

**RECOMMENDED SALARY AND
CLASSIFICATION LEVELS FOR
EXECUTIVE AND JUDICIAL OFFICIALS**

**Report of the
Executive and Judicial Compensation Commission
Of the State of Utah**

November 2001

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November 3, 2001

LETTER OF TRANSMITTAL TO THE UTAH STATE LEGISLATURE

Transmitted herewith is the 2001 report of the Executive and Judicial Compensation Commission. In compliance with UCA, Section 67-8-5, this report contains the Commission's salary recommendations for the State's elected officials, the judiciary, and salary range recommendations for appointed agency and department heads for FY 2003.

In addition, this report reiterates last year's proposal for a new methodology for salary adjustments for elected officials and again expresses the Commission's concern about its continued efficacy and role in determining executive and judicial compensation.

The Commission's recommendations for elected officials and appointed executives are based in part on a salary survey of surrounding states and an assessment of the duties and responsibilities of these officials. This is done in keeping with the requirements of the Commission's statutory charge and in recognition of the need to review compensation levels for state executives on a regular basis in order to reward them fairly for the level of responsibility and authority they manage, and to keep them relatively comparable to similar positions in Utah and surrounding states.

This report contains recommendations for increases in the salaries for the State's elected officers. Since its inception, the Executive and Judicial Compensation Commission has recognized the problems inherent in achieving adequate and equitable salaries for public executives. At the federal, state, and local government levels, salaries of executive positions have generally lagged behind executive levels in private industry. This has been particularly true in the case of elected officials. The Commission is aware that in the eyes of the public, a certain amount of prestige and honor is associated with the holding of an elected office. Accordingly, this characteristic of public office is usually considered to be part of the "compensation" for such office. At the same time, it should be obvious that if the state expects capable persons to run for public office, their compensation should be commensurate with the duties and responsibilities entrusted to them. For this reason, the Commission has consistently advocated a compensation policy based on objective and equitable treatment for both elected and appointed officials.

In the opinion of the Commission, the Utah Legislature has provided funds to support an executive pay plan allowing salaries for appointed officials which are fairly competitive with (although not comparable to) private industry, as well as with states similar to Utah. Also, the Legislature has made an effort to increase elected officials' salaries, again keeping them fairly comparable with surrounding states. However, under current law, the provisions allowing periodic salary increases for appointed executives do not apply to elected officials. Therefore, unless the Legislature follows a consistent policy of reviewing and upgrading salaries for elected officials, the salary levels for these officials will fall further and further behind those of appointed officials and others holding similar positions.

In making its recommendations for the judiciary, the Commission has consulted, as required by law, with the Judicial Council. The Citizen Committee on Judicial Compensation again completed a study of judicial compensation and related issues. The report of this Committee was submitted to the Commission. The Commission joins with this Committee in recognizing that increases approved by the Legislature in recent years has made significant progress in recognition of the unique nature of the judicial office and the qualifications necessary for applicants to this office. Both the Commission and the Committee are concerned that the judiciary faces a continuing problem in its ability to attract and retain qualified individuals to the bench. The Commission recognizes that competitive salaries are an essential element of any plan to solve this problem and urges the Legislature to give consideration to the recommendations made in this report. The Commission notes that while the number of applicants for judicial vacancies has remained fairly constant over recent years, the level of experience of the applicants is trending downward. This suggests that the gap between judicial salaries and the more experienced attorneys in the state is widening. This trend should be monitored closely in the future

In making the recommendations in this report, the Commission is aware of the State's concern about resources available to support compensation plans for state officials. The Commission, however, feels that it has a responsibility to make recommendations to the Legislature based on the factors specified by the law so that all executive and judicial officers, elected or appointed, receive equitable and consistent treatment in compensation matters. Based on this responsibility and role, the Commission feels very strongly of the need for the Legislature to be furnished with objective and current information and recommendations. Accordingly, we do not hesitate to submit this report and recommendations.

We appreciate the opportunity to serve the citizens of the State and the Legislature.

Sincerely yours,

THE EXECUTIVE AND JUDICIAL COMPENSATION COMMISSION

John T. Nielsen, Chairman
Connie C. Holbrook, Vice-Chair
Orville D. Carnahan
Douglas Younker
Paul Shepherd
Mark Stimpson

EXECUTIVE SUMMARY

Commission Responsibility

The Executive and Judicial Compensation Commission, as an independent commission created by the Legislature in 1969, is responsible for recommending a comprehensive compensation plan for the State's elected and appointed executives and the judiciary. The Commission recommends specific salaries for elected officials and judges and salary ranges for appointed directors and commissioners of state agencies.

Salary Recommendations for Elected Officials

The Commission's recommendations for elected officials' salaries for FY 2003 are

Position	Current Salary	Recommended Salary	Percent Increase
Governor	\$100,600	\$103,600	3.0
Lt. Governor	78,200	79,800	2.0
Attorney General	84,600	93,200	10.2
State Auditor	80,700	82,900	2.7
State Treasurer	78,200	79,800	2.0

The cost of these recommendations for FY 2003 is estimated at \$19,800. The Commission recommends no change in employee benefits for elected officials.

Proposal for New Methodology

The above schedule reflects the Commission's view that the Governor's salary should first be established and the salaries of the remaining elected officials should thereafter be set in accordance with a fixed percentage of the Governor's salary. The Commission recommends that the Lieutenant Governor's salary be set at 77 percent of the Governor's, the Attorney General's salary be set at 90 percent of the Governor's, the State Auditor's salary be set at 80 percent of the Governor's, and the State Treasurer's salary be established at 77 percent of the Governor's.

The Commission recommends a three percent increase in the minimum and maximum salary rates for the Executive Compensation Plan, levels E-1 through E-5. The recommended plan is the table on the following page.

Levels	Minimum	Maximum
E2	66,500	90,100
E3	72,000	97,100
E4	78,300	105,700
E5	85,300	115,200

The cost of implementation of these recommendations will depend on the Governor's decisions on salary increases granted within the ranges of the Executive Compensation Plan.

**Salary
Recommendations
for Judicial
Positions**

The Commission recommends that the salary for District Court Judge be increased from \$103,700 to \$106,800, a three percent increase. Other judges' salaries would be adjusted according to their percentage relationship to the District Court level as provided by law. The cost of this increase is estimated at \$377,050.

**2001 REPORT OF THE
EXECUTIVE AND JUDICIAL COMPENSATION
COMMISSION
TO THE 2002 LEGISLATURE**

**Commission was
created in 1969**

An executive compensation commission was originally created in 1969 by the Legislature as an independent commission to develop a comprehensive salary classification plan for the elected and appointed officials of the State. The legislative purpose was to develop a unified, orderly approach in determining compensation for State officers based on recognized standards. Such a system was deemed necessary in order to attract capable, responsible persons to serve in executive and judicial positions. The Commission makes its recommendations regarding the classification and compensation of these state officers directly to the Legislature. Recommendations on appointed executives are also made to the Director of the Department of Human Resource Management, who in turn reports to the Governor.

**Six Member
Commission**

Under the terms of the Executive and Judicial Salary Act (UCA 67-8-1), the Commission is composed of six members. One member is appointed by the Governor, one by the President of the Senate, and one by the Speaker of the House. These three then choose two other members. Under legislation adopted in 1988, the State Bar Commission appoints a sixth member. Originally, this member participated only in studies and recommendations on judicial compensation. Under amendments approved by the 1991 Legislature, this member now participates in all of the activities and recommendations of the Commission. Not more than three members may be from the same political party. The Commission elects its own chairperson and vice chairperson from opposite political parties.

John T. Nielsen, Chair
(Term Expires March 31, 2004)
Appointed by State Bar Commission

Connie C. Holbrook, Vice-Chair
(Term expires March 31, 2003)
Appointed by Governor Michael O. Leavitt

Orville D. Carnahan
(Term expires March 31, 2003)
Appointed by Speaker Martin Stephens

Paul H. Shepherd
(Term expires March 31, 2005)
Appointed by the Commission

Mark Stimpson
(Term expires March 31, 2005)
Appointed by the Commission

Douglas Younker
(Term expires March 31, 2003)
Appointed by the President Lyle Hillyard

The statute provides that administrative, budgeting, procurement, and related management functions for the Commission will be provided by the Legislative Fiscal Analyst who also serves as the ex-officio, non-voting secretary of the Commission.

COMMISSION ACTIVITIES IN 2001

Role of the Commission

Since its inception in 1969, the Executive and Judicial Compensation Commission, as an independent commission, has had the basic responsibility to recommend a comprehensive compensation plan for the State's elected and appointed executives. There have been some changes over the years in the definition and number of the positions to be reviewed by the Commission, the reporting channels to the Legislature, and the membership composition of the Commission. The most recent changes in the role and responsibility of the Commission were enacted by the 1991 Legislature.

The 1991 legislation (House Bill 49, State Officer Amendments), in response to some questions about the definition of the term "state officer," clearly defined those positions in State government that would be designated as "state officers" for compensation purposes. The positions now so designated, and for which the Commission makes salary recommendations, are:

“(a) the governor, the lieutenant governor, the attorney general, the state auditor, and the state treasurer;

(b) justices of the Supreme Court and judges of all constitutional and statutory courts of record; and

(c) full-time commissioners and executive directors of executive branch departments appointed by the governor or with his approval, who report directly to the governor and who enumerated in UCA, Section 67-22-2." (UCA 67-8-5(2))

Commission recommends salaries for elected officials and judges, salary ranges for appointed officials

Under this authority, the Commission now recommends to the Legislature specific salaries for the elected officials and the judiciary and salary ranges for the appointed directors and commissioners of State agencies.

The Legislature then sets specific annual salaries and employee benefits for elected officers in statute, a single rate of pay for judges that is set in the annual appropriations act, and salary ranges, consisting of minimum and maximum rates of pay, for appointed officials, also set in statute.

The Governor then has the authority to set the specific annual salary of appointed officials and to grant salary increases based on performance within the ranges approved by the Legislature.

Commission reports to Interim Executive Appropriations Committee

The Commission is required by statute to report its recommendations to the Legislature through the Interim Executive Appropriations Committee. The Commission also makes its recommendations on appointed officers' compensation available to the Executive Director of the Department of Human Resource Management. This department in turn, is then responsible to make recommendations to the Governor on a compensation plan for these appointed officials. The governor usually makes his recommendations, both on elected and appointed official's compensation, to the Legislature in his budget message at the beginning of each annual Legislative session.

Commission consults with Judicial Council on Judges salaries and considers career status

The legislation establishing the Executive and Judicial Compensation Commission requires that the Commission consult with the Judicial Council and give due consideration to the career status of judges in developing its recommendations for judicial salaries. The law was amended in 1988 to also require comparisons with salaries paid in other states and comparable public and private employment within Utah.

In accordance with this provision, the Commission has reviewed the report of the Citizen Committee on Judicial Compensation. The Commission's recommendations, based on this review, are contained in the Judicial Salary section of this report.

Salary survey conducted annually

A salary survey of executive and judicial positions from 20 western and midwestern states conducted by the Utah Legislative Fiscal Analyst for the Western States Legislative Fiscal Officers Association was used by the Commission in developing its recommendations. The results of this survey are as of September 1, 2001, and are summarized in Appendix II. Since the Commission is also concerned about salaries paid for comparable positions in the surrounding Rocky Mountain States, the salary survey results from these states are summarized separately in Appendix III.

Since it is very difficult to find executive positions in the private sector that equate with executive positions in state government, the Commission has not conducted a salary survey of private industry.

RECOMMENDATIONS FOR ELECTED OFFICIALS

Elected Officials, Salaries and “Emoluments”

The Commission is primarily responsible to "recommend to the Legislature salaries for the governor, the lieutenant governor, the attorney general, the state auditor and the state treasurer;" (UCA 67-8-5(1)(a)(I))(underlining supplied). However, the laws authorizing the Commission also require the Commission to submit a report each year in which specific recommendations are made "concerning adjustments, if any, that should be made in the salary or other emoluments of office so that all executive and judicial officers, elected or appointed, receive equitable and consistent treatment regardless of whether salaries are fixed by the Legislature or by the Department of Human Resource Management." (UCA 67-8-3(3)(c)(iii) (underlining supplied))

Based on this requirement, the Commission has in the past evaluated salary survey data and other information to determine if Utah's elected officials have employee benefits and "other emoluments" of office that are comparable to those provided in other states and to appointed executives within State government. These surveys and other studies have indicated that, in general, this requirement is met. For instance, Utah's elected officials are entitled to the same health and dental insurance, life insurance, long-term disability, workers' compensation, etc. that are provided to appointed executives. In the area of retirement benefits, the elected officials (with the exception of the Governor) are entitled to participate in either the State retirement system or in a deferred compensation plan administered by the State Retirement Office. The contribution rates for these plans are the same as those offered to appointed officials. In the case of the Governor, a specific retirement plan is authorized by the Legislature that allows, at age 65, a lifetime pension of \$500 per month if the governor has served one term, or \$1,000 per month if the Governor has served two or more terms.

In terms of "emoluments" other than the normal employee fringe benefits, the Governor is provided a vehicle for official and personal use, housing, household and security staff and household expenses. This is similar to most other states where generally an automobile and housing (mansion) is provided to the Governor. The Commission has not attempted to place a dollar value on these types of emoluments as a comparison to those provided for Utah's Governor.

The survey conducted for the Commission indicates that some states report personal expense or contingent accounts for their Governors. For example, California provides its Governor with an expense account of \$40,000, Idaho's Governor has an \$8,000 expense account, New Mexico's Governor receives a \$30,000 expense account, and Oregon's receives - \$12,000. In Utah, the Governor currently has a \$25,000 entertainment and contingent expense account.

Based on the salary and benefits surveys and a review of the duties and responsibilities, plus a comparison to other executive positions in Utah, the Commission makes the following recommendations regarding the salaries and benefits for Utah's elected officials.

**Proposed New
Methodology in
Determining Salary
Levels**

The Commission looked at the tiered approach to setting various salaries in the judiciary where one main salary level is set and the rest are determined by formula from that level. The Commission determined that this approach warranted its promotion again. After analyzing the current salary structure, the individual levels of responsibility, and the results of the salary survey, the Commission recommends that first, the Governor's salary be established, then using that figure as a base, the other four elected officials' salaries would be determined as a certain percentage of the Governor's recommended salary figure. The Commission recommends that the Lieutenant Governor's salary be set at 77 percent of the Governor's base salary, the Attorney General's salary be set at 90 percent of the Governor's, the State Auditor's salary be set at 80 percent of the Governor's, and the State Treasurer's salary be established at 77 percent of the Governor's.

**Recommendations in
light of current
economic climate**

The Commission discussed its mission in making recommendations for salaries for the State's top elected and appointed officials, given the recent downturn in the nation's and the State's economy. The Commission realizes that with this downturn, resources are limited in the current fiscal year and will be limited in the upcoming fiscal year. The Commission realized that while its recommendations should reflect the true needs and merits of the positions for which it makes recommendations, it must also reflect the fiscal restraints. The Commission feels that increases of four percent are warranted and could be justified by the Commission. However, in view of the current economic climate, and to be responsive and responsible, the Commission has reduced its recommendations to three percent.

Governor's salary recommended at \$103,600

The 2001 Legislature increased the Governor's salary by 4 percent for FY 2002 to \$100,600. This amount places the Governor's salary just above the Rocky Mountain survey average of \$97,282 as of September 1, 2001. The Governor's current salary is 1.71 percent below the Western/Midwestern States survey average of \$102,347. Based on the level of responsibilities of the Governor, the Commission recommends that the Governor's salary for FY 2003 be set at \$103,600, which is a three percent increase over the FY 2002 salary. The Commission recommends that the same benefit structure currently in place be continued for the Governor.

Lieutenant Governor's salary recommended at \$79,800

The salary for the Lieutenant Governor has traditionally been based on the relationship of the Lieutenant Governor's position to that of the Governor, plus the nature of the duties and responsibilities assigned to the position rather than relying heavily upon a comparison to the salary survey of surrounding states. The Lieutenant Governor's position in Utah is generally assigned duties of a more substantial nature than those in surrounding states. In the Commission's opinion, this justifies the current salary of the Lieutenant Governor. The survey shows that the Lieutenant Governor's salary is 14.07 percent above the Rocky Mountain States survey average, but the survey average is comprised only of those Rocky Mountain states with full-time Lieutenant Governors, and with Colorado not providing a response, the average is made up of Montana and New Mexico. The Commission recommends that the Lieutenant Governor's salary be set at 77 percent of the Governor's recommended salary, or \$79,800, an increase of 2.0 percent. The Commission recommends the same benefits structure as currently provided.

Attorney General's salary recommended at \$93,200

The Attorney General, as chief legal officer for the State, directs a staff of 199 attorneys and 202 related support personnel in interpreting, defending, and applying the laws enacted by the Legislature. Surveys indicate the current salary of \$84,600 for the Attorney General is 3.43 percent below the survey average for the Rocky Mountain States and 7.29 percent below the Western/Midwestern average.

A survey of public attorneys in some of the city and county governments throughout the state indicate an average salary of \$105,464 for these positions with a range from \$94,238 to \$119,256.

A survey of current salaries within the Office of the Attorney General indicates that 38 attorneys serving under the Attorney General's supervision, are compensated at a higher salary level than the Attorney General, ranging from a low difference of \$749 to a high difference of \$18,595 annually. There are no other agencies of State government where such a large number of employees are compensated at a higher level than the agency director.

Given the requirements and responsibilities of the Attorney General position and the qualifications needed, the Commission has recommended for many years that the Legislature give serious consideration to increasing the salary of the Attorney General to a level more consistent with those responsibilities. For FY 2002, the Commission recommended an increase of 12.8 percent to \$88,200, moving the salary to 90 percent of the Governor's. The Legislature approved an increase of four percent. For FY 2003, the Commission recommends that the Attorney General's salary be increased to \$93,200, an increase of 10.2 percent. This reflects a salary level equivalent to 90 percent of the Commission's recommendation for the Governor's salary. In the opinion of the Commission, the justification for this level continues to exist and should be adopted by the Legislature.

**State Auditor's
salary recommended
at \$82,900**

The State Auditor supervises a staff of auditors and support personnel and is responsible for auditing the expenditure of public funds by all state agencies and institutions of higher education. This includes cooperation with the federal government in conducting a "single state audit" that includes the expenditure of millions of dollars in federal funds. The current salary for this position in Utah is 0.77 percent above the Rocky Mountain survey average, but 5.61 percent below the Western/Midwestern survey average.

The Commission, in its report to the 2001 Legislature, recommended that the State Auditor's salary be increased to \$80,500 which was 80 percent of the Commission's recommendation for the Governor's salary. The Legislature approved an increase of four percent for FY 2002.

The Commission is convinced that the findings and rationale for its recommendations the past several years are still valid and so, the Commission recommends an annual salary for the State Auditor of \$82,900 based on a factor of 80 percent of the Governor's proposed salary as well as the duties and responsibilities of the position and salaries paid in surrounding states. This would be a 2.7 percent increase from the current salary of \$80,700. The Commission recommends continuation of the current benefit structure.

State Treasurer's salary recommended at \$79,800

The State Treasurer in Utah is responsible for the safe keeping, management, and investment of an average daily balance of approximately \$2 billion in public funds. In relationship to surrounding states, the Treasurer's current salary is 5.11 percent over the Rocky Mountain survey average, but 2.11 percent below the Western/Midwestern average. The survey data does not appear to justify a significant increase in the recommended salary for the Treasurer position. Last year, the Commission recommended an increase of 3.1 percent and the Legislature approved an increase of four percent to the current level of \$78,200. The Commission recommends the Treasurer's salary for FY 2003 be set at \$79,800, an increase of 2.0 percent, and equivalent to 77 percent of the Governor's proposed salary. The Commission recommends continuation of the current benefit structure.

The following table summarizes the Commission's recommendations for elected officials for FY 2001:

RECOMMENDED SALARIES FOR ELECTED OFFICIALS			
Position	Current Salary	Recommended Salary	Percent Increase
Governor	\$100,600	\$103,600	3.0
Lt. Governor	78,200	79,800	2.0
Attorney General	84,600	93,200	10.2
State Auditor	80,700	82,900	2.7
State Treasurer	78,200	79,800	2.0

No change in benefits recommended

The Commission recommends that the current list of employee benefits approved by the Legislature for elected officials be continued in FY 2003. The Commission also recommends that the Governor's contingency account be continued at the \$25,000 level for FY 2002.

Cost of Recommendation \$19,800

The increased cost of the recommendations for elected officials, including benefits, is estimated at \$19,800 for FY 2003.

The tables on the following pages indicate the Commission's recommendations and the salary history of each elected position.

GOVERNOR

Current Salary

\$100,600

Recommended Salary

\$103,600

Percent Increase

3.0

Salary History¹

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1969	\$22,000	\$35,196	\$22,000	
1970	22,000	37,020	30,000	1/01/72
1972	30,000	38,844	33,000	7/01/73
1974	33,000	45,000	35,000	7/01/75
1976	35,000	40,000	40,000	5/10/77
1978	40,000	40,000	40,000	
1979	40,000	50,000	48,000	1/01/81
1980	48,000	50,000	48,000	
1981	48,000	52,000	52,000	7/01/82
1982	52,000	55,000	52,000	7/01/83
1983	52,000	57,000	55,000	7/01/84
1984	55,000	60,000	60,000	7/01/85
1985	60,000	62,500	60,000	7/01/86
1986	60,000	65,000	60,000	7/01/87
1987	60,000	66,000	60,000	7/01/88
1988	60,000	66,000	70,000	7/01/89
1989	70,000	75,400	72,800	7/01/90
1990	72,800	75,700	72,800	7/01/91
1991	72,800	90,000	75,000	7/01/92
1992	75,000	77,250	77,250	7/01/93
1993	77,250	79,550	79,600	7/01/94
1994	79,600	82,000	82,000	7/01/95
1995	82,000	90,000	85,200	7/01/96
1996	85,200	91,600	87,600	7/01/97
1997	87,600	94,200	90,700	7/01/98
1998	90,700	94,300	93,000	7/01/99
1999	93,000	98,000	96,700	7/01/00
2000	96,700	100,600	100,600	7/01/01

¹ Since formation of the Executive and Judicial Compensation Commission

LIEUTENANT GOVERNOR

<u>Current Salary</u>	<u>Recommended Salary</u>	<u>Percent Increase</u>
\$78,200	\$79,800	2.0

Salary History²

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1969	\$17,500	\$18,948	\$17,500	
1970	17,500	19,500	19,000	1/01/72
1972	19,000	17,760	20,000	7/01/73
1974	20,000	25,000	22,000	7/01/75
1976	22,000	23,500	26,500	5/10/77
1978	26,500	28,000	26,500	
1979	26,500	30,000	33,500	1/01/81
1980	33,500	35,500	33,500	
1981	33,500	35,500	35,500	7/01/82
1982	35,500	35,500	35,500	7/01/83
1983	35,500	37,000*	45,000	7/01/84
		52,000**	45,000	
1984	45,000	50,000	50,000	7/01/85
1985	50,000	52,000	50,000	7/01/86
1986	50,000	52,500	50,000	7/01/87
1987	50,000	52,500	50,000	7/01/88
1988	50,000	52,500	52,500	7/01/89
1989	52,500	55,000	54,600	7/01/90
1990	54,600	56,800	54,600	7/01/91
1991	54,600	70,000	56,200	7/01/92
1992	56,200	60,000	60,000	7/01/93
1993	60,000	61,800	61,800	7/01/94
1994	61,800	63,700	63,700	7/01/95
1995	63,700	66,900	66,200	7/01/96
1996	66,200	69,500	68,100	7/01/97
1997	68,100	70,100	70,500	7/01/98
1998	70,500	73,300	72,300	7/01/99
1999	72,300	73,500	75,200	7/01/00
2000	75,200	77,500	78,200	7/01/01

*Recommended effective 7/01/84, **Recommended effective 1/01/84

² Ibid

ATTORNEY GENERAL

Current Salary

\$84,600

Recommended Salary

\$93,200

Percent Increase

10.2

Salary History³

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1969	\$17,500	\$21,984	\$17,500	
1970	17,500	22,524	22,000	1/01/72
1972	22,000	24,840	23,000	7/01/73
1974	23,000	33,500	25,000	7/01/75
1976	25,000	30,000	30,000	5/10/77
1978	30,000	37,000	30,000	
1979	30,000	38,000	36,500	1/01/81
1980	36,500	42,500	36,500	
1981	36,500	42,500	41,000	7/01/82
1982	41,000	44,000	41,000	7/01/83
1983	41,000	45,000	43,500	7/01/84
1984	43,500	49,000	49,000	7/01/85
1985	49,000	51,500	49,000	7/01/86
1986	49,000	52,000	49,000	7/01/87
1987	49,000	54,000	54,000	7/01/88
1988	54,000	56,000	56,000	7/01/89
1989	56,000	58,700	58,300	7/01/90
1990	58,300	65,000	58,300	7/01/91
1991	58,300	75,000	60,000	7/01/92
1992	60,000	80,000	65,000	7/01/93
1993	65,000	75,000	67,000	7/01/94
1994	67,000	75,000	69,000	7/01/95
1995	69,000	75,700	71,700	7/01/96
1996	71,700	77,100	73,700	7/01/97
1997	73,700	79,200	76,300	7/01/98
1998	76,300	82,000	78,200	7/01/99
1999	78,200	88,200	81,300	7/01/00
2000	81,300	90,500	84,600	7/01/01

³ Ibid

	STATE AUDITOR	
<u>Current Salary</u>	<u>Recommended Salary</u>	<u>Percent Increase</u>
\$80,700	\$82,900	2.7

Salary History⁴

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1969	\$14,000	\$17,160	\$14,000	
1970	14,000	17,760	17,000	1/01/72
1972	17,000	17,760	19,000	7/01/73
1974	19,000	28,000	21,000	7/01/75
1976	21,000	23,500	26,500	5/10/77
1978	26,500	28,000	26,500	
1979	26,500	30,000	33,500	1/01/81
1980	33,500	35,500	33,500	
1981	33,500	35,500	35,500	7/01/82
1982	35,500	41,000	35,500	7/01/83
1983	35,500	42,000	37,500	7/01/84
1984	37,500	47,000	45,000	7/01/85
1985	45,000	47,000	45,000	7/01/86
1986	45,000	47,500	45,000	7/01/87
1987	45,000	51,000	51,000	7/01/88
1988	51,000	53,000	53,000	7/01/89
1989	53,000	58,000	55,200	7/01/90
1990	55,200	57,400	55,200	7/01/91
1991	55,200	67,500	56,900	7/01/92
1992	56,900	67,500	62,000	7/01/93
1993	62,000	67,500	63,900	7/01/94
1994	63,900	70,000	65,800	7/01/95
1995	65,800	72,200	68,400	7/01/96
1996	68,400	73,500	70,300	7/01/97
1997	70,300	73,800	72,800	7/01/98
1998	72,800	78,300	74,600	7/01/99
1999	74,600	78,400	77,600	7/01/00
2000	77,600	80,500	80,700	7/01/01

⁴ Ibid

STATE TREASURER

Current Salary

\$78,200

Recommended Salary

\$79,800

Percent Increase

2.0

Salary History⁵

<u>Year of Report</u>	<u>Existing Salary</u>	<u>Commission Recommend</u>	<u>Legislative Action</u>	<u>Effective Date</u>
1969	\$14,000	\$17,160	\$14,000	
1970	14,000	17,760	17,000	1/01/72
1972	17,000	17,760	19,000	7/01/73
1974	19,000	27,000	21,000	7/01/75
1976	21,000	24,500	26,500	5/10/77
1978	26,500	28,000	26,500	
1979	26,500	30,000	33,500	1/01/81
1980	33,500	35,500	33,500	
1981	33,500	35,500	35,500	7/01/82
1982	35,500	37,500	35,500	7/01/83
1983	35,500	38,500	37,500	7/01/84
1984	37,500	42,000	45,000	7/01/85
1985	45,000	45,000	45,000	7/01/86
1986	45,000	47,500	45,000	7/01/87
1987	45,000	51,000	51,000	7/01/88
1988	51,000	53,000	53,000	7/01/89
1989	53,000	55,500	55,200	7/01/90
1990	55,200	57,400	55,200	7/01/91
1991	55,200	65,000	56,900	7/01/92
1992	56,900	65,000	60,000	7/01/93
1993	60,000	65,000	61,800	7/01/94
1994	61,800	65,000	63,700	7/01/95
1995	63,700	66,900	66,200	7/01/96
1996	66,200	69,500	68,100	7/01/97
1997	68,100	70,100	70,500	7/01/98
1998	70,500	75,700	72,300	7/01/99
1999	72,300	73,500	75,200	7/01/00
2000	75,200	77,500	78,200	7/01/01

⁵ Ibid

RECOMMENDATIONS FOR APPOINTED OFFICIALS

Recommendations for Appointed Officials submitted to Legislature and Human Resource Management

The Utah Executive and Judicial Salary Act provides that the Director of Human Resources Management will, based on the recommendations of the Executive and Judicial Compensation Commission, recommend a compensation plan for appointed officers of the State to the Governor. The plan is to include salaries and wages, paid leave, group insurance plans, retirement programs, and any other benefits that may be offered to state officers. The Governor is then required to include specific recommendations on compensation for appointed officers in his annual budget proposal to the Legislature. A compensation plan is then approved by the Legislature by statute. The act further provides that the Commission will make "recommendations concerning revisions, modifications, or changes, if any, which should be made in the plan, its administration, or in the classification of any officer under the plan" (UCA 67-8-5 3 (c)(ii)). In compliance with this legislative directive, the following recommendations are made regarding the compensation plan for appointed officials in Utah State government. The recommendations in this section of the Commission's report are also being submitted to the Director of Human Resources Management in connection with her responsibility to make recommendations to the Governor.

Five Level Executive Compensation Plan adopted in 1990

The State's appointed executives generally serve at the pleasure of the Governor and so do not have the career status of those lower level officials appointed under the State's merit system. The demands of their positions in executing public policy and administering large and complex agencies and programs, often in a short-term situation, require executives with high management skills and capabilities. An adequate and competitive compensation plan is essential to attract and retain such individuals in state service.

Prior to FY 1991, the compensation plan for appointed officials consisted of a grade rating for each position that was tied to one of the salary grades of the State's classified pay plan. The Commission, in its report to the 1990 Legislature, recommended the adoption of an executive pay plan that consisted of five levels. The midpoints of the levels were derived from the average salaries of the executive positions surveyed by the Commission in the surrounding Rocky Mountain States and the salary range was 35 percent. The 1990 Legislature adopted the new plan recommended by the Commission.

Executive salary ranges should be increased by three percent

The Commission has reviewed the movement in the average salaries since the plan was first established and has also reviewed the effect of state and national cost-of-living figures. The Commission also discussed the effect of compensation plans implemented by local governments. City and county governments have granted much higher increases over the past few years to their employees which has had the effect of widening the salary gap between state employees and the employees of local governments. (See Appendix IV). Another situation is the problem of “compression” at upper management levels. The salaries of many positions just below these appointed officials, e.g. deputy directors, are approaching or surpassing those of the directors. Adjustments in the salary ranges should help alleviate this problem.

Based on all of these factors, the Commission recommends that the minimum and maximum rates of the E-2 through E-5 levels of the Executive Compensation Plan be increased by three percent for FY 2003. The recommended rates are shown in the table below:

RECOMMENDED EXECUTIVE COMPENSATION PLAN FOR FY 2003		
Levels	Minimum	Maximum
E2	66,500	90,100
E3	72,000	97,100
E4	78,300	105,700
E5	85,300	115,200

Increasing the minimum and maximum rates of the Executive Compensation Plan does not automatically grant salary increases to the executives on the Plan. There are no executives currently at the minimum rates of the current plan and any salary increase within the ranges of the plan is subject to approval of the Governor based on performance. It is important to periodically adjust the rates of the compensation plan to keep them competitive, thus allowing the Governor the flexibility to pay salaries that will attract and retain competent executives to manage and direct the State’s agencies.

Summary of recommended level assignments

The summary of the Commission’s recommended assignment of the State’s appointed executive positions to the levels of the Executive Compensation Plan and the salary ranges follow:

Level E2	\$66,500 - \$90,100
Commissioner, Agriculture and Food	
Commissioner, Insurance	
Commissioner, Labor Commission	
Director, Alcoholic Beverage Control	
Commissioner, Financial Institutions	
Members, Board of Pardons and Parole	
Executive Director, Commerce	
Executive Director, Commission on Criminal and Juvenile Justice	
Adjutant General	
Level E3	\$72,000 - \$97,100
Chair, Tax Commission	
Commissioners, Tax Commission	
Executive Director, Community and Economic Development	
Executive Director, Tax Commission	
Chairman, Public Service Commission	
Commissioners, Public Service Commission	
Level E4	\$78,300 - \$105,700
Executive Director, Corrections	
Commissioner, Public Safety	
Executive Director, Natural Resources	
Director, Office of Planning and Budget	
Executive Director, Administrative Services	
Executive Director, Human Resource Management	
Executive Director, Environmental Quality	
Level E5	\$85,300 - \$115,200
State Olympic Officer	
Executive Director, Workforce Services	
Executive Director, Health	
Executive Director, Human Services	
Executive Director, Transportation	
Chief Information Officer	

Recommend current benefits be maintained

As part of its review responsibility, the Commission considers the employee benefits available to appointed officials. The Commission recommends that the current list of benefits contained in the State Officer Compensation Act continue to be approved for appointed officials. The level of these benefits, i.e., rate increases for health insurance, dental insurance, etc. should be adjusted by any increase approved by the Legislature for the State's classified employees.

Maintain current deferred compensation plan

It is noted that the Commission recommended in its 1984 report that the Legislature permit department and agency directors and commissioners to choose to be exempt from the current state retirement system and allow them to participate in a more portable "defined contribution" plan designed for these executive-level positions. The Legislature responded to this recommendation with the passage of a bill which allows such a plan. The State Retirement Board has developed deferred compensation plans under this authority with full vesting of the contributions made by the State for the executive.

Cost of salary recommendations dependent on Governor action

There will be no definite general cost to the salary plan or position assignment recommendations made by the Commission in this report. Any cost implications would depend on salary increases granted by the Governor within the ranges of the compensation plan or where positions are moved to a higher salary level. There are currently no executives who are at the minimum of their pay range that would be affected by the recommended increase in the minimum rate of the plan for FY 2003.

REPORT ON JUDICIAL COMPENSATION IN UTAH

Introduction	The duties of the Commission include the responsibility to recommend to the Legislature salaries for "justices of the Supreme Court and judges of the constitutional and statutory courts of record" (UCA 67-8-5(1)(a)(ii)).
Criteria for Judicial Salary Recommendations	<p>The Legislature, in prescribing this duty specified the factors that are to be considered as a base for the Commission's recommendation. These factors include:</p> <ul style="list-style-type: none">▶ Consultation with the Judicial Council▶ Consideration for the career status of judges▶ Comparisons with salaries paid in other states▶ Comparisons with comparable public and private employment with the state (UCA 67-8-5 (4)(a))
Report Update Required during Even Year	<p>The Commission is to conduct a "comprehensive review of judicial salary levels" in preparing its recommendations for submission to the Legislature in each odd numbered year and update its prior report, based on the Consumer Price Index and other relevant factors in even numbered years of the Legislative General Session.</p> <p>In connection with its responsibility for consultation with the Judicial Council, the Commission annually receives and reviews the report of the Citizen Committee on Judicial Compensation. This committee was established by the Judicial Council in 1985 to study judicial compensation issues and assist the Council in developing judicial salary recommendations for submission to the Executive and Judicial Compensation Commission.</p> <p>The Citizen Committee is composed of seven volunteers from the private sector. It functions independently from the Judicial Council, establishes its own procedures and methods, and makes its own recommendations.</p> <p>The Commission met with the Citizen Committee on October 15, 2001 to review the Committee report. Much of the supporting data for the Commission's recommendations that follow is taken from the Citizen Committee report.</p>

Benchmark Salary in District Court Judge - Others set at a Percentage Relationship

The salary for the District Court judge is set by the Legislature as the benchmark for salary comparison purposes and the key salary to which other judicial positions are related. Under current statute (67-8-2), the salaries for Supreme Court Justices are set at 110 percent of the District Court level, Appeals Court judges' salaries are set at 105 percent, and Juvenile Court Judges salaries are set at the same level as the District Court Judges.

Quantity and Quality of Applicants has increased

In their past reports on salary recommendations, the Executive and Judicial Compensation Commission and the Citizen Committee on Judicial Compensation outlined the serious problem that was developing in the recruitment of qualified individuals for judicial vacancies, including the concern about the level of judicial compensation that helps attract and retain the best qualified individuals for judicial vacancies.

The history of Commission recommended salaries and legislative action in recent years is shown in the following table.

HISTORY OF PROPOSED SALARY INCREASES AND LEGISLATIVE ACTION			
Year	Commission Recommended District Court Salary	Actual Legislative Action	Percent Increase
FY 1991	\$72,000	\$70,200	4.0
FY 1992	80,000	73,000	4.0
FY 1993	88,000	80,000	9.6
FY 1994	88,000	81,200	1.5
FY 1995	88,000	83,650	3.0
FY 1996	88,000	86,200	3.0
FY 1997	89,648	89,550	3.9
FY 1998	93,132	90,450	1.0*
FY 1999	93,150	93,600	3.5
FY 2000	93,600	95,900	2.5
FY 2001	99,700	99,700	4.0
FY 2002	103,700	103,700	4.0

* Retirement benefits increased by an amount approximately equal to 2 percent salary, making a total compensation increase of 3 percent for FY 1998.

These efforts have continued to improve the ability of the Court system to attract an increased number of quality applicants.

**Recommendations
for FY 2003**

As outlined in this report, the increase in judge’s salaries in recent years has been a significant factor in the ability of the State to attract and retain an increasing level of qualified applicants for the court system.

The Commission is anxious that this program be maintained and enhanced so that experienced and qualified applicants can be attracted to the bench.

The current and future court environment also requires highly qualified judges. The economic and population growth of the State is placing pressure on judges to cope with increasing court caseloads and technological advances.

**District Court
Judges’ Salary
Recommendation
for FY 2003 at
\$106,800**

The Commission recommends that the salary of the District Court Judge be raised to \$106,800 for FY 2003. This would be an increase of three percent over the current salary of \$103,700, and is based on comparative salaries, both locally and nationally.

**Cost of the
Recommendation
\$377,050**

The cost of this recommendation is estimated at \$377,050 with the detail and the effect on the other judges in the court system as outlined in the following table.

COST OF PROPOSED JUDICIAL SALARY INCREASES							
	Salary Ratio	FY 2002 Salary	FY 2003 Proposed Salary	Amount of Increase	Number of Judges	Total Increase	Percent Increase
Supreme Court Justice	110%	\$104,050	\$117,450	\$3,400	5	\$17,000	3.0%
Appellate Court Judge	105%	108,900	112,150	3,250	7	22,750	3.0%
District Court Judge	100%	103,700	106,800	3,100	70	217,000	3.0%
Juvenile Court Judge	100%	103,700	106,800	3,100	25	77,500	3.0%
Total Number of Judges					107		
Total Salary Increases						\$334,250	
Benefit Cost Rate						12.81%	
Benefit Cost						<u>\$42,800</u>	
Total Cost of Increase						<u>\$377,050</u>	

Appendix I

EJCC RECOMMENDATIONS/LEGISLATIVE ACTION										
FY 1993 - FY 2002										
	FY 1993		FY 1994		FY 1995		FY 1996		FY 1997	
	<u>EJCC</u>	<u>Leg.</u>	<u>EJCC</u>	<u>Leg.</u>	<u>EJCC</u>	<u>Leg.</u>	<u>EJCC</u>	<u>Leg.</u>	<u>EJCC</u>	<u>Leg.</u>
Governor	23.6%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	9.7%	3.9%
Lt. Governor	28.2%	3.0%	6.7%	6.8%	3.0%	3.0%	3.0%	3.0%	5.0%	3.9%
Attorney General	28.6%	3.0%	33.3%	8.3%	15.4%	3.0%	11.9%	3.0%	9.7%	3.9%
Auditor	22.3%	3.0%	18.6%	9.0%	8.9%	3.0%	9.6%	3.0%	9.7%	3.9%
Treasurer	17.8%	3.0%	14.2%	5.5%	8.3%	3.0%	5.2%	3.0%	5.0%	3.9%
Appointed Officials	6.0%	3.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%	4.0%	3.9%
Judiciary	20.5%	9.6%	10.0%	1.5%	4.2%	3.0%	5.2%	3.0%	4.0%	3.9%
	FY 1998		FY 1999		FY 2000		FY 2001		FY 2002	
	<u>EJCC</u>	<u>Leg.</u>	<u>EJCC</u>	<u>Leg.</u>	<u>EJCC</u>	<u>Leg.</u>	<u>EJCC</u>	<u>Leg.</u>	<u>EJCC</u>	<u>Leg.</u>
Governor	7.5%	2.8%	7.5%	3.5%	4.0%	2.5%	5.4%	4.0%	4.0%	4.0%
Lt. Governor	5.0%	2.8%	3.0%	3.5%	4.0%	2.5%	1.7%	4.0%	3.1%	4.0%
Attorney General	7.5%	2.8%	7.5%	3.5%	7.5%	2.5%	12.8%	4.0%	11.3%	4.1%
Auditor	7.5%	2.8%	5.0%	3.5%	7.5%	2.5%	5.1%	4.0%	3.7%	4.0%
Treasurer	5.0%	2.8%	3.0%	3.5%	7.5%	2.5%	1.7%	4.0%	3.1%	4.0%
Appointed Officials	4.0%	2.8%	5.0%	3.5%	4.0%	2.5%	4.0%/6.0%	4.0%	4.0%	4.0%
Judiciary	4.0%	1.0% *	3.0%	3.5%	3.5%	2.5%	4.0%	4.0%	4.0%	4.0%

* Retirement benefits increased by an amount equal to two percent salary, making a total compensation increase of three percent.

Appendix II
SALARY SURVEY
WESTERN AND MIDWESTERN STATES
2001

Salaries as of 1 September 2001

<u>Positions</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Utah</u>	Percent Difference from <u>Average</u>
<u>Elected Officials</u>					
Governor	175,000	65,000	102,347	100,600	-1.71%
Lt. Governor	131,250	7,200	73,007	78,200	7.11%
Secretary of State	131,250	52,000	78,622	0	-100.00%
Attorney General	148,750	64,500	91,255	84,600	-7.29%
State Auditor	140,000	49,500	85,499	80,700	-5.61%
State Treasurer	140,000	49,500	79,882	78,200	-2.11%
<u>Appointed Officials</u>					
Adjutant General	146,785	73,588	100,816	86,403	-14.30%
Commissioner, Agriculture	131,412	66,509	88,166	86,403	-2.00%
Director, Dept. of Natural Resources	131,412	60,184	91,078	101,379	11.31%
Director, Dept. of Environmental Quality	132,000	56,304	94,473	101,379	7.31%
Director, Planning and Budget	131,412	71,294	99,717	101,379	1.67%
Director, Dept. of Administrative Services	129,224	45,720	95,685	97,490	1.89%
Director, Dept. of Human Resources	189,000	59,712	92,227	101,379	9.92%
Director, Alcoholic Beverage Control	123,255	61,500	83,065	86,403	4.02%
Director, Dept. of Commerce	123,255	77,600	101,371	86,403	-14.77%
Chairman, Industrial Commission	131,412	57,770	86,748	86,403	-0.40%
Director, Department of Workforce Services	125,000	71,076	94,305	110,448	17.12%
Commissioner, Insurance	157,500	64,742	88,551	86,403	-2.43%
Commissioner, Financial Institutions	123,255	45,720	82,928	86,403	4.19%
Chairman, Public Service Commission	117,818	42,000	84,822	93,184	9.86%
Chairman, Tax Commission	131,250	68,277	92,914	93,184	0.29%
Director, Dept. of Community and Economic Development	131,412	77,600	99,703	93,184	-6.54%
Director, Dept. of Transportation	155,000	77,600	107,069	110,448	3.16%
Commissioner, Public Safety	131,412	69,012	95,235	96,304	1.12%
Director, Dept. of Corrections	150,000	72,720	100,831	101,379	0.54%
Director, Dept. of Health	185,000	77,600	103,851	110,448	6.35%
Director, Dept. of Human Services	150,000	79,567	107,489	110,448	2.75%
<u>Judiciary</u>					
Chief Justice, Supreme Court	170,311	90,842	112,469	116,050	3.18%
Associate Justice, Supreme Court	162,409	89,381	110,441	114,050	3.27%
District Court Judge	152,260	82,606	101,372	103,700	2.30%
Juvenile Court Judge	128,302	86,896	99,648	103,700	4.07%

States surveyed include: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Washington, and Wyoming. Averages do not include Utah.

Appendix III
SALARY SURVEY
ROCKY MOUNTAIN STATES
2001
Salaries as of 1 September 2001

<u>Positions</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Utah</u>	<u>Percent Difference from Average</u>
<u>Elected Officials</u>					
Governor	117,000	88,190	97,282	100,600	3.41%
Lt. Governor	65,000	26,000	68,557	78,200	14.07%
Secretary of State	80,000	65,000	73,248	0	-100.00%
Attorney General	110,000	72,500	87,603	84,600	-3.43%
State Auditor	110,000	65,000	80,081	80,700	0.77%
State Treasurer	80,000	65,000	74,400	78,200	5.11%
<u>Appointed Officials</u>					
Adjutant General	109,588	77,600	91,516	86,403	-5.59%
Commissioner, Agriculture	100,000	73,567	83,738	86,403	3.18%
Director, Dept. of Natural Resources	103,301	71,567	87,283	101,379	16.15%
Director, Dept. of Environmental Quality	118,500	77,600	92,770	101,379	9.28%
Director, Planning and Budget	112,000	71,294	86,865	101,379	16.71%
Director, Dept. of Administrative Services	129,224	77,600	95,798	97,490	1.77%
Director, Dept. of Human Resources	93,958	61,672	81,018	101,379	25.13%
Director, Alcoholic Beverage Control	91,669	61,567	78,159	86,403	10.55%
Director, Dept. of Commerce	121,567	77,600	103,767	86,403	-16.73%
Chairman, Industrial Commission	109,615	57,770	80,701	86,403	7.07%
Director, Department of Workforce Services	103,301	71,667	87,198	110,448	26.66%
Commissioner, Insurance	108,200	68,485	81,151	86,403	6.47%
Commissioner, Financial Institutions	100,000	62,600	76,909	86,403	12.35%
Chairman, Public Service Commission	95,709	68,226	78,687	93,184	18.42%
Chairman, Tax Commission	114,200	70,302	88,569	93,184	5.21%
Director, Dept. of Community and Economic Development	112,600	77,600	92,506	93,184	0.73%
Director, Dept. of Transportation	125,500	77,600	99,630	110,448	10.86%
Commissioner, Public Safety	117,300	83,075	97,531	96,304	-1.26%
Director, Dept. of Corrections	129,500	77,600	95,571	101,379	6.08%
Director, Dept. of Health	125,000	77,600	90,733	110,448	21.73%
Director, Dept. of Human Services	126,900	79,567	99,137	110,448	11.41%
<u>Judiciary</u>					
Chief Justice, Supreme Court	129,150	90,842	103,750	116,050	11.86%
Associate Justice, Supreme Court	126,525	89,381	102,486	114,050	11.28%
District Court Judge	120,750	82,606	94,945	103,700	9.22%
Juvenile Court Judge	120,750	86,896	99,416	103,700	4.31%

States surveyed include: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, and Wyoming.