

Members

John L. Bartlett, Chairperson
Mary Fink
Jon O'Bannon
Stephen A. Stitle
Michael Browning
Jean Blackwell
Lee Marchant
David Link
Ian Rolland



PUBLIC OFFICERS COMPENSATION ADVISORY COMMISSION

LSA Staff:

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Commission

Authority: IC 2-5-1.5

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MEETING MINUTES¹

Meeting Date: July 20, 2004
Meeting Time: 9:00 A.M.
Meeting Place: State House, 200 W. Washington
St., Room 404
Meeting City: Indianapolis, Indiana
Meeting Number: 1

Members Present: John L. Bartlett, Chairperson; Jon O'Bannon; Stephen A. Stitle;
Michael Browning; Jean Blackwell; Lee Marchant; Ian Rolland.

Members Absent: Mary Fink; David Link.

I. Introduction and Welcome of Members

Mr. John Bartlett, Chairman, called the meeting to order at 9:05 AM. He welcomed those in attendance and asked the members to introduce themselves.

II. Review of Statutory Charge to the Commission

Mr. Bartlett introduced Mr. Philip Sachtleben, Executive Director of the Legislative Services Agency (LSA), to explain to the members the charges to the Commission as passed in HEA 1401-2004.

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Mr. Sachtleben went over the Commission's charges in the statute, and explained the packet of materials that were distributed to the members. Mr. Sachtleben pointed out to the Commission that a recommendation concerning salary adjustments for public officers was required by statute to be submitted to the General Assembly no later than September 1, 2004.

The Chairman then opened the floor for questions from the Commission. Mr. Stephen Stittle asked if proxy voting or telephonic participation were allowed for this Commission. Mr. Sachtleben responded that this Commission operates under the rules of the Legislative Council by statute, and the Council does not allow proxy voting or telephonic participation.

III. Discussion of Commission work plan

Mr. Bartlett stated the Commission was on a tight schedule for the September 1 recommendation. He stated that he estimates two more Commission meetings will be needed.

Mr. Lee Marchant asked that any data available on public officer compensation be given to members as quickly as possible. Mr. Sachtleben explained that he would distribute any materials the commission requested. He noted that this meeting's materials compared Indiana's public officers' salaries to their counterparts in the other 49 states.

Mr. Bartlett emphasized the importance of input from Commission members about collection of all relevant and useful data. He also stated that today's presentation was public sector salaries compared to other public sector salaries. Mr. Bartlett then mentioned the LSA is gathering information comparing public sector salaries to similar positions in the private sector.

IV. Powerpoint presentation of salary information from other states

Mr. Bartlett then gave a Powerpoint presentation to the Commission concerning Indiana public officer salaries. Mr. Marchant stated his preference that the Commission make recommendations concerning new salaries, and make recommendations as to a permanent solution to the whole system of public officer compensation. He emphasized that the current system was too politically charged, and had resulted in the vast underpayment of these officers.

Mr. Sachtleben responded that the Commission needed to make a salary recommendation by September 1, but that LSA could if requested gather data on other state models for public officer compensation.

Ms. Jean Blackwell asked that the compensation package, including benefits and salary, be compared to the other states. She stated a sampling of states would be a good comparison if the data was difficult to gather. Ms. Blackwell suggested that the budget agency in other states probably would be able to supply a "fringe rate" that would provide an answer to this question. Mr. Sachtleben responded that his preliminary review of non-salary matters turned up a long series of footnotes describing the vagaries of benefits, employer/employee contributions, and associated matters. However, he said he thought he could get the "fringe rate" information that Commissioner Blackwell described as a proxy for the relative benefit packages in other states.

Mr. Ian Rolland asked that data be gather comparing total compensation to other measures of economic activity in other states. He also commented that the Commission

should try and figure out where Indiana should fall in all of these different rankings.

Mr. Sachtleben said that budget comparisons were difficult because of the variation in both size of each legislature and number of government employees. He did add that the Indiana General Assembly is responsible for making decisions concerning an average of \$35 to \$40 million each session day in budget making years. The total biennial budget is about \$21 billion.

Ms. Blackwell then added that she would also like to see a comparison of average income in the 50 states. She also asked for information on where Indiana's public officer salaries would be if they had received the same raises as public employees over the years.

Mr. Stitle asked for data concerning cost of living in different states, as this data was heavily relied upon in the corporate world.

Mr. Marchant asked what funding would be required if the Commission recommended a raise to the maximum allowed by statute.

Mr. Sachtleben responded that the net cost of a law passed in 2005 to increase the salaries to the upper end of the range specified in the Commission's statute would be about \$16 million. He noted that the Legislature had already increased certain court filing fees that are generating about \$7 million annually towards the eventual increase in judicial salaries. The \$16 million represents the additional funding that would have to be found. He also noted that these entities assume that the salaries of prosecuting attorneys (which are tied to judicial salaries) will be increased by the Legislature.

Mr. Marchant noted that \$16 million would not present a huge dent in a \$21 billion budget.

Mr. Rolland recognized this point as well, by stating it was hard to argue the state could not afford these salary increases.

Mr. Bartlett said this was a point well taken, and that the goal of this Commission was to make sure that public officers would be compensated fairly.

The Chairman then called for a 10 minute break at 10:10 A.M.

V. Selection of date for next Commission meeting and Other Business

Mr. Bartlett reconvened the meeting at 10:25 A.M.. After a discussion as to the availability of the members, he then set the next two meeting dates as follows:

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|-----------------|---------------------|--------|
| Second Meeting: | Tuesday, August 17 | 9 A.M. |
| Third Meeting: | Thursday, August 26 | 9 A.M. |

Mr. Marchant asked if Mr. Sachtleben could give a short presentation on the political realities behind the task of increasing public officer salaries. Mr. Sachtleben said that the LSA is a non-partisan organization, and he could not give such a presentation.

Mr. Marchant then asked if some of the public officers could attend and speak on the political realities involved.

Mr. Bartlett explained that this Commission was established to give a recommendation after looking at the raw data for compensation. The goal was to make this recommendation without being swayed by the politics behind the situation. Mr. Bartlett

noted that this Commission would give a recommendation, and the General Assembly would then have to propose legislation to pass the result of the recommendation. Through the legislative process is where public testimony and politics would be debated, but that the goal of this body was purely to make a recommendation after analyzing the relevant data.

Mr. Rolland agreed that politics should not be a part of this Commission's recommendations or planning.

Mr. Michael Browning asked that Commission members' phone numbers, email addresses, and mailing addresses be distributed to the other members.

Mr. Stitle stated that he felt that the private versus public sector data was not useful, since private sector salaries were obviously much higher in every category. He reiterated that he would rather see cost of living comparisons, as well as other comparisons.

Ms. Blackwell agreed that the private sector comparison would not be useful. She noted that if material had already been prepared it could be presented, but that further gathering would not be necessary.

Mr. Bartlett, Chairman, adjourned the meeting at 10:50 A.M.