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COLORADO
STATE OFFICIALS'
COMPENSATION COMMISSION

1979 Report to:

Honorable Richard D. Lamm,
Governor

Honorable Paul V. Hodges,
Chief Justice,
Colorado Supreme Court

Honorable Robert F. Burford,
Speaker of the House of
Representatives,
52nd General Assembly

Honorable Fred E. Anderson,
President of the Senate,
52nd General Assembly

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LETTER OF TRANSMITTAL

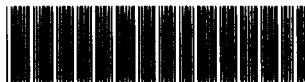
February 5, 1979

Honorable Richard D. Lamm, Governor
Honorable Paul V. Hodges, Chief Justice,
Colorado Supreme Court
Honorable Robert F. Burford, Speaker of the House
of Representatives, 52nd General Assembly
Honorable Fred E. Anderson, President of the
Senate, 52nd General Assembly

Pursuant to the provisions of Part 8 of Article 3 of Title 2, C.R.S. 1973, your Colorado State Officials' Compensation Commission herewith submits its January, 1979 report.

Members of the Commission are appointed for two- and four-year terms by the Governor, the Chief Justice of the Supreme Court, the Speaker of the House, and the President of the Senate. Commission officers are elected by the membership for two-year terms. Commission members, respective appointing authorities, and terms of office follow:

<u>Member</u>	<u>Appointing Authority</u>	<u>Expiration Term</u>
Chester M. Alter, Chairman	Chief Justice of the Supreme Court	July 1, 1979
John A. Love, Vice Chairman	President of the Senate	July 1, 1979
Laird Campbell, Secretary	Governor	July 1, 1981
Arnold Alperstein	Chief Justice of the Supreme Court	July 1, 1981
Karl E. Eitel	Governor	July 1, 1981
John E. Fuller*	Speaker of the House	July 1, 1979
Representative John Hamlin	Speaker of the House	July 1, 1979
Emmett H. Heitler	Governor	July 1, 1979
Senator Alvin J. Meiklejohn, Jr.	President of the Senate	July 1, 1979



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In creating this Commission, the General Assembly recognized the need for a systematic and continuing review of salaries of elected and appointed state government officials. In its first report in December of 1975, the Commission expressed concern that the salaries of state officials were not keeping pace with the salaries of state employees or with the cost of living. To date, the salary recommendations contained in its December, 1975, report have not been fully implemented. Constitutional restraints prohibiting an increase in salary for an elected official during his term of office mean that for Colorado's elected executive officials, the 1975 recommendations of the Commission cannot be implemented until January, 1983.

In this report the Commission is recommending an adjustment of salaries for state offices (appointed and elected positions) on an annual basis. Of course, any person serving in an elective capacity would not be eligible for such salary adjustments during his term as prescribed by the constitution.

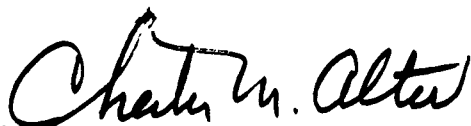
The Commission expresses its appreciation for the information and guidance provided by Shelby F. Harper, State Personnel Board; Rudolph Livingston, Executive Director, Department of Personnel; Judge Richard D. Greene, 18th Judicial District; and Leonard Campbell and Larry Weiss, Colorado Bar Association. Appreciation is also expressed to the Legislative Council for staff services provided.

The Commission and staff have compiled considerable background data relating to the compensation of state officials. Please feel free to call upon the members of the Commission for additional assistance and counsel.

Respectfully submitted,

Chester M. Alter, Chairman
John A. Love, Vice Chairman
Laird Campbell, Secretary
Arnold Alperstein
Karl E. Eitel
John E. Fuller
Representative John Hamlin
Emmett H. Heitler
Senator Alvin J. Meiklejohn, Jr.

BY



Chairman

February 5, 1979

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I. 1975 SALARY RECOMMENDATIONS

In December of 1975, the Colorado State Officials' Compensation Commission submitted to the Governor, Chief Justice, and to the members of the General Assembly a carefully structured schedule of proposed salaries for certain elected and appointed state officials for the three branches of government -- executive, judicial, and legislative. The recommendations of the Commission were designed to reflect a balance in the relative responsibilities of the various officials involved.

In making its recommendations, the Commission gave consideration to salaries paid for elected officials in other states and the relative level of salaries paid in past years. The Commission recognized that the level of salaries of state officials is influenced by many economic factors beyond the control of state government; that there should be a direct relationship between the salaries of state officials and those persons in subordinate positions in the classified service; and that public officials should not serve at an undue financial sacrifice. The most important factor considered by the Commission, however, involved the issue of inflation.

The Commission study indicated a substantial distortion of salaries of public officials due to increases in the cost of living as measured by the National Consumer Price Index (C.P.I.). At current rates of inflation, if the Governor's salary of \$40,000 in 1971 was to be matched in 1979 by an equivalent salary as measured by the Consumer Price Index, the Governor would require a salary in excess of \$65,000.

In large part, the December, 1975, recommendations of the Commission were designed as a catch-up schedule to bring executive, legislative, and judicial salaries in line with existing economic conditions. The Commission is extremely concerned that the 1975 recommendations of the Commission were not fully implemented with respect to the salaries of elected and appointed officials of the executive branch and for justices and judges. Substantial increases in the cost of living have occurred since the Commission made its recommendations in December of 1975. For example, in the past 12 months (September, 1977 to September, 1978) the C.P.I. increased by 8.3 percent. Despite the pressing need for adoption of its original recommendations, the commission now believes that implementation of these minimum salary increases must be tempered in view of:

- 1) Recent guidelines established at the national level for wage and salary adjustments (seven percent);
- 2) Constitutional limitations concerning the adjustment of salaries of elected officials during terms of office; and
- 3) State limitations on increases in general fund spending of seven percent as established under the so-called "Kadlecek Amendment" (Section 24-75-201.1, C.R.S. 1973, as amended).

II. PRESIDENT'S WAGE GUIDELINES AND THE STATE CONSTITUTIONAL LIMITATION ON SALARY ADJUSTMENTS FOR ELECTED OFFICIALS

The President's voluntary wage guidelines limit annual increases in salaries and private fringe benefits to seven percent. The standard does not apply to individuals, but does apply to groups of workers -- management employees, employees covered by bargaining contracts, and other employees. The Commission believes that elected and appointed state officials should take the lead in setting an example for all Coloradans by keeping their wage and salary adjustments within the seven percent guidelines set forth by the President.

The effect of an annual seven percent ceiling on salary adjustments could pose a problem of equity for state officials whose salaries are fixed for a term of office or adjusted periodically. Article XII, Section 11, Colorado Constitution, prohibits any elected public officer from receiving a salary increase or decrease during his term of office. For those state officials elected to four-year terms of office beginning in January of 1979, the earliest date of eligibility for an adjustment in a statutory salary would be January of 1983. Since such salaries apply for an entire term of office, adjustments tend to be made periodically rather than annually. There is an unfortunate tendency to compare the level of adjustments made under a periodic increase to the annual level of salary adjustments for groups of employees. A state official who has not received a salary adjustment during a period of time in which annual adjustments have been made for employees for whom he is responsible is not being treated fairly when a biennial or quadrennial adjustment is limited to the same increase allowed for groups of employees for a single given year.

III. SALARY RECOMMENDATIONS FOR 1979

The Commission recommends that all statutory salaries for elected and appointed state officials be increased by seven percent during the First Regular Session of the Fifty-second General Assembly. For elected state officials, the recommendations would not have any fiscal impact for fiscal year 1979-80. For many of the positions listed below, a seven percent increase in current statutory salaries would not bring the statutory salary for such state officials to the level recommended by the Commission in its December, 1975, report.

SALARY RECOMMENDATIONS Colorado State Officials' Compensation Commission^{1/}

<u>Office</u>	<u>Current Statutory Salary</u>	<u>Commission Salary Rec- ommendation 1975</u>	<u>7% of Statutory Salary</u>	<u>Commission Salary Rec- ommendation 1979 1/</u>
ELECTED EXECUTIVES				
Governor	\$ 50,000	\$60,000	\$ 3,500	\$53,500
Lieutenant Governor	25,000	36,000	1,750	26,750
Attorney General	35,000	40,000	2,450	37,450
Secretary of State	27,500	29,000	1,925	29,425
State Treasurer	27,500	31,000	1,925	29,425
DISTRICT ATTORNEYS				
	<u>2/</u>	37,500	<u>2/</u>	<u>2/</u>
BOARDS AND COMMISSIONS				
Industrial Commission	28,750	30,000	2,012	30,762
Land Board	23,200	24,000	1,624	24,824
Parole Board				
Chairman	32,500 ^{3/}	33,000	2,275	34,775
Members	31,000 ^{3/}	31,500	2,170	33,170
Public Utilities Commission	36,950	40,000	2,586	39,536
DEPUTIES				
Deputy Sec. of State	20,000	20,000 ^{4/}	1,400	21,400
Deputy State Treasurer	20,000	20,000 ^{4/}	1,400	21,400
GENERAL ASSEMBLY				
Senators	12,000	12,000	840	12,840
Representatives	12,000	12,000	840	12,840

JUDICIAL

<u>Supreme Court</u>				
Chief Justice	48,400	53,000	3,388	51,788
Associates	45,600	50,000	3,192	48,792
<u>Court of Appeals</u>				
Chief Judge	42,300	46,000	2,961	45,261
Judges	41,500	45,000	2,905	44,405
<u>District Court</u>	38,350	42,500	2,684	41,034
<u>Denver Juvenile</u>	38,350	42,500	2,684	41,034
<u>Denver Probate</u>	38,350	42,500	2,684	41,034
<u>Denver Superior</u>	38,350	42,500	2,684	41,034
<u>County Courts</u>				
Class A	32,800	35,000	2,296	35,096
Class B	32,800	35,000	2,296	35,096

Class A City and County of Denver

Class B Adams, Arapahoe, Boulder, Clear Creek, Douglas, El Paso, Jefferson, La Plata, Larimer, Mesa, Pueblo, and Weld.

a) Otero County	\$20,850	\$22,225	\$1,460	\$22,310
b) Fremont, Logan, Las Animas, Morgan, Montrose, and Summit	19,700	21,000	1,379	21,079
c) Alamosa, Chaffee, Eagle, Garfield, Gunnison, Huerfano, Lake, Montezuma, Pitkin, Prowers, and Rio Grande	16,650	17,500	1,166	17,816
d) Delta	15,450	16,450	1,082	16,532
e) Baca, Bent, Conejos, Elbert, Grand, Kit Carson, Lincoln, Moffat, Routt, and Yuma	13,150	14,000	921	14,071
f) Sedgwick, Saguache, Costilla, and San Miguel	10,700	11,375	749	11,449

g) Archuleta, Cheyenne, Gilpin, Kiowa, Park, Rio Blanco, Teller, and Washington	9,850	10,500	690	10,540
h) Dolores	9,200	9,800	644	9,844
i) Custer, Crowley, Jackson, Mineral, Ouray, Phillips, and San Juan	8,200	8,750	574	8,774
j) Hinsdale	3,300	3,500	231	3,531

- 1/ Recommendations based on a seven percent increase in current statutory salary.
- 2/ Minimum statutory salary is \$29,000. There is no limit on the local contribution. The Commission recommends that the minimum salary be increased by seven percent and the state contribution (80 percent not to exceed \$23,200) be increased accordingly.
- 3/ Salary set by the Governor.
- 4/ Salary recommended as an addendum to the 1976 report of the Commission.

IV. DEVELOPMENT OF A SYSTEMATIC METHOD FOR IMPLEMENTATION OF SALARY ADJUSTMENTS FOR STATE OFFICIALS

The Commission strongly urges the General Assembly to consider the advisability of applying the principles and procedures now used for setting salaries for over 30,000 positions in the personnel system to the compensation of state officials. Essential elements of the personnel system salary-setting process are as follows:

The law sets forth that it is the policy of the state to "encourage career service for officers and employees in the state personnel system." To that end, the law goes on to say that state employees' salaries and fringe benefits shall be comparable to those found in "typical places of public and private employment with which the state competes in recruiting personnel." To assure comparability, the state Personnel Director is required to conduct an annual salary and fringe benefits survey to establish prevailing wage rates. The Director's findings are subject to review by the State Personnel Board, and approved recommendations are forwarded to the General Assembly with the adjustments to become effective on July 1 of each year. In adopting this system, the General Assembly has wisely delegated the fixing of individual salaries while maintaining its constitutional responsibilities to control the level of state expenditures.

The purpose of the survey is to enable the state to compete with other employers by paying comparable salaries for the same or similar work. Separate recommendations are made for individual positions in the personnel system, thus all employees do not receive a uniform increase although the average adjustment can readily be calculated. Although the system is unresponsive to rapid changes because of the inherent delay between surveys and the effective date of adjustments, nevertheless it does assure a comprehensive review of salaries which has enabled the General Assembly to adjust the level of compensation for over 30,000 positions on an annual basis, a result strikingly at variance with the procedure governing those few state officials whose salaries are set by statute.

The Commission recommends that salaries of members of full-time boards and commissions should be determined by the Personnel Department on the same basis as employees within the personnel system. Although a commissioner is appointed and his subordinates secure their positions by examination, the Commission believes that this distinction in the manner of selection is not a valid basis for paying such appointees anything less than a prevailing wage, and that it is an unsound personnel practice to pay a state official less than those whom the officer supervises.

The Commission further recommends that salaries of justices and judges should be adjusted in a manner similar to that for employees under the personnel system. While the duties and responsibilities of a justice or judge are not precisely comparable with any other position, lawyers are employed by government and private industry and com-

parative income data is also obtainable with respect to those engaged in private practice. The Commission has been advised by the Personnel Director that his department has the technical capability to determine comparable income levels for justices and judges, but if the General Assembly should determine that direct comparisons are not feasible, the Commission sees no reason why such judicial salaries should not be considered in relation to salaries of other state employees. It is the Commission's belief that alternatives to the present process are needed, and that the precise method for making salary adjustments for justices and judges is much less significant than establishing the principle of an annual review.

The same principles should also be applied to the five elected executives and to members of the General Assembly whose salaries are subject to constitutional restrictions which prohibit increases while the incumbents are in office. The Commission believes that the salaries of these persons should also be reviewed annually even though the effective dates of adjustments would have to be deferred. The Commission takes no position as to whether adjustments should be based upon a direct comparison of job duties and responsibilities or upon an overall average, believing that the choice of method for these officials is properly a legislative judgment. Since time constraints preclude using personnel procedures for the fiscal year commencing July 1, 1979, the Commission again emphasizes the need for immediate adoption of the seven percent adjustments recommended under Part III as an interim measure.

In conclusion, the Commission is charged with assisting the General Assembly in making an impartial determination of equitable and proper compensation levels for state officials. The Commission believes that this legislative purpose can best be achieved by adapting the principles presently used in fixing the salaries of the overwhelming majority of state employees to those few officers whose salaries are now set by statute.