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Maine State Compensation Commission Final Report

Maine State Legislature

Office of Fiscal and Program Review

James A. Clair
Maine State Legislature

Maine State Compensation Commission

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MAINE STATE COMPENSATION COMMISSION

FINAL REPORT

November 15, 1990

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MAINE STATE COMPENSATION COMMISSION

FINAL REPORT

November 15, 1990

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**SUMMARY OF RECOMMENDATIONS
TO THE FIRST REGULAR SESSION
OF THE 115th LEGISLATURE**

Governor

- Amend Title 2, section 1 and Title 3, Section 2-A of the Revised Statutes to require the State Compensation Commission to review all compensation of the Governor in the second, rather than third, year of each gubernatorial term of office; and
- The 115th State Compensation Commission should examine whether the "Governor's Expense Account" as defined in Title 2, Section 2 of the Revised Statutes, should be adjusted annually for inflation.

Justices and
Judges

- Implement a three-year salary increase schedule of 3% each year, starting on July 1, 1991 (FY 92).

Legislators
and Indian
Representatives

- The 115th State Compensation Commission, in its May 15, 1991 First Interim Report, should provide recommendations to the First Regular Session of the 115th Legislature concerning legislators' salaries and expenses.
- Provide state funding for legislators' basic life insurance, as is provided for state employees; and
- Amend Title 5, Section 285, Subsection 7 of the Revised Statutes to increase the state's share of the health plan premium for dependent coverage to 60% in accordance with PL 1989, c. 596, Part P.

Summary of Recommendations, cont.

- | | |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Constitutional Officers and State Auditor | <ul style="list-style-type: none">● <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 | <ul style="list-style-type: none">● 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 | <ul style="list-style-type: none">● 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". |
| Evaluation of the State Compensation Commission | <ul style="list-style-type: none">● The Legislative Council, on behalf of the 115th Legislature, should review the structure and purpose of the State Compensation Commission given the upcoming tenth anniversary of the Commission's enabling legislation and report any findings or recommendations to the 115th State Compensation Commission. |

MAINE STATE COMPENSATION COMMISSION

FINAL REPORT

November 15, 1990

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MAINE STATE COMPENSATION COMMISSION

**Final Report
November 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. Information on the recommendations made by the Commission in its First Interim Report and their legislative disposition can be found in Table 1.

In its Second Interim Report, dated January 15, 1990, the Compensation Commission made nine recommendations concerning the compensation of the Governor, Justices and Judges, Legislators and Indian Representatives, Constitutional Officers and the State Auditor, Commissioners of the Public Utilities Commission and Commissioners of the Workers' Compensation Commission. Presented to the Second Regular Session of the 114th Legislature in L.D. 2238, "An Act to Implement Certain Recommendations of the State Compensation Commission", the bill was heard by the Joint Standing Committee on Appropriations and Financial Affairs and received a unanimous "Ought Not to Pass Report". Information on the recommendations made by the Committee in its Second Interim Report and their legislative disposition can be found in Table 1.

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 Second Regular Session of the 114th Legislature reviewed a third report from the State Compensation Commission: the Second Interim Report of the 114th Commission. The information provided in Table 1 below summarizes the major recommendations made in those reports and the changes implemented during the First and Second Regular Sessions 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	<ul style="list-style-type: none">• Increase salary for next newly-elected Governor to \$87,500• Increase Governor's Expense Account by \$15,000	<ul style="list-style-type: none">114th SCC 2nd Interim Report (11/15/90)114th SCC 1st Interim Report (5/15/89)	<ul style="list-style-type: none">• SCC Recommendation Not Accepted• SCC Recommendation Accepted	<ul style="list-style-type: none">--PL 1989, c. 501, Part A

<u>Area of Review</u>	<u>SCC Recommendation</u>	<u>SCC Report</u>	<u>Legislative Implementation</u>	<u>Chapter Reference</u>
Legislators	• Provide state funding for legislators' basic life insurance, as is provided for state employees	114th SCC 2nd Interim Report (1/15/90)	• SCC Recommendation Not Accepted	--
	• 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)	• SCC Recommendation Accepted	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)	• SCC Recommendation Accepted	PL 1989, c. 501, Part O
Indian Representa- tives	• Provide state funding for Indian Representatives' basic life insurance as is provided for state employees.	114th SCC 2nd Interim Report (1/15/90)	• SCC Recommendation Not Accepted	--
	• Increase per diem from \$100 to \$110	114th SCC 1st Interim Report (5/15/89)	• SCC Recommendation Accepted	PL 1989, c. 501, Parts A & O

<u>Area of Review</u>	<u>SCC Recommendation</u>	<u>SCC Report</u>	<u>Legislative Implementation</u>	<u>Chapter Reference</u>
Justices & Judges	• Implement a 3-year salary increase schedule of 5% each year starting on 7/1/90 (FY 1991)	114th SCC 2nd Interim Report (1/15/90)	• SCC Recommendation Not Accepted	--
	• Implement 3-year salary increase schedule (approx. 7% each year)	113th SCC Final Report (11/15/89)	• 4% increase in FY 90 only effective 9/4/89	PL 1989, c. 596, Part C
	• Implement automatic COLA based on CPI, effective 7/1/91	113th SCC Final Report (11/15/88)	• SCC Recommendation Accepted	PL 1989, c. 501, Part O
	• Increase Active Retired Justice & Judge per diem from \$75 to \$150	113th SCC Final Report (11/15/89)	• SCC Recommendation Accepted	Pl 1989, c. 596, Part C
Constitutional Officers & State Auditor	• Increase salary range assignment for Attorney General from 90 to 91	114th SCC 1st Interim Report (5/15/89)	• SCC Recommendation Accepted	PL 1989, c. 596, Part C
	• Increase salary range assignment for State Auditor from 89 to 90; maintain initial step assignment within the salary range at Step E	114th SCC 2nd Interim Report (1/15/90)	• SCC Recommendation Not Accepted	--
	• Increase salary range assignment for State Auditor from 88 to 89; increase minimum starting step from A to E	114th SCC 1st Interim Report (5/15/89) 113th SCC Final Report (11/15/89)	• SCC Recommendation Accepted • SCC Recommendation Accepted	PL 1989, c. 596, Part C 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>
Constitutional Officers & State Auditor (cont'd.)	<ul style="list-style-type: none"> • Increase salary range assignment for Secretary of State & State Treasurer from 88 to 89; increase initial step assignment within salary range from Step C to Step D 	114th SCC 2nd Interim Report (1/15/90)	<ul style="list-style-type: none"> • SCC Recommendation Not Accepted 	--
	<ul style="list-style-type: none"> • Increase salary range for Secretary of State & State Treasurer from 87 to 88; increase minimum step to C 	114th SCC 1st Interim Report (5/15/89)	<ul style="list-style-type: none"> • SCC Recommendation Accepted 	PL 1989, c. 596, Part C
	<ul style="list-style-type: none"> • Eliminate Step G as maximum step 	113th SCC Final Report (11/15/89)	<ul style="list-style-type: none"> • SCC Recommendation Accepted 	PL 1989, c. 501, Part O
Commissioners, Public Utilities Comm'n.	<ul style="list-style-type: none"> • Increase the salaries of the Commissioners by 2.5% upon completion of the 3rd year of the first term; Associate Commissioners would then be called "Senior Commissioners" 	114th SCC 2nd Interim Report (1/15/90)	<ul style="list-style-type: none"> • SCC Recommendation Not Accepted 	--
Commissioners, Workers' Compen. Comm'n.	<ul style="list-style-type: none"> • Increase the salaries of the Commissioners by 2.5% upon completion of the 3rd year of the first term; Associate Commissioners would then be called "Senior Commissioners" 	114th SCC 2nd Interim Report (1/15/90)	<ul style="list-style-type: none"> • SCC Recommendation Not Accepted 	--

FINAL 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 and Second Regular Sessions of the 114th Legislature in response to the Commission's most recent recommendations.

The recommendations included in this report have been generated primarily because none of the Commission's Second Interim Report recommendations were accepted by the 114th Legislature. Essentially, the compensation policies that were reviewed and the recommendations that were made in the Commission's January 15, 1990 report are replicated here, with only a few variations. The Second Interim Report should be consulted if one wishes to gain a more complete understanding of the 114th Commission's intent in making its recommendations.

It should be made clear that the members of the Compensation Commission understand that most of their January 15, 1990 recommendations fell victim to the fiscal uncertainties with which the Legislature and Governor were grappling last winter and spring. It appears that tight fiscal conditions will continue at least in the near future. The Commission members have an understanding and an appreciation of the burden placed on legislators when proposals are put forth that require additional spending yet the resources needed to fund those proposals are scarce. It is important, however, even in times such as these, to put forth compensation recommendations that would provide fair and equitable treatment to those state officials under the Commission's jurisdiction. Members of the Commission feel that the recommendations presented in the following pages demonstrate that conviction.

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 1990 Data, the salary paid to Maine's Governor ranks thirtieth among the fifty states, with three 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.

Last year the Commission recommended that the salary for the next newly-elected Governor be increased to \$87,500. The defeat of that recommendation was, in the opinion of the members of this Commission, clearly caught up in the political pressures of the 1990 gubernatorial election campaigns. Given those pressures, it appears that the Commission's evaluation of the Governor's salary, required by Title 2, section 1 and Title 3, section 2-A of the Revised Statutes, should be conducted in the second year of each gubernatorial term in office, with a recommendation being presented to the Legislature in the third year of each gubernatorial term in office. It is the Commission's expectation that this amendment would remove much of the political difficulties inherent in any gubernatorial election year.

Recommendation

- Amend Title 2, section 1 and Title 3, section 2-A of the Revised Statutes to require the State Compensation Commission to review all compensation of the Governor in the second, rather than third, year of each gubernatorial term of office.

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 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.

GOVERNOR'S EXPENSE ACCOUNT

In the 114th State Compensation Commission's First Interim Report, a recommendation was made to increase the Governor's Expense Account from \$15,000 to \$30,000 per year. The 114th Legislature adopted this recommendation, effective for FY 1991, in PL 1989, c.501, Part A.

The Governor's Expense Account had been \$15,000 from FY 1956 through FY 1990. Other than this specific increase by the Legislature, it has been interpreted that this account lacks a mechanism by which its funding level can be increased. Absent any further recommendation it is conceivable that this account would be at a \$30,000 level well into the future.

This Commission proposes to implement an inflation adjustment mechanism for the Governor's Expense Account that would begin in FY 1994. This proposal would ensure that the purchasing power of the account is not seriously eroded over time.

Recommendation

- Effective July 1, 1993, implement an annual cost-of-living adjustment to be made in the Governor's Expense Account appropriation, to be based on the percentage change in the U.S. Consumer Price Index for the previous calendar year.

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 8.1% 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; 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 B 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, the Commission, in its Second Interim Report, proposed a three-year schedule of salary increases which would have provided Maine's justices and judges with annual increases of 5%. This proposal was not accepted by the Second Regular Session of the 114th Legislature.

The three factors cited above have guided this Compensation Commission in its deliberations and remain compelling reasons to recommend some level of salary increases for Maine's judiciary. Current fiscal conditions have tempered Commission members willingness to recommend a three-year schedule of 5% salary

increases. In its place the Commission supports a three-year schedule of salary increases which will provide Maine's justices and judges with annual increases of 3% over and above the cost-of-living adjustments scheduled to begin in FY 1992 (see Table 2).

TABLE 2. Proposed Judicial Salary Schedule (FY 91 - FY 93): Base-Year Calculations

	FY 1990 and FY 1991 ⁽¹⁾	FY 1992 ⁽²⁾	FY 1993 ⁽²⁾	FY 1994 ⁽²⁾
SUPREME JUDICIAL COURT				
•Chief Justice (105%)	\$84,412	\$86,944	\$89,552	\$92,239
•Associate Justice	\$80,392	\$82,804	\$85,288	\$87,847
SUPERIOR COURT				
•Chief Justice (105%)	\$79,825	\$82,220	\$84,687	\$87,228
•Associate Justice	\$76,024	\$78,305	\$80,564	\$83,074
DISTRICT COURT				
•Chief Judge (105%)	\$76,632	\$78,931	\$81,299	\$83,738
•Deputy Chief (102.5%)	\$74,808	\$77,052	\$79,364	\$81,745
•Associate Judge	\$72,983	\$75,172	\$77,427	\$79,750

Commission members are conscious of the fiscal constraints under which the State is operating. They are also aware that failure to maintain reasonable levels of pay and benefits for elected and appointed officials creates 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, 1991, implement the three-year judicial salary increase described in Table 2.

- (1) Current salary per Title 4 of the Maine Revised Statutes
- (2) Each salary increase effective on July 1st; FY 92, FY 93 and FY 94 increases do not include COLA's per 4 MRSA §4, sub-§2A (4% maximum each year). State employees are scheduled to receive a 7% increase on July 1, 1991 (FY 92).

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 in the past.

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, the Commission, in its Second Interim Report, 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.

These recommendations were not accepted by the Second Regular Session of the 114th Legislature. This Commission has reviewed the rationale utilized in the January 15, 1990 report and offers the same recommendations to the 115th Legislature for its consideration.

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 50% spousal health insurance coverage for all legislators.

Unbeknownst to the Commission, there are two other benefits available to state employees that legislators still do not receive: state payment of basic life insurance and state funding of 60% of the health plan premium for dependent coverage.

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.

A state employee receives 60% coverage of the cost of dependent coverage at state expense. This benefit was increased from 50% coverage as part of the collective bargaining agreements ratified by the 114th Legislature in 1989. PL 1989, c. 596, Part P, included language that authorizes the Legislative Council "... to extend

increases in benefits to legislators that are comparable to the benefit increases granted to state employees under the most recent collective bargaining agreement." Unbeknownst to the 114th Legislature at that time, Title 5, section 285, sub-section 7 of the Revised Statutes specifically states that dependent health plan coverage is not to exceed 50%. This recommendation will modify 5 MRSA §285, sub-§7 to comply with legislative intent.

Recommendation

- Provide funding and authorization for state payment of legislators' basic life insurance.
- Amend Title 5, Section 285, subsection 7 of the Revised Statutes to increase the state's share of the health premium for dependent coverage to 60% in accordance with P.L. 1989, c.596, Part P; and
- As has been the practice in the past, the 115th Compensation Commission, in its First Interim Report, should provide recommendations to the First Regular Session of the 115th Legislature concerning legislators' salaries and expenses.

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>Legislative Position</u>	<u>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 (& 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 in the fall of 1989 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 years (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: "Updated" September 1989 Salary Proposals by PUC Chair and WCC Chair. (Note: This table has been updated to include current salary information.)

PUC SALARY PROPOSAL*

	<u>CURRENT SALARY</u>	<u>PROPOSED SALARY</u>	<u>% INCREASE</u>
Chair - from 91(H) to 91(I)	\$72,727	\$76,440	5.1%
Commission - from 90(H) to 91(H)	\$68,534	\$72,727	6.1%

WCC SALARY PROPOSAL**

	<u>CURRENT SALARY</u>	<u>PROPOSED SALARY</u>	<u>% INCREASE</u>
Chair - from 90(H) to 5% above 91(I)	\$72,727	\$80,262	10.4%
Commission from 90(H) to 91(H)	\$68,534	\$76,440	11.5%

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 B and D provide salary comparison data. Appendix C provides a salary history for members of the Public Utilities Commission and the Workers' Compensation Commission.

Given that these Commissioners are "locked" into specific salary ranges and steps, the Compensation Commission, in its Second Interim Report, found that some mechanism should be adopted to encourage retention. This was 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. The Commission affirmed, 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 found 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.

The recommendations made in the Second Interim Report were not accepted by the Second Regular Session of the 114th Legislature. This Commission has reviewed the rationale utilized in the January 15, 1990 report and offers the same recommendations to the 115th Legislature for its consideration.

Recommendations

- Effective on July 1, 1991, 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.

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

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

EVALUATION OF THE STATE COMPENSATION COMMISSION

The State Compensation Commission process has now been in effect since 1981. Established by PL 1981, c. 498, the various Commissions have filed their reports to the corresponding Legislature and drafted legislation that has generated significant compensation policy changes. Examples include: increasing the Governor's salary, establishing a judicial retirement system, increasing judicial salaries and recommending periodic increases to legislators' salaries and expenses.

The process used over the last ten years has been, from this Commission's viewpoint, successful. Compensation data is collected and analyzed from within the State as well as from other "peer" states, Commission members meet and discuss compensation issues with the officials they are authorized to review, the general public and others, and they consider various recommendation options during their deliberations.

With the upcoming completion of the tenth year of Compensation Commission studies, we feel it is important for the Legislature to review the structure, purpose, successes and failures of the five Compensation Commissions thus far and to transmit any conclusions to the 115th State Compensation Commission.

Recommendation

- The Legislative Council, on behalf of the 115th Legislature, should review the structure and purpose of the State Compensation Commission and report back to the 115th State Compensation Commission (1991-1992).

A P P E N D I X A

Governor's Compensation In All 50 States

**(Source: The Book of the States, 1990-91 Edition,
Volume 28, The Council of State Governments)**

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	50	*	*	*	(b)	*
Arkansas	35,000	48	*	...	...	(c)	*
California	85,000	86	*	...	...	(c)	(d)
Colorado	70,000	41.5	*	*	...	(e)	*
Connecticut	78,000	38	*	...	(f)	(e)	*
Delaware	80,000	22	*	...	*	\$ 21,900 (c)	*
Florida	100,883	129 (g)	*	*	...	(b)	*
Georgia	88,872	55	*	*	*	(e)	*
Hawaii	94,780	28 (g)	*	...	...	(e)	*
Idaho	55,000	16 (h)	*	*	...	(e)	*
Illinois	93,266	173	*	*	*	(b)	*
Indiana	77,194	34	*	*	*	0	*
Iowa	72,500	10	*	*	...	(b)	*
Kansas	73,137	22	*	*	...	(e)	*
Kentucky	69,731	78	*	*	*	(b)	*
Louisiana	66,096	46	*	...	*	(p)	*
Maine	70,000	21	*	*	...	(e)	*
Maryland	85,000	104 (j)	*	*	*	(e)	*
Massachusetts	75,000	81	*	*	*	(e)	...
Michigan	106,690	45	*	*	*	(e)	*
Minnesota	103,860	30	*	*	*	(e)	*
Mississippi	75,600	39 (k)	*	*	*	24,017 (c,e)	*
Missouri	88,541	34	*	*	...	(c)	*
Montana	51,713	24	*	*	*	(b)	*
Nebraska	58,000	16	*	*	*	(b)	*
Nevada	70,857 (l)	17	*	...	...	(c)	*
New Hampshire	75,753	27	*	*	...	(e)	*
New Jersey	85,000	60	*	...	*	(m)	*(i)
New Mexico	90,000	38	*	*	*	(c)	*
New York	130,000 (m)	216	*	*	*	(b)	*
North Carolina	123,000	86	*	*	*	11,500	*
North Dakota	65,196	18.25	*	*	...	(e)	*
Ohio	65,000	60	*	*	*	(e)	*
Oklahoma	70,000	34	*	*	...	(e)	*
Oregon	77,500	44	*	...	...	0	*
Pennsylvania	85,000	60	*	*	...	(b)	*
Rhode Island	69,000	47	*	*	*	(e)	...
South Carolina	84,897	30	*	*	*	(c)	*
South Dakota	60,819	26	*	*	...	(e)	*
Tennessee	85,000	40	*	*	*	(e)	*
Texas	93,432	178	*	*	*	(b)	*
Utah	69,992	18	*	*	...	26,000	*
Vermont	75,800	21	*	...	...	(e)	...
Virginia	85,000	36	*	*	*	(b)	*
Washington	96,700	37	*	*	...	N.A.	*
West Virginia	72,000	30	*	*	*	(n)	*
Wisconsin	86,149	38	*	*	...	(e)	*
Wyoming	70,000	8 (o)	*	*	...	(c)	*
American Samoa	50,000	25	*	...	...	(c)	*
Guam	75,000	N.A.	...	...	...	N.A.	*
No. Mariana Islands	50,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Puerto Rico	45,000	N.A.	*	*	*	(e)	*
U.S. Virgin Islands	64,400	N.A.	*	...	...	N.A.	*

A P P E N D I X B

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 ⁽³⁾	\$82,885 ⁽³⁾
Judge	4 MRSA §157, sub§4	\$72,983	\$72,983	\$72,983	\$72,983	\$75,902 ⁽³⁾	\$78,938 ⁽³⁾
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.)

APPENDIX C

Salary History

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
• 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

A P P E N D I X D

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

PUC COMMISSIONER SALARIES

NEW ENGLAND STATES
 (Alphabetical Order)

STATE	1989 SURVEY ⁽¹⁾		1988 SURVEY ⁽²⁾		1987 SURVEY ⁽³⁾	
	CHAIR	COMM'R	CHAIR	COMM'R	CHAIR	COMM'R
CONNECTICUT	\$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 ⁽⁴⁾	\$64,605 ⁽⁴⁾	\$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 ⁽⁵⁾	\$50,000 ⁽⁵⁾	\$64,768	\$58,522	\$62,778	\$42,653- \$44,581
VERMONT	\$60,600	\$30,300	\$55,200	\$29,150	\$55,200	\$29,150

(1) SOURCE: Regulatory Focus, August 23, 1989, Regulatory Research Associates, Inc.

(2) SOURCE: 1988 Annual Report, National Association of Regulatory Utility Commissioners

(3) SOURCE: 1987 Annual Report, National Association of Regulatory Utility Commissioners

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

(5) Rhode Island's 1989 survey figures are clearly in error!

W C C COMMISSIONER SALARIES⁽¹⁾

NEW ENGLAND STATES
(Prioritized Order)

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

- (1) Source: International Association of Industrial Accident Boards and Commissions; July 1, 1989
- (2) These figures in the survey do not include the most recent 3% COLA which are 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 E

Draft Legislation

APPENDIX E

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, 1991; 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, ¶4, as amended by PL 1987, c. 437, §1, is further amended to read:

The annual salary of the Governor shall be reviewed in the ~~3rd~~ 2nd year of each gubernatorial term in office by the State Compensation Commission.

Sec. 2. 2 MRSA §6-A, sub-§1, as amended by PL 1987, c. 693, §§2 and 14 and c.737, Pt. C, §5 is further amended to read:

1. **Chair.** The salary of the ~~chairman~~ chair 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, 1991 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 member. For the purposes of this section, "senior commission member" means any commissioner, other than the chair, who has completed the 3rd year of a first term. Effective July 1, 1991, the salary of the senior commission member 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. 502, Pt. A, §5 is further amended to read;

A. For the chair, 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, 1991, the salary of the chair shall be equal to 102.5% of the salary range 91, step H, upon completion of the 3rd year of the chair's first term;

Sec. 5. 2 MRSA §7, sub-§2, ¶B, as amended by PL 1985, c. 693, §§4 and 14, is further amended to read:

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

Sec. 6 2 MRSA §7, sub-§2, ¶C is enacted to read:

C. Effective July 1, 1991, for senior commission members, a salary equal to 102.5% of salary range 90, step H. For the purposes of this section, "senior commission member" means any member, other than the chair, who has completed the 3rd year of a first term.

Sec. 7. 3 MRSA §2-A, sub-§2, 3rd ¶, as amended by PL 1985, c. 693, §7, is further amended to read:

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 Title 2, section 1, in the ~~3rd~~ 2nd 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. 8. 3 MRSA §162-B, first ¶, as amended by PL 1989, c. 501, Pt. O, §§7 and 22 and c. 596, Pt. C, §8, is further amended to read:

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 E 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.

Sec. 8. 3 MRSA §162-B, sub-§§1 and 2, as amended by PL 1989, c. 501, Pt. O §§7 and 22 and c. 596, Pt. C, §8, are further amended to read:

1. Range ~~88~~ 89. The salary of the following state officials and employees shall be within salary range ~~88~~ 89, but shall not be less than Step E D 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.

Sec. 9. 4 MRSA §4, sub-§2, as amended by PL 1989, c. 596, Part C, is further amended to read:

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

- A. For fiscal years 1989-90 and ~~thereafter~~ 1990-91, \$80,392+; and
- B. For fiscal years 1991-92, 1992-93 and 1993-94, the salary listed in sub-§2(A) shall be increased, once the adjustment required by sub-§2-A has been made, by 3% in each year of those years.

Sec. 10. 4 MRSA §102, sub-§2, as amended by PL 1989, c. 596, Part C, is further amended to read:

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

- A. For fiscal years 1989-90 and thereafter 1990-91, \$76,024~~7~~; and
- B. For fiscal years 1991-92, 1992-93 and 1993-94, the salary listed in sub-§2 (A) shall be increased, once the adjustment required by sub-§2-A has been made by 3% in each of those years.

Sec. 11. 4 MRSA §157, sub-§4, as amended by PL 1989, c. 596, Part C, is further amended to read:

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

- A. For fiscal years 1989-90 and thereafter 1990-91, \$72,983~~7~~; and
- B. For fiscal years 1991-92, 1992-93 and 1993-94, the salary listed in sub-§2(A) shall be increased, once the adjustment required by sub-§2-A has been made, by 3% in each of those years.

Sec. 12. 5 MRSA §285, sub-§7, as amended by PL 1989, c. 776, is further amended to read:

7. Payment by State. Except as otherwise provided in this subsection, the State, through the commission, shall pay 100% of only the employee's share of this health plan, except for Legislators, for whom the State shall pay 50% ~~60%~~ of the health plan premium for dependent coverage. For any person appointed to a position after November 1, 1981, who is employed less than full time, the State shall pay a share of the employee's share reduced pro rata to reflect the reduced number of work hours.

Sec. 13. Legislative Intent. It is the intent of the Legislature that, beginning with the 116th Legislature, members of the Legislature shall receive state payment of basic life insurance coverage.

Sec. 14. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act:

	<u>1991-92</u>	<u>1992-93</u>
AUDIT, DEPARTMENT OF		
Audit - Departmental Bureau		
Personal Services	\$ 5,108	\$ 5,414
Provides funds to implement a salary range change for the State Auditor.		
DEPARTMENT OF AUDIT		
TOTAL	<u>\$ 5,108</u>	<u>\$ 5,414</u>

	<u>1991-92</u>	<u>1992-92</u>
JUDICIAL DEPARTMENT		
Courts - Supreme, Superior, District and Administrative		
Personal Services	\$159,175	\$322,248
Provides funds for a salary increase of 3% effective July 1, 1992 and July 1, 1993, plus related retirement costs for the justices and judges.		
JUDICIAL DEPARTMENT TOTAL	<u>\$159,175</u>	<u>\$322,248</u>

PUBLIC UTILITIES COMMISSION

**Public Utilities - Administrative
Division**

Personal Services	\$ 3,840	\$ 6,642
Provides funds to increase the salary and related costs of senior commission members pursuant to the Maine Revised Statutes, Title 2, section 6-A.		
PUBLIC UTILITIES COMMISSION TOTAL	<u>\$ 3,840</u>	<u>\$ 6,642</u>

**SECRETARY OF STATE,
DEPARTMENT OF THE**

Administration - Secretary of State

Personal Services	\$ 2,181	\$ 2,306
Provides funds to implement a salary range change for the Secretary of State. Represents 50% General Fund share of the total costs.		
DEPARTMENT OF THE SECRETARY OF STATE TOTAL	<u>\$ 2,181</u>	<u>\$ 2,306</u>

	<u>1991-92</u>	<u>1992-93</u>
TREASURER OF STATE		
Administration - Treasury		
Personal Services	\$ 5,046	\$ 5,064
Provides funds to implement a salary range change for the State Treasurer.		
TREASURER OF STATE TOTAL	<u>\$ 5,046</u>	<u>\$ 5,064</u>
WORKERS' COMPENSATION COMMISSION		
Workers' Compensation Commission		
Personal Services	\$ 19,590	\$ 23,044
Provides funds to increase the salary and related costs of senior commission members pursuant to the Maine Revised Statutes, Title 2,, section 7.		
WORKERS' COMPENSATION COMMISSION TOTAL	<u>\$ 19,590</u>	<u>\$ 23,044</u>
TOTAL APPROPRIATIONS	\$194,940	\$364,718

Sec. 15. Allocation. The following funds are allocated from the Highway Fund to carry out the purposes of this Act.

	<u>1991-92</u>	<u>1992-93</u>
SECRETARY OF STATE, DEPARTMENT OF THE		
Administration - Motor Vehicles		
Personal Services	\$2,181	\$2,306
Provides funds to implement a salary range change for the Secretary of State. Represents 50% Highway Fund share of the total costs.		
DEPARTMENT OF THE SECRETARY OF STATE TOTAL	<u>\$2,181</u>	<u>\$2,306</u>

FISCAL NOTE

Enactment of this legislation requires a General Fund appropriation of \$194,940 in fiscal year 1991-92 and \$364,718 in fiscal year 1992-93 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. This legislation also requires a Highway Fund allocation of \$2,181 in fiscal year 1991-92 and \$2,306 in fiscal year 1992-93 to fund 50% of the salary increase proposed for the Secretary of State.

In addition, this legislation implements statutory language that will generate future costs to the General Fund in the 1994-95 biennium. These future costs include implementing the 3rd year salary increase of 3% for Maine's justices and judges, implementing state funding for legislators' basic life insurance and increasing the state's share of the health plan premium for dependent coverage to 60%.

STATEMENT OF FACT

This bill implements the recommendations made in the 114th State Compensation Commission's November 15, 1990 Final Report, including:

1. Changing the Compensation Commission's review of gubernatorial compensation from the 3rd year of each term to the 2nd year;
2. Authorizing a 2.5% salary increase for members of the Public Utilities Commission upon their completion of their 3rd year of their first term (to be called "Senior Commissioners"). It is legislative intent that commissioners who completed their 3rd year of their first term prior to the effective date of these provisions are not eligible for retroactive salary increases;
3. Increasing the salary range assignments for the State Auditor, Secretary of State and Treasurer of State, and increasing the minimum step for initial appointments of the Secretary of State and Treasurer of State;
4. Implementing a three-year salary increase schedule of 3% each year, starting on July 1, 1991 (FY 1992); and
5. Increasing the state's share of the health plan premium for dependent coverage from 50% to 60% as was done for state employees in the most recent collective bargaining agreements; and providing state funding for legislators' basic life insurance, as is provided currently for state employees.

Further information on these recommendation, as well as other "administrative recommendations, may be found in the State Compensation Commission's Final Report, dated November 15, 1990.

