As the caseload in all of Maine's courts continues to increase and the types of cases become more complex, the role of the active retired justices and judges has increased in importance as well. It is important that the per diem for active retired justices and judges be increased so that their worth to the judicial system can be more equitably expressed and recently retired justices and judges can be induced to prolong their service to the state in an active retired capacity.

### RECOMMENDATION

- Effective July 1, 1989, the per diem for all active retired justices and judges be increased to \$150 for each full day and \$90 for each half day.

### CONSTITUTIONAL OFFICERS

The 111th Legislature, based on recommendations made by the 111th State Compensation Commission, enacted legislation which assigned each of the Constitutional Officers to a salary range within the salary structure established for unclassified employees. Table 5 shows the salary ranges to which the "constitutional officers" are assigned, along with the step within their ranges to which they are initially appointed and the maximum step to which they can be assigned.

Table 5. Salary Range Assignments for the Constitutional Officers

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

The 113th Commission, in its January 15, 1988 Interim Report, identified two issues concerning constitutional officers' compensation which needed to be addressed. These issues were not accepted by the 113th Legislature during the Second Regular Session. The Commission, however, has reviewed the merits of the interim report recommendations and concludes that these issues should be presented to the Legislature again.

The first issue concerns the maximum step within a salary range to which each officer can be assigned. The Legislative Council was given the authority to adjust the salary of each officer by one step for each year of continuous service after the initial appointment to office. Title 3, section 162-B of the Revised Statutes calls for each of the constitutional officers, upon initial appointment, to be assigned to Step A of their respective ranges, with the exception of the Attorney General who is assigned to Step E. Each officer cannot exceed Step G in their range regardless of years of service, yet each salary range contains two additional steps (Steps H and I, respectively).

The 111th Commission had recommended that all constitutional officers be placed in Salary Range 90 and the the 113th Legislature adjust the assignment upward to Salary Range 91. The 111th Legislature, in turn, adopted the current salary range assignments and assigned a ceiling of Step G in recognition that the higher steps were traditionally used as "longevity rewards" to employees.

The 113th Commission finds that three of the four constitutional officers have reached Step G of their respective salary ranges and should have access to the next two steps as would other state employees. The Legislative Council should be granted the authority to adjust their salaries to the appropriate step if they so desire.

The second compensation issue reviewed by the Commission concerns establishing the initial salary of the State Auditor at Step E rather than Step A of Salary Range 88. During the First Regular Session of the 113th Legislature, the Joint Standing Committee on Appropriations and Financial Affairs reviewed this issue and concluded that they lacked sufficient information to make a decision. The Committee requested the 113th Commission to review the issue as part of its ongoing study.

The State Auditor and the Attorney General are required to meet certain minimum qualifications in order to be chosen by the Legislature. The State Auditor must be a certified public accountant or a college graduate with not less than six years of experience as a professional accountant or auditor. The Maine Revised Statutes (5 M.R.S.A. §241) also specifies that five of those six years must include auditing experience and that four years must have been in a supervisory capacity. The Attorney General, of course, must be an attorney. There are no minimum professional qualifications for the Secretary of State and Treasurer of State established in the Revised Statutes.

In the course of its review, the 113th Compensation Commission learned that the responsibilities of the Audit Department have increased significantly in recent years, especially as impacted by changes in federal audit requirements. The Commission finds that the State Auditor, like the Attorney General, should be appointed initially to Step E of Salary Range 88.

### **RECOMMENDATIONS**

- Eliminate the statutory language which caps the salaries of the Constitutional Officers at Step G;
- Authorize the salary of the State Auditor to be set at Step E upon initial appointment to office.

### **LEGISLATORS AND INDIAN REPRESENTATIVES**

In its January 15, 1988 Interim Report, the State Compensation Commission recommended eight changes to legislative compensation policy. These recommendations are summarized below:

1. Increase legislators' salaries from \$9,000 to \$10,000 for the First Regular Session;
2. Increase legislative leadership's salary differentials;
3. Establish a 5% salary differential for joint standing committee chairs;
4. Establish a 2.5% salary differential for minority party "lead-people" in joint standing committees;
5. Increase special session "legislative day" per diem to \$100;
6. Increase meals allowance and lodging allowance each by \$4 per day;
7. Increase annual constituent service allowance for Senators only to \$1,000; and
8. Create a waiver provision to the Maine Legislative Retirement System.

None of these recommendations were adopted during the Second Regular Session, although the 113th Legislature did enact, as part of P.L. 1987, c. 816, a 10% salary increase effective with the seating of the 114th Legislature. First regular session salaries will increase from \$9,000 to \$9,900; and second regular session salaries will increase from \$6,000 to \$6,600.

The Commission has reviewed its interim salary recommendation and determined that it no longer applies in light of the Legislature's recent action. The Commission has decided not to pursue the leadership, committee chair and minority "lead-people" salary differential recommendations at this time. The 114th Compensation Commission will have to address the compensation issues facing a legislature that itself is grappling with a part-time vs. full-time status.

At the same time, the Commission finds that the interim recommendations concerning "legislative day" per diem, meals/lodging allowance, constituent service allowance and a retirement system waiver provision are all still applicable. These issues are addressed in more detail below.

#### Special Session Compensation

The current legislative salary for the first and second regular sessions averages to approximately \$100 for each day the Legislature is in session. Title 3, section 2 of the Maine Revised Statutes establishes a daily compensation of \$100 for each of the Indian Representatives for each day the Legislature is in session.

The \$55 per diem established in Title 3, section 2 of the Maine Revised Statutes appears equitable for those days when legislators must meet outside the regular sessions (e.g., committee work, study commissions, etc.). However, in order to establish a consistent "session" compensation, the 113th Commission finds that legislators should receive compensation approximating their daily regular session compensation for those days when the Legislature is in special session. The Commission recommends that a "special session daily compensation" rate of \$100 per day be established as a first step toward conforming daily regular session compensation to special session compensation. This Commission finds that the 114th State Compensation Commission will have to examine whether the "special session daily compensation" rate needs to be extended for those days outside regular or special sessions when the Senate must meet for confirmation votes.

### Expense Allowance

The 113th Commission believes, as have the Compensation Commissions before it, that it is unreasonable to expect legislators to subsidize their living expenses while they are in Augusta. Whereas the Compensation Commission continues to grapple with that salary level which represents adequate compensation, it has been relatively clear to the Commission that additional increases in the meals allowance and lodging allowance are needed. In recognition that these recommendations can not go into effect until December 1990, the Commission supports increasing the meals allowance from \$26 to \$30 per day (a 15.4% increase). Similarly, the Commission supports increasing the lodging allowance, or mileage allowance in lieu of lodging for those legislators who commute, from \$34 to \$38 per day (an 11.8% increase). This Commission proposed these allowance increases in its January 15, 1988 Interim Report and intended for them to be implemented in December of 1988 with the seating of the 114th Legislature. Neither allowance increase was enacted by the 113th Legislature. Now that increases could be implemented no sooner than December of 1990 (with the seating of the 115th Legislature), this Commission recommends that its successor continue to monitor meals and lodging expenses and the need for further adjustments, and make its recommendation to the 114th Legislature.

### Constituent Service Allowance

Each of the last three Legislatures has voted to increase the annual constituent service allowance. At the current amount of \$500 per year, the Commission finds that it is at a sufficient level to meet the needs of most, if not all, members of the House of Representatives. However, the difference in the size of Senate districts (representing approximately 32,000 voters based on 1980 U.S. Bureau of the Census data) and House districts (representing approximately 7,500 voters based on 1980 U.S. Bureau of the Census data) warrants an increase to each Senator to accommodate their increased cost of doing business. For that reason, the Commission is recommending that the annual allowance for Senators be increased from \$500 to \$1,000.

### Legislative Retirement

In 1985, the 112th Legislature created the Maine Legislative Retirement System in part to recognize the differing retirement needs between legislators and state employees. Implementation of this system separated legislators for the first time from the retirement system used by state employees. One provision of the retirement system calls for mandatory membership for all legislators. This provision is especially important to the younger legislator who will be assured of some retirement benefit if he or she becomes vested in the retirement system or desires to withdraw all "employee" contributions if leaving state service prior to satisfying the vesting period.

For a small number of legislators, however, mandatory membership in the Legislative Retirement System creates a conflict with federal tax laws. Those legislators who have certain individual or employer-sponsored retirement plans have increased their tax liability once they join the Legislative Retirement System.

The 113th Commission proposes that a waiver provision be enacted for those legislators who have been negatively impacted by the mandatory membership provision. Specifically, a legislator would be required to petition his/her presiding officer for an exemption from the retirement system, clearly demonstrating the financial consequences to that legislator of mandatory membership. The Office of the Executive Director of the Legislative Council will be requested to provide assistance as required by the petitioning legislator or presiding officer.

### RECOMMENDATIONS

- Defer further consideration on legislative salary increases to the 114th State Compensation Commission. Discussion should focus on determining whether the existing approach to setting legislators' salaries accurately reflect the current and future role of the Maine Legislature;
- Establish compensation during each special session "legislative day" at \$100 for each day a legislator is in attendance, consistent with the approximate daily compensation received by legislators during regular sessions. A legislator would continue to receive the \$55 per diem for attendance at authorized committee, subcommittee or commission meetings when the Legislature is not in session;
- Defer further consideration on legislators' meals and lodging allowance increases to the 114th State Compensation Commission. The next Commission should evaluate the increased cost of meals and lodging in the Augusta area recognizing that each allowance needs to be increased at least by \$4 and that an increase would go into effect no sooner than December 1990;
- Increase the annual constituent service allowance from \$500 to \$1,000 for Senators; keep the allowance at \$500 for Representatives; and

- Create a waiver provision to the Maine Legislative Retirement System for those legislators who can demonstrate to their presiding officer that, due to conflicts with their existing retirement plan, "mandatory membership" has produced, or will produce, negative financial consequences.

#### **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.

The Commission finds no reason to make additional recommendations in this area at this time.

#### **COMMISSIONERS, PUBLIC UTILITIES COMMISSION AND WORKERS' COMPENSATION COMMISSION**

The preceding State Compensation Commission, referred to informally as the 112th Commission, recommended to the 112th Legislature that salaries for the Commissioners of the Public Utilities Commission (PUC) and Workers' Compensation Commission (WCC) be placed within the Executive Branch's salary system for confidential employees. The 112th Legislature concurred with this recommendation and, in P.L. 1985, chapter 693, placed the chairs of the PUC and WCC in Salary Range 91 (Steps G in FY 87; Step H in FY 88 and thereafter) and Commissioners of the PUC and WCC in Salary Range 90 (Step G in FY 87; Step H in FY 88 and thereafter).

The 112th Commission, like its predecessor, examined the role of the Commissioners and their respective responsibilities. The reports of both of these Compensation Commissions to the Legislature provide a discussion of the work of the Commissioners and the process followed by the 112th Commission in making its recommendation. In brief, there were four objectives that guided the 112th Commission. First and foremost, the Commission wanted to ensure that a salary was adopted that would attract and retain well-qualified individuals to these positions. Second, the Commission sought to insulate their salary adjustments from the political arena. Third, the Commission sought to establish a compensation policy that would provide equitable compensation yet

was separate from the judicial compensation policy. The 1984 compensation and retirement plan for the judiciary was specifically designed to address some of the unique circumstances of persons appointed to Maine's bench. As a result, the 112th Commission was unable to develop a rationale for compensating PUC and WCC Commissioners in a fashion comparable to the judiciary. And fourth, in conjunction with the third objective, the 112th Commission affirmed that the 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.

Table 6 provides a brief history of the way in which PUC and WCC Commissioners have been compensated in the recent past. Salaries have been set in a number of different ways which have resulted in little or no consistency for the incumbent or aspiring Commissioners. The 112th Commission wanted to adopt a compensation policy that would satisfy its four objectives while also insuring that the Commissioners would be eligible for cost-of-living adjustments.

Table 6. Commissioners' Salary History: Public Utilities Commission and Workers' Compensation Commission

PUBLIC UTILITIES		
<u>COMMISSION</u>	<u>CHAIR</u>	<u>MEMBER</u>
• PL 1977, c. 697	• Salary within Salary Range 91	• Salary within Salary Range 89
• PL 1981, c. 452	• Salary set at Salary Range 91, Step B	• Salary set at Salary Range 89, Step A
• PL 1983, c. 477	• Same as annual salary of Superior Court Justice plus \$1,500	• Same as annual salary of Superior Court Justice
• PL 1983, c. 853	• \$45,236	• \$43,736
• PL 1983, c. 863	• \$48,400	• \$46,800
• PL 1985, c. 693	• FY 87: Salary Range 91, Step G • FY 88 (and annually thereafter): Salary Range 91, Step H	• FY 87: Salary Range 90, Step G • FY 88 (and annually thereafter): Salary Range 90, Step H
WORKERS' COMP.		
<u>COMMISSION</u>	<u>CHAIR</u>	<u>MEMBER</u>
• PL 1977, c. 709	• \$22,995	• \$21,420 (if more than 4 years of service) • \$18,900 (less than 4 years of service)
• PL 1979, c. 651	• Full-time members appointed after 1/1/80: Same salary as Chief Judge of District Court	• Full time members appointed after 1/1/80: Same salary as District Court Judge

(Table 6 continued)

• PL 1983, c. 853	• \$43,186	• \$42,086
• PL 1983, c. 863	• \$46,210	• \$45,030
• PL 1985, c. 693	• FY 87: Salary Range 91, Step G • FY 88 (and annually thereafter): Salary Range 91, Step H	• FY 87: Salary Range 90, Step G • FY 88 (and annually thereafter): Salary Range 90, Step H

The chairs of the Public Utilities Commission and the Workers' Compensation Commission currently earn, at Salary Range 91, Step H, \$64,626 annually (assuming employee-paid retirement). Other state employees assigned to Salary Range 91 include sixteen of the commissioners comprising the Governor's Cabinet. As of September 1988, four of the sixteen commissioners were assigned to Step H of Salary Range 91. The remainder were distributed among Steps B through F. The Executive Director of the Maine Health Care Finance Commission is also in Salary Range 91, and is currently assigned to Step I.

The Commissioners of the PUC and WCC currently earn, at salary Range 90, Step H, \$60,882 annually (assuming employee-paid retirement). Other state employees assigned to Salary Range 90 include the Attorney General, the State Tax Assessor and the Superintendents of the Bureaus of Banking, Consumer Credit Protection and Insurance. With the exception of the Attorney General, who is assigned to Step H, the other employees were distributed among Steps A through F as of September 1988.

All commissioners of the PUC and WCC will receive a 3% cost-of-living adjustment along with other state employees, effective January 1, 1989. This will provide the Chairs with an annual salary of approximately \$66,565 and Commissioners with an annual salary of approximately \$62,708. The State Compensation Commission finds that the commissioners are adequately and equitably compensated at present. They are appropriately settled in their respective salary ranges when compared to the Governor's Cabinet and other Executive Branch officials.

### RECOMMENDATION

- That the 114th State Compensation Commission conduct a comprehensive review of the PUC and WCC Commissioners' salaries and present any recommendations to the Second Regular Session of the 114th Legislature.