

R E P O R T
of the
COMMISSION ON COMPENSATION EXPENSES AND SALARIES
OF THE ELECTED STATE OFFICIALS

February, 1985

The Commission on Compensation, Expenses, and Salaries of Elected State Officials was established by the General Assembly in 1972. It consists of fifteen members, five appointed by the Governor, five appointed by the President of the Senate, and five appointed by the Speaker of the House of Representatives. Chapter 2A of the Code of Iowa (1985) charges the Commission with a review of the compensation and expenses paid to members of the General Assembly and salaries paid to other elective state officials and statutory judicial officers. The Commission is directed to review compensation, expenses, and salaries paid for comparable positions in other states, the federal government and private enterprise and to recommend compensation and expense levels for members of the General Assembly and salary levels for elective executive officials and judges.

The members of the Commission on Compensation, Expenses, and Salaries of Elected State Officials are:

Robert J. Fleming, Carlisle, Chairperson
Bruce Van Druff, Red Oak, Vice Chairperson
Donald Arnold, Des Moines
Barbara Bowman, Maquoketa
Jack Drake, Lewis
Pat Ewing, Storm Lake
David Fisher, Des Moines
Charlotte Hubbell, Des Moines
Margo Keller, Blairsburg
Tom Long, Montour
Carl Nielsen, Altoona
Carroll Perkins, Jefferson
Elaine Smith, Monticello
Daryl Watts, Eagle Grove

The Commission met on December 20, 1984 and January 3, 1985. Mr. Robert Fleming was elected Chairperson and Mr. Bruce Van Druff was elected Vice Chairperson.

Members reviewed the following information:

1. Current and past salaries of members of the General Assembly,

elected state officials, and members of the judiciary in Iowa.

2. Salaries of employees of these officials.
3. Salaries of these officials in other states.
4. 1983 Report of the Commission.
5. Salaries of appointed state department heads in Iowa.

In addition, the Commission solicited information from the state officials regarding their own salary recommendations and a description of their duties and workload.

The Commission adopted the following principles that have guided Commissions in past years:

1. Commission deliberations should not be influenced by political considerations.
2. Commission recommendations should be based upon the offices themselves and not on the performances of present officeholders.
3. Recommendations should be made without regard to whether the Commission believes the General Assembly will accept or reject the recommendations.

It was noted that in order to insure the validity of its conclusions, the initial Commission, prior to making recommendations to the General Assembly in 1973, had employed professional consultants in the field of compensation evaluation, Edward N. Hay and Associates, to analyze each of the positions for which it made recommendations. Each position was assessed according to the knowledge, thinking challenge, and accountability necessary for performance of the jobs. The conclusions of Hay and Associates formed a basis for the salary recommendations of the Commission in 1973 and these recommendations have been adjusted biennially ever since.

The present Commission members spent a period of time discussing whether its recommendations should use as a basis the 1983 recommendations of the Commission or whether it should use the present salaries of these officials. From correspondence of the present officials, it appears that although their basic responsibilities have not changed appreciably, many have been given additional duties since 1973. The Commission finally determined that a twelve-year old analysis of responsibilities was no longer an adequate or scientific basis for its recommendations, leaving them with no alternative but to make recommendations based upon present salaries. Members agreed that a new salary study would be helpful, but a motion to recommend such a study was not adopted.

Another topic of discussion by the Commission was the present state of the Iowa economy. Agriculture-related industries are unable to provide salary increases for their employees and many are either laying off employees or are reducing salaries. Other industries that are not agriculture-related are granting salary increases in the current year of approximately 5 percent to their white collar employees. Some labor unions are negotiating salary increases of 5 percent and higher for their members.

The Consumer Price Index for the last year increased about 3.5 percent and estimates of the size of increase for the coming year are similar. The Commission discussed the concept that salary increases recommended for the officials should equal increases in the Consumer Price Index.

Although members of the Commission agreed that the state of the Iowa economy should be a factor to consider in making salary recommendations, they believe that it should not be the only factor. Other variables considered and Commission conclusions are as follows:

1. Comparison with salaries of other states - Iowa's salaries seem to be in about the middle in comparison with other Midwestern states except that the salaries for Lt. Governor and Auditor of State are low.

2. Comparison with the private sector - The salaries of the officials are low in comparison with salaries of similar responsibilities in the private sector, but it is not possible for public sector salaries for these kinds of positions to equal those that are paid in the private sector. A comparison with salaries of appointed state department heads indicates that the highest salary range for those department heads exceeds the salaries paid to all of the elected executive officials except for the governor.

3. Comparison with subordinates - In private industry the highest paid subordinate should earn about 65 percent to 70 percent of the salary earned by the boss. If this philosophy carries over to the elected state officials, the salaries of the officials are too low in comparison to their employees. This is especially true with the Auditor of State who has four employees earning higher annual salaries than he receives.

Any recommendations made by the Commission can only be implemented if they are acted upon by the General Assembly. Salary increases for elected executive officials and judges could take effect July 1, 1985, but those recommended for members of the General Assembly could not take effect until January, 1987 since members of the General Assembly cannot increase their own salaries.

Based upon the Commission's discussions and research, the

Commission on Compensation, Salaries and Expenses for Elected State Officials makes the following recommendations:

1. That salary increases not be provided for elected executive officials or judges for the fiscal year beginning July 1, 1985, except for the Auditor of State.
2. That the annual salary of the Auditor of State be increased \$5,000 effective July 1, 1985 to reflect the complexity and responsibility of the Auditor's position and to bring the salary for that office closer to what several employees within the department are currently receiving as their salaries.
3. That the salaries of the elected executive officials and judges be increased 7 percent effective July 1, 1986 to reflect increases in the Consumer Price Index occurring and expected to occur last year and this year. (A list of specific salary recommendations is attached to this report.)
4. That the salaries of the members of the General Assembly and the Lt. Governor be increased 7 percent effective January, 1987.
5. That expense allowances and payments for attendance at meetings for members of the General Assembly and the Lieutenant Governor remain at the current rates.

RECOMMENDATIONS FOR
SALARIES OF STATE OFFICIALS

	<u>EXECUTIVE BRANCH</u>	
	Salaries as of July 1, 1984	Recommended for July 1, 1986
Governor	\$64,000	\$68,480
Secretary of State	41,000	43,870
Auditor of State	41,000	49,220*
Treasurer of State	41,000	43,870
Secretary of Agriculture	41,000	43,870
Attorney General	54,000	57,780

	<u>EXPENSES</u>	
Governor	\$10,000	\$10,000
Governor-elect	\$10,000	10,000

	<u>JUDICIAL BRANCH</u>	
Supreme Court		
Chief Justice	\$66,200	\$70,834
Justices	60,900	65,163
Appeals Court		
Chief Judge	\$59,100	\$63,237
Judges	57,800	61,846
District Court		
Chief Judge	\$56,500	\$60,455
Judges	54,000	57,780
Associates	44,800	47,936
Magistrates	\$12,500	\$13,375

	<u>LEGISLATIVE BRANCH</u>	
	January, 1985	January, 1987
Lieutenant Governor	\$21,900	\$23,433
Speaker	21,900	23,433
Leaders	17,100	18,297
Members	14,600	15,622

	<u>SESSION EXPENSES</u>	
Lieutenant Governor	\$30/day**	\$40/day**
Speaker	Same	Same
Leaders	Same	Same
Members	Same	Same

	<u>INTERIM PAYMENTS***</u>	
Lieutenant Governor	\$60/day	\$60/day
Speaker	60/day	60/day
Leaders	40/day	40/day
Members	40/day	40/day

* The Commission recommended a \$5,000 increase for the Auditor of State beginning July 1, 1985

** Seven days/week for 110 days in odd-numbered years and 100 days in even-numbered years

*** Plus actual expenses