**PUBLIC OFFICIALS COMPENSATION COMMISSION**
**Frequently Asked Questions**

**1. What is the authority of the Commission?**

The Public Officials Compensation Commission (POCC) was initially established in 1983 and met last in 2001. The current commission was reestablished by 2007 Legislature after the Public Commission on the Oregon Legislature recommended its reinstatement. The revised law states that the Commission is to meet every two years to review and make recommendations on the amount of annual salary to be paid during the next biennium to the Governor, the Attorney General, the Secretary of State, the State Treasurer, the Superintendent of Public Instruction, the Labor Commissioner, the Chief Justice of the Supreme Court, Supreme Court judges, the Chief Judge of the Court of Appeals, Court of Appeal judges, Circuit Court judges, the Tax Court judge, and members of the Legislature, including the Majority and Minority leaders in the House and Senate.

**2. Who is on the Commission?**

The 2007 Legislative Assembly changed the law and the makeup of the Commission. The new process insures a diverse panel representing all areas of the state. The majority of Commission members are now selected through a random process by the Secretary of State. The names of 100 voters from each Congressional district and 100 voters statewide were pulled randomly from voter registration records. These individuals were contacted and asked if they would like to be considered for membership on the Commission. Those who responded positively were then placed in a pool. A name was randomly drawn for each Congressional district and one was drawn as a statewide representative. The law also specifies that a certain number of members are appointed by elected officials. The members and their appointees are listed below.

Doris Johnson, chair (Random draw, Secretary of State)
Barbara Fredericks, vice-chair (Senate President)
Scott Dawson (Governor)
Jan Dean (Random draw, Secretary of State)
Verne Duncan (House Speaker)
John Hemann (Chief Justice)
Anna Mehrer (Random draw, Secretary of State)
Stephen Munkers (Random draw, Secretary of State)
MardiLyn Saathoff (Governor)
Richard Scherer (Random draw, Secretary of State)
Paul Swadener (Random draw, Secretary of State)

**3. What were the Commission’s objectives?**

The Commission discussed the need to meet the charge set forth in the law. The Commission also reached a consensus that their goal is to pay state elected officials at a rate that fairly compensates them for their work and attracts highly qualified candidates, while at the same time does not become the incentive for seeking public office.

**How is salary defined?**

Salary is the established monthly amount given to elected officials for their professional services. The law also requires that the Commission review the Total compensation for the positions, which includes not only the monthly salary, but also the benefits, such as health insurance and retirement.

**4. What is the current salary for the state's elected officials?**

The public officials being reviewed by POCC all receive an annual salary. The current salary (as of 7-1-08) for each office is listed below. This salary is received only from the time they are sworn into office until their term ends.

**Executive Branch**

| Office | Current Annual Salary |
|---|---|
| Governor | $93,600 |
| Attorney General | $77,000 |
| State Treasurer | $72,000 |
| Secretary of State | $72,000 |
| Supt. of Public Instruction | $72,000 |
| Labor Commissioner | $72,000 |

**Judicial Branch**

| Office | Current Annual Salary |
|---|---|
| Chief Justice, Supreme Court | $128,556 |
| Supreme Court Justice | $125,688 |
| Chief Judge, Court of Appeals | $125,688 |
| Court of Appeals Judge | $122,820 |
| Circuit Court Judge | $114,468 |
| Tax Court Judge | $118,164 |

**Legislative Branch**

| Office | Current Annual Salary |
|---|---|
| State Senator | $20,592 |
| Senate President | $41,184 |
| State Representative | $20,592 |
| Speaker of the House | $41,184 |

**5. What additional benefits do elected officials receive?**

The elected officials reviewed by POCC either receive or have the option of receiving the same health care coverage as state employees. They can also opt to be covered under the state's retirement system (PERS), except for judges who are automatically covered under the judge-specific retirement plan.

**6. What additional money comes to elected officials and for what reason?**

The Governor receives $1,000 a month to cover expenses incurred as part of the job; other Executive Branch elected officials receive $250 a month for the same purpose. These amounts are taxed as income. Provisions for the expense stipend are in current law and are repealed as of July 1, 2009.

While in session, Legislators receive a $109 daily per diem each day they are in session .During the interim legislators receive a monthly allowance of $450 to

$750, based on the geographic size of their district to cover expenses related to their office. Mileage is paid only during the interim for attending interim committee meetings.

Elected officials are covered by the state ethics and gift statutes and cannot receive honoraria as a speaker or gifts exceeding $50 from any one source in any calendar year.

**7. What about the Governor's residence?**

The Governor's residence functions not only as a residence, but also as a state facility for hosting public events. In most instances, the Governor also maintains a private home that he/she will return to at the end of their term as Governor.

**8. Did you include legislative per diem as part of the salary?**

Per diem is not considered part of salary. The per diem acts as a stipend to cover legislators' expenses during session. For legislators in districts close to Salem, this stipend is taxed. For legislators in districts further away, the stipend is not taxed. Use of a per diem is common in legislatures across the country.

**9. How do Oregon's elected officials rank in pay compared to elected officials in the 50 states?**

Each position ranks differently in comparison with the 50 states. For example, based on 2007 salary figures, the salary for Oregon's Governor ranks 47th among the 50 states. All of the elected officials in the Executive Branch are in the bottom 25% when compared to other states, with the Superintendent of Public Instruction ranking 50th in the country and the Attorney General ranking 49th. The state's judges generally rank 42nd in comparison with other states.

**10. What states did the Commission use when comparing Oregon salaries to those in other states? How did the Commission choose those states?**

The law requires that the Commission consider the neighboring states as comparators. It also allows the Commission to use other criteria that it believes are important. The Commission asked the State Economist to provide it with some criteria that can be used to compare Oregon with other states. Of the possible comparators, the Commission used per capita income, population, state revenue per capita and state expenses per capita. The states that are the closest to Oregon in at least two of these four criteria are: Michigan, Louisiana, Oklahoma, Ohio, Iowa, South Carolina, Mississippi, Idaho, Wisconsin, North Dakota. The four neighboring states of Washington, California, Idaho and Nevada were added to create the total list of comparators. These states were used for both the Executive Branch elected officials and the legislators.

The Judicial Branch representatives presented information on comparable states and noted that the 13 Western states are those generally used in comparing Oregon. The Commission based the recommendations for judges on the salaries in the 13 Western states.

**11. What sources did the Commission rely on for data?**

The Commission used existing recognized sources for its salary information from other states. The Council of State Governments collects salary information for all state government officials. The Commission also used data from the National Conference of State Legislatures and the National Center for State Courts. Individual states were contacted by phone for follow up on specific questions.

**12. How did you determine the recommended salaries?**

The Commission looked at the salaries of the affected public officials in relation to a group of comparator states (described in Question 10). It was the Commission's decision to recommend salaries that reflected the median of those states. The recommended salaries reflect that median and are not based on a set percentage increase.

**Why did you choose to use median rather than average?**

By law the Commission's must consider the salaries for the same elected positions in neighboring states. California has a much higher salary for its Governor and the average would be affected by this higher salary. By using the median, the extreme high and low numbers do not have an impact. In choosing the median salary the final number is focused in the middle range.
The median is also a standard measure commonly used in conducting compensation analyses.

**Why does the Commission believe that salaries should be increased?**

The salaries of most state elected officials have been a specified dollar amount in the law. There have been no provisions for cost of living increases and many elected officials have had no salary adjustments since 2001. In that same time period, the consumer price index has increased over 19%. Oregon has fallen further and further behind other states in the salaries for elected officials. The increases recommended by the Commission are a first step to in giving some consideration to the cost of living increases over the past ten years and the salaries of similar officials in similar states.

The Commission discussed the need to pay state elected officials at a rate that fairly compensates them for their work and attracts highly qualified candidates, while at the same time does not become the incentive for seeking public office.

The Commission reviewed the salaries of Oregon officials compared with those in thirteen other comparable states and found Oregon's officials consistently compensated at a lower rate than most states.

The Commission believes that a median salary (half of the comparable states higher and half lower) is a fair standard for setting compensation. The median is also a standard used by compensation professionals.

**What is the financial impact to the state of these recommendations?**

The total two year fiscal impact for all of the recommendations is $9.7 million.

**Did the Commission consider the political and economic environment in making its recommendations?**

The law requires that the Commission consider budget limitations when making its recommendations. As part of that process the Commission heard from the state's budget officer about the elements of the state budget. The Commission was established as a non-partisan body.

**Did the Commission consider setting a salary at a level where the state could prohibit the use of campaign funds for legislative expenses?**

Oregon law permits and regulates the use of campaign funds. This is not within the purview of the Commission.

**Did you take into consideration the geographic size of the districts and the distance from Salem as criteria for salary?**

The Legislative Administration Committee determines the amount given for interim expenses based on the size of the district and the distance from Salem. This is not a function of base salary and was not taken into consideration by the Commission.

**Was the amount established as a session expense allowance considered?**

The Legislature determines the budget for expense allowances for legislators. It is not part of the base salary and was not addressed by the Commission.

**What happens to the recommendation of the Commission?**

On or before November 10 of each even-numbered year, the Commission is to complete a report that lists the salaries recommended by the Commission and send the report to the Governor, the President of the Senate, the Speaker of the House and the Chief Justice of the Supreme Court. The Governor is required to include the recommended salaries in his published recommended budget. The Legislative Assembly is required to consider the salary recommendations in preparing a budget for the state. While the Oregon Commission is modeled after Washington's, the recommendation of the Washington Commission is enacted without legislative review.

**When would these recommendations go into effect?**

If adopted as part of the state budget by the Legislature, the earliest that these raises could go into effect would be July 1, 2009.

**Will there be an opportunity for the public to provide input?**

A public hearing on elected officials' recommended salaries will be held on September 18, 2008 at the State Library in Salem. The hearing will begin at 10:00a.m. and continue until noon. The hearing may extend beyond noon if public demand necessitates. Individuals wishing to testify are asked to bring 20 copies of their written testimony.

**Where can the public go for additional information and questions?**

The Commission has a website that contains information on the Commission and its discussions. That can be found at http://pocc.oregon.gov/