

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

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

November 2002

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November 1, 2002

LETTER OF TRANSMITTAL TO THE UTAH STATE LEGISLATURE

Transmitted herewith is the 2002 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 2004.

In addition, this report reiterates last year's proposal for a new methodology for salary adjustments for elected officials.

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.

Prior to making its recommendations for the judiciary, the Commission 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 revenue problems which the State has experienced the past year, and how this affected the decisions made during the 2002 Legislative session. 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
Paul Shepherd, Vice-Chair
Orville D. Carnahan
Connie C. Holbrook
Mark Stimpson
Douglas Younker

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 2004 are:

Position	Current Salary	Recommended Salary	Percent Increase
Governor	\$100,600	\$104,600	4.0
Lt. Governor	78,200	80,500	2.9
Attorney General	84,600	94,100	11.2
State Auditor	80,700	83,700	3.7
State Treasurer	78,200	80,500	2.9

The cost of these recommendations for FY 2004 is estimated at \$24,500. 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.

**Range
Recommendations
for Appointed
Officials**

The Commission recommends that the salary range for the Executive Compensation Plan, levels E-1 through E-5, be increased, by the same percentage recommended by the Department of Human Resource Management. The recommendation would not increase any incumbent's salary, but would provide the Governor, who sets the salaries within the designated ranges, the flexibility to adjust specific salaries. This would help to relieve some of the pressure currently felt as a result of the compression from the salaries of upper-level managerial positions approaching, and in some cases, exceeding, those of the executive directors.

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 \$107,850, a four 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 \$510,423.

**2002 REPORT OF THE
EXECUTIVE AND JUDICIAL COMPENSATION
COMMISSION
TO THE 2003 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

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

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

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

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

Douglas Younker
(Term expires March 31, 2003)
Appointed by 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 2002

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 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 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, 2002, and are summarized in Appendix I. 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 II.

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**

In the Commission's report last year, there was discussion of the Commission's mission in making recommendations for salaries for the State's top elected and appointed officials, given the downturn in the nation's and the State's economy. Given the economic difficulties which the State had experienced up to the 2002 Legislature's adjournment, the Legislature kept FY 2003 salaries at FY 2002 levels. The Commission understands the difficulty and the reality in the Legislature's making this decision. The Commission realizes that resources continue to be limited in the current fiscal year and will likely be limited in the upcoming fiscal year. The Commission realizes that its recommendations should reflect the true needs and merits of the positions for which it makes recommendations, especially following a year of frozen salary levels. The Commission feels that increases of four percent for the Governor and the judiciary are justified.

Governor's salary recommended at \$104,600

The 2002 Legislature did not change the Governor's salary for FY 2003, keeping it at \$100,600. This places the Governor's salary 4.07 percent above the Rocky Mountain survey average of \$96,670 as of September 1, 2002. The Governor's current salary is 1.70 percent below the Western/Midwestern States survey average of \$102,342. Based on the level of responsibilities of the Governor, the Commission recommends that the Governor's salary for FY 2004 be set at \$104,600, which is a four percent increase over the current salary. The Commission recommends that the same benefit structure currently in place be continued for the Governor.

Lieutenant Governor's salary recommended at \$80,500

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 19.71 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 (Colorado, 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 \$80,500, an increase of 2.9 percent. The Commission recommends the same benefits structure as currently provided.

Attorney General's salary recommended at \$94,100

The Attorney General, as chief legal officer for the State, directs a staff of 194 attorneys and 185 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 2.70 percent below the average for the Rocky Mountain States and 7.81 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 \$112,579 for these positions with a range from \$98,009 to \$125,163.

A survey of current salaries within the Office of the Attorney General indicates that 36 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 \$541 to a high difference of \$21,528 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 2003, the Commission recommended an increase of 10.2 percent to \$93,200, moving the salary to 90 percent of the amount recommended for the Governor. The Legislature did not provide any salary increases. For FY 2004, the Commission recommends that the Attorney General's salary be increased to \$94,100, an increase of 11.2 percent. This again 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 \$83,700**

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 8.78 percent below the Rocky Mountain survey average, and 8.58 percent below the Western/Midwestern survey average.

The Commission, in its report to the 2002 Legislature, recommended that the State Auditor's salary be increased to \$82,900 which was 80 percent of the Commission's recommendation for the Governor's salary. The Legislature maintained FY 2003 salaries at the FY 2002 levels.

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 \$83,700 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 3.7 percent increase from the current salary of \$80,700. The Commission recommends continuation of the current benefit structure.

**State Treasurer's
salary recommended
at \$80,500**

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 5.91 percent over the Rocky Mountain survey average, but 2.32 percent below the

Western/Midwestern average. Last year, the Commission recommended an increase of 2.0 percent. The Commission recommends the Treasurer’s salary for FY 2004 be set at \$80,500, an increase of 2.9 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 2004:

RECOMMENDED SALARIES FOR ELECTED OFFICIALS			
Position	Current Salary	Recommended Salary	Percent Increase
Governor	\$100,600	\$104,600	4.0
Lt. Governor	78,200	80,500	2.9
Attorney General	84,600	94,100	11.2
State Auditor	80,700	83,700	3.7
State Treasurer	78,200	80,500	2.9

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 2004. The Commission also recommends that the Governor’s contingency account be continued at the \$25,000 level for FY 2004.

Cost of Recommendation \$24,500

The increased cost of the recommendations for elected officials, including benefits, is estimated at \$24,500 for FY 2004.

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

\$104,600

Percent Increase

4.0

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
2001	100,600	103,600	100,600	7/01/02

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	\$80,500	2.9

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
2001	78,200	79,800	78,200	7/01/02

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

² Ibid

ATTORNEY GENERAL

Current Salary
\$84,600

Recommended Salary
\$94,100

Percent Increase
11.2

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
2001	84,600	93,200	84,600	7/01/02

³ Ibid

	STATE AUDITOR	
<u>Current Salary</u>	<u>Recommended Salary</u>	<u>Percent Increase</u>
\$80,700	\$83,700	3.7

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
2001	80,700	82,900	80,700	7/01/02

⁴ Ibid

	STATE TREASURER	
<u>Current Salary</u>	<u>Recommended Salary</u>	<u>Percent Increase</u>
\$78,200	\$80,500	2.9

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
2001	78,200	79,800	78,200	7/01/02

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

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 III). Another problem is 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. This problem has become more acute over the past few years. 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 the same percentage recommended by the Department of Human Resource Management for FY 2004.

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 current salary ranges follow:

Level E2	\$64,600 - \$87,500
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	\$69,900 - \$94,300
Chair, Tax Commission	
Commissioners, Tax Commission	
Executive Director, Community and Economic Development	
Executive Director, Tax Commission	
Chair, Public Service Commission	
Commissioners, Public Service Commission	
Level E4	\$76,000 - \$102,600
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	\$82,800 - \$111,800
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 2004.

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))
Citizen Committee on Judicial Compensation Report	<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.</p> <p>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 September 25, 2002 to review the Committee's report. Much of the supporting data for the Commission's recommendations that follow is taken from the Citizen Committee's 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 2004 at \$107,850

The Commission recommends that the salary of the District Court Judge be raised to \$107,850 for FY 2004. This would be an increase of four percent over the current salary of \$103,700, and is based on comparative salaries, both locally and nationally.

Cost of the Recommendation \$510,423

The cost of this recommendation is estimated at \$510,423 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 2003 Salary	FY 2004 Proposed Salary	Amount of Increase	Number of Judges	Total Increase	Percent Increase
Supreme Court Justice	110%	\$114,050	\$118,650	\$4,600	5	\$23,000	4.0%
Appellate Court Judge	105%	108,900	113,250	4,350	7	30,450	4.0%
District Court Judge	100%	103,700	107,850	4,150	70	290,500	4.0%
Juvenile Court Judge	100%	103,700	107,850	4,150	25	103,750	4.0%
Total Number of Judges					107		
Total Salary Increases						\$447,700	
Benefit Cost Rate						14.01%	
Benefit Cost						<u>\$62,723</u>	
Total Cost of Increase						<u>\$510,423</u>	

Appendix I
SALARY SURVEY
WESTERN AND MIDWESTERN STATES
2002

Salaries as of 1 September 2002

<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	102,342	100,600	-1.70%
Lt. Governor	131,250	7,200	75,921	78,200	3.00%
Secretary of State	857,900	52,000	124,209	0	-100.00%
Attorney General	148,750	64,500	91,764	84,600	-7.81%
State Auditor	140,000	49,500	88,277	80,700	-8.58%
State Treasurer	140,000	49,500	80,057	78,200	-2.32%
<u>Appointed Officials</u>					
Adjutant General	153,874	76,559	103,809	86,403	-16.77%
Commissioner, Agriculture	131,412	69,874	91,324	86,403	-5.39%
Director, Dept. of Natural Resources	131,412	60,184	94,061	97,260	3.40%
Director, Dept. of Environmental Quality	132,600	61,484	100,415	101,379	0.96%
Director, Planning and Budget	136,103	71,294	101,765	101,379	-0.38%
Director, Dept. of Administrative Services	130,674	48,024	95,918	95,305	-0.64%
Director, Dept. of Human Resources	189,000	64,155	93,671	101,379	8.23%
Director, Alcoholic Beverage Control	123,255	61,567	83,659	86,403	3.28%
Director, Dept. of Commerce	130,000	65,832	102,780	86,403	-15.93%
Chairman, Industrial Commission	131,412	56,992	88,693	86,403	-2.58%
Director, Department of Workforce Services	125,000	72,498	100,546	107,494	6.91%
Commissioner, Insurance	163,800	68,018	92,359	86,403	-6.45%
Commissioner, Financial Institutions	123,255	48,024	85,894	86,403	0.59%
Chairman, Public Service Commission	117,818	42,000	86,426	93,184	7.82%
Chairman, Tax Commission	131,250	70,302	94,754	93,184	-1.66%
Director, Dept. of Community and Economic Development	131,412	75,500	101,346	93,184	-8.05%
Director, Dept. of Transportation	159,150	80,704	108,935	110,448	1.39%
Commissioner, Public Safety	131,412	72,444	98,417	101,379	3.01%
Director, Dept. of Corrections	150,000	76,404	103,016	101,379	-1.59%
Director, Dept. of Health	180,000	79,567	108,829	110,448	1.49%
Director, Dept. of Human Services	150,000	82,399	110,444	110,448	0.00%
<u>Judiciary</u>					
Chief Justice, Supreme Court	174,415	90,493	114,546	116,050	1.31%
Associate Justice, Supreme Court	166,315	89,039	112,534	114,050	1.35%
District Court Judge	155,913	82,290	103,089	103,700	0.59%
Juvenile Court Judge	131,474	86,896	101,596	103,700	2.07%

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 II
SALARY SURVEY
ROCKY MOUNTAIN STATES
2002
Salaries as of 1 September 2002

<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	117,000	88,190	96,670	100,600	4.07%
Lt. Governor	68,500	26,750	65,324	78,200	19.71%
Secretary of State	82,500	65,000	72,930	0	-100.00%
Attorney General	110,000	72,500	86,945	84,600	-2.70%
State Auditor	120,850	65,000	88,470	80,700	-8.78%
State Treasurer	82,500	65,000	73,833	78,200	5.91%
<u>Appointed Officials</u>					
Adjutant General	121,200	77,563	96,067	86,403	-10.06%
Commissioner, Agriculture	121,200	73,567	91,290	86,403	-5.35%
Director, Dept. of Natural Resources	121,200	71,567	94,615	97,260	2.80%
Director, Dept. of Environmental Quality	124,950	80,704	98,773	101,379	2.64%
Director, Planning and Budget	121,200	71,294	90,617	101,379	11.88%
Director, Dept. of Administrative Services	130,674	80,704	97,532	95,305	-2.28%
Director, Dept. of Human Resources	121,200	64,155	87,232	101,379	16.22%
Director, Alcoholic Beverage Control	100,284	61,567	79,563	86,403	8.60%
Director, Dept. of Commerce	130,000	80,704	108,647	86,403	-20.47%
Chairman, Industrial Commission	111,065	56,992	81,457	86,403	6.07%
Director, Department of Workforce Services	121,200	86,278	103,562	107,494	3.80%
Commissioner, Insurance	109,650	69,567	88,402	86,403	-2.26%
Commissioner, Financial Institutions	101,450	64,800	80,931	86,403	6.76%
Chairman, Public Service Commission	99,537	68,226	81,135	93,184	14.85%
Chairman, Tax Commission	119,450	70,302	89,389	93,184	4.25%
Director, Dept. of Community and Economic Development	121,200	75,500	98,248	93,184	-5.15%
Director, Dept. of Transportation	121,451	80,704	103,178	110,448	7.05%
Commissioner, Public Safety	125,000	83,075	104,631	101,379	-3.11%
Director, Dept. of Corrections	130,950	80,704	99,752	101,379	1.63%
Director, Dept. of Health	126,450	79,567	98,497	110,448	12.13%
Director, Dept. of Human Services	128,350	86,447	106,816	110,448	3.40%
<u>Judiciary</u>					
Chief Justice, Supreme Court	129,150	90,493	105,470	116,050	10.03%
Associate Justice, Supreme Court	126,525	89,039	104,030	114,050	9.63%
District Court Judge	120,750	82,290	96,284	103,700	7.70%
Juvenile Court Judge	120,750	86,896	100,600	103,700	3.08%

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