

REPORT OF THE  
COMMISSION ON COMPENSATION, EXPENSES, AND  
SALARIES OF ELECTED STATE OFFICIALS

January, 1981

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 (1981) 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:

Mr. Tom Miller, Cherokee, Chairperson  
Ms. Anna Smith, Clarinda, Vice Chairperson  
Mr. Donald Arnold, Des Moines  
Mr. Donald Briggs, West Des Moines  
Mr. E. Howard Hill, Minburn  
Mr. Gordon James, Des Moines  
Mr. Arnold Lindeen, Swedesberg  
Ms. Dianne Mohler, Waterloo  
Mr. J. Duane Mortensen, Dubuque  
Mr. John Murray, Fort Dodge  
Mr. Carl Nielsen, Altoona  
Mr. Robert Newberg, West Des Moines  
Mr. Don Rowen, Des Moines  
Mr. Lloyd Schmeiser, Burlington  
Mr. William D. Scott, Cedar Rapids

The Commission met on November 13, 1980. Officers listed above were re-elected.

A lengthy review was conducted of all actions taken by the Commission since its formation in 1972. During the review, it was noted that the Commission had established certain principles:

- That its deliberations should not in any way be influenced by political considerations.

- That all recommendations should be based on the offices being considered and not the performances of present officeholders.

- That its judgments should be guided by comparisons of compensation received for similar positions in government and the private sector that embrace similar duties and responsibilities.

- That salary levels should be adequate to retain and attract responsible, intelligent, hard-working and highly-qualified persons to each position.

- That compensation should be high enough for each office so that a negative compression effect does not work to suppress the salaries of subordinates and lead to the hiring of marginally-qualified persons. That the governor's compensation should be the highest in the structure of state government.

- That service of legislators and the lieutenant governor should be evaluated as requiring about 50 percent of full-time employment.

- That the additional duties and responsibilities of the lieutenant governor, the speaker of the House and the majority and minority leaders of both houses warrant compensation above that of members of the General Assembly.

- That the Commission should encourage the General Assembly to consider adjustments to salaries annually so that compensation of state officers is not victimized by inflation. Another reason is that postponement makes it appear that adjustments are overly generous when, in reality, they are no greater and sometimes less than changes made on an annual basis for other governmental employees.

- That the General Assembly should authorize the Commission to meet annually and to present recommendations on February 1 of each year.

The review showed that the Commission, three times in prior years, had extensively evaluated the several positions it is charged with considering and had interviewed all available officeholders or their spokespersons. Because the last evaluation-interview sessions were held two years ago, and because Commission members felt that no substantial changes in duties, responsibilities and authorities had taken place in the meantime, it was agreed that there was no reason to repeat the process this term.

To place compensation in perspective, the Commission studied a table containing three sets of figures:

1. The initial Commission recommendations as reported to the General Assembly in a report dated February 1, 1973.

2. Those recommendations translated into 1980 figures by applying Consumer Price Index changes.

3. Actual 1980 salaries as established by the General Assembly:

	<u>1973 Recom.</u>	<u>1973-80 CPI Adjust.</u>	<u>1980 Actual</u>
Governor	\$40,000	\$74,680	\$60,000
Secretary State	\$22,500	\$42,008	\$33,000
State Auditor	\$22,500	\$42,008	\$33,000
State Treasurer	\$22,500	\$42,008	\$33,000
Sec. Agriculture	\$22,500	\$42,008	\$33,000
Attorney General	\$30,000	\$56,010	\$43,500
Supreme Court			
Chief Justice	\$35,000	\$65,345	\$54,000
Justices	\$33,000	\$61,611	\$49,000
District Court			
Chief Judge	\$30,000	\$56,010	\$45,500
Judge	\$29,000	\$54,143	\$43,500
Lt. Governor	\$12,000	\$22,404	\$18,000
Speaker	\$12,000	\$22,404	\$18,000
Leaders	\$ 8,500	\$15,870	\$14,000
Members	\$ 7,500	\$14,003	\$12,000

Session Expenses

Lt. Governor	\$20/day	\$37/day	\$30/day*
Speaker	5 days	5 days	7 days
Leaders	same	same	same
Members	same	same	same

\* Seven days/weeks for 120 days in odd-numbered years and 100 days in even-numbered years.

Interim Expenses

Lt. Governor	\$60/day	\$112/day	\$60/day
Speaker	\$60/day	\$112/day	\$60/day
Leaders	\$40/day	\$75/day	\$40/day
Members	\$40/day	\$75/day	\$40/day

The magistrate system was instituted in 1974. Following is a comparison similar to that of the above.

	<u>1975 Recom.</u>	<u>1975-80 CPI Adjust.</u>	<u>1980 Actual</u>
Full-time	\$25,000	\$38,175	\$36,000
Part-time	\$ 6,000	\$ 9,162	\$10,000

The Appeals Court was instituted in 1976. Following is a comparison similar to that of the above.

	<u>1977 Recom.</u>	<u>1977-80 CPI Adjust.</u>	<u>1980 Actual</u>
Chief Judge	\$43,500	\$59,030	\$47,500
Judge	\$42,500	\$57,673	\$46,500

The Commission noted that for at least three of the offices for which the Commission makes recommendations, employees are receiving more than their superiors. Those offices and the personnel:

\$33,000	-- Secretary of Agriculture
\$34,777.60	-- Deputy Secretary
\$33,000	-- Auditor of State
\$38,334.40	-- Deputy Auditor
\$34,777.60	-- Deputy Auditor
\$33,000	-- Treasurer of State
\$33,072	-- Deputy State Treasurer

In addition, the Commission was advised by Chief Justice of the Iowa Supreme Court W. Ward Reynoldson that a morale problem exists among judges in the state for two reasons: That compensation has fallen behind the rate of inflation, and that the 1977 legislative "freeze" of the formula that determines the number of judges based on population and case load has resulted in an overload of work and an increase in the number of cases that are being delayed.

After considerable discussion, the Commission developed a rationale for recommending adjustments. It was noted that, between July 1, 1978, and July 1, 1980, the Consumer Price Index increased 26 percent; but that, during the same time span, executive and judicial salary adjustments had averaged only about nine percent.

The Commission felt it was justified in applying the missing 17 percent for two reasons: Salaries for those under the purview of the Commission, because of delayed actions by the General Assembly through the years, have fallen behind the pace of inflation; and, if the General Assembly should take action in its 1981 Session, no adjustments could be made until July 1, 1981--a full year beyond the Commission's calculations for inflation, a time period during which inflation predictably will continue to further devalue the buying power of the salaries being considered.

For the fiscal year beginning July 1, 1982, the Commission selected eight percent as an inflation factor, even though it was agreed that all economic signs indicate that the rate most probably will be higher. However, the Commission reasoned that, should the General Assembly approve, the Commission would be able to meet in late 1981 to more properly assess economic conditions and recommend more studied changes.

Commission members expressed reluctance to recommend large compensation adjustments at a time when state finances are unstable and when further budget cuts are being contemplated. However, on review, the Commission felt that it was necessary to maintain compensation levels within the competitive range of the private sector so that highly qualified persons would consider accepting state employment in the future.

The Commission deviated from an across the board application of the 17 percent and eight percent factors for 1981 and 1982 in two instances: For the governor and members of the Assembly.

When considering the governor's compensation, it was noted that \$6,000 is appropriated annually for expenses. The expense item, it was reported, came into being in 1957 at a figure of \$5,000. The Commission calculated, using CPI entries, that the figure updated to 1980 would be \$14,650. The Governor's office was contacted and it was learned that in addition to the \$6,000, annually between \$20,000 and \$30,000 is raised through contributions to cover necessary expenses. As a consequence, the Commission agreed that it would be appropriate to reduce the amount recommended for the governor's salary by \$5,000 and adjust the expense allowance accordingly.

The second deviation involves compensation for the General Assembly. Because the Iowa Constitution does not permit members to receive pay adjustments within the same term in which the General Assembly gives approval, the Commission agreed that its recommendations would apply for the years 1983 and 1984.

Again, Commission members expressed concern that the two-year time lag between its recommendations works to the disadvantage of maintaining salaries and expenses at levels reflecting economic changes. Sentiment favored annual Commission meetings so that recommendations regarding the General Assembly also could be made in the second year of the biennium, thereby moving the period of legislative action closer to actual remuneration.

Following is the Consumer Price Index used by the Commission in its deliberations:

Consumer Price Index, U.S. City Average, all items

<u>Fiscal</u> <u>Year, July</u>	<u>CPI</u>	<u>Pct. Increase</u>
1972	125.5	3.0
1973	132.7	5.7
1974	148.0	11.5
1975	162.3	9.7
1976	171.1	5.4
1977	182.6	6.7
1978	196.7	7.7
1979	218.9	11.3
1980	247.8	13.2
1972-1980		97.5
1973-1980		86.7
1974-1980		67.4
1975-1980		52.7
1976-1980		44.8
1977-1980		35.7
1978-1980		26.0

Recommendations

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

1. That section 2A.4 of the Code be amended to allow the Commission to make annual recommendations.

2. That the salaries and expenses of elected state officials, members of the General Assembly and judges be increased as follows:

Salaries: Elected State Officials

	<u>July 1, 1981</u>	<u>July 1, 1982</u>
Governor	\$65,200	\$70,816
Secretary of State	\$38,610	\$41,699
Auditor of State	\$38,610	\$41,699
Treasurer of State	\$38,610	\$41,699
Secretary of Agriculture	\$38,610	\$41,699
Attorney General	\$50,895	\$54,967

Expenses: Elected State Officials

Governor	\$11,020	\$11,582
Governor-Elect	\$11,700	\$12,636

Salaries: Judicial Branch

Supreme Court		
Chief Justice	\$63,180	\$68,234
Justices	\$57,330	\$61,916
Appeals		
Chief Judge	\$55,575	\$60,021
Judges	\$54,405	\$58,757
District Court		
Chief Judge	\$53,235	\$57,494
Judges	\$50,895	\$54,967
Associate Judges	\$42,120	\$45,490
Magistrates		
Full-time	\$42,120	\$45,490
Part-time	\$11,700	\$12,636

Salaries: Members of the General Assembly and Lieutenant Governor

	<u>January 1, 1983</u>	<u>January 1, 1984</u>
Lt. Governor	\$23,985	\$25,904
Speaker	\$23,985	\$25,904
Leaders	\$18,720	\$20,218
Members	\$16,029	\$17,311

Interim Compensation: General Assembly

	<u>January 1, 1983</u>	<u>January 1, 1984</u>
Lt. Governor	\$70.20/day	\$75.80/day
Speaker	\$70.20/day	\$75.80/day
Leaders	\$46.80/day	\$50.50/day
Members	\$46.80/day	\$50.50/day

Expenses: General Assembly

\$35.10/day\*                      \$37.90/day\*

\* Seven days/week for 120 days in odd-numbered years and 100 days in even-numbered years.

3. That the Commission be allowed to review its recommendation for the second year so that they reflect the effects of inflation.

In closing, the Commission wishes to express its appreciation for the help provided by the Iowa Legislative Service Bureau.