

Graves

Executive Proposed Salaries—Discussion Purposes Only 1/28/15

	Governor	Lieutenant Governor	Attorney General	Secretary of State	Treasurer	Auditor	Land Commissioner
	(87,759)	(42,315)	(73,132)	(54,848)	(54,848)	(54,848)	(54,848)
C. Banks	170,000	42,315	N/A	95,000	85,000	85,000	85,000
M. Berry	140,000	42,315	130,000	95,000	85,000	85,000	85,000
B. Graves	140,000	49,500	121,000	85,000	85,000	85,000	85,000
S. Hill	132,000	N/A	121,000	115,000	110,000	114,500	95,000
B. James	132,000	N/A	121,000	115,000	112,750	114,500	N/A
L. Ross	110,000	42,315	N/A	N/A	N/A	N/A	N/A
S. Tipton	125,000	30,000	110,000	85,000	70,000	70,000	70,000
Average Salary	135,571	41,289	120,600	98,330	91,291	92,333	84,000

Bill Huffman - COSL
Carol Lincoln

The Commissioner of State Lands (COSL) office was established as an appointed position in 1868 as the Commissioner of State Lands and Immigration. It became an elected position in 1874. Today, the COSL has a budget of approximately \$40 million dollars with a staff of around 40. There are four distinct functional areas within the COSL; Real Estate, Natural Resources, Waterways and Historical.

4 functional areas of the COSL

- Real Estate
 - ○ Disposition of tax delinquent properties and distribution of turnback dollars to respective counties.
- Natural Resources
 - Manages mineral leasing on state-owned lands including the leasing of oil and gas, permitting of sand and gravel, and timber harvesting. Collected royalties are forwarded to the State Treasurer for disbursement.
- Waterways
 - The COSL has authority over submerged lands that are deemed navigable, found at or below the ordinary high water mark. This includes structures or debris within the waterway that may obstruct public use.
- Historical
 - The COSL holds in trust historic land records that pre date Arkansas statehood. Many of these records are digitized and all are accessible to the public for educational purposes.

COSL is authorized for 45 permanent and several temporary positions for the current submitted budget totaling approximately \$40 million which includes central services funding and appropriations for all operations.

- An approximation of the breakdown includes:
 - \$5 million for operations
 - \$25 million for county turnback and excess proceeds
 - \$10 million for refunds.

The COSL works with all levels of federal, state and municipal entities to fulfill its statutory obligations. The COSL also utilizes various associations to coordinate efforts both in Arkansas and across the United States.

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MEMORANDUM

TO: Chairman Larry Ross, Vice Chairman Chuck Banks and Commissioners Stuart Hill, Brenda James, Mitch Berry, Stephen Tipton and Barbara Graves

FROM: Scott Trotter

DATE: January 28, 2014

RE: Recommendations on Legislative Compensation and Expenses

For the reasons stated in my oral presentation, I respectfully ask that you consider the following recommendations. In principle, they track the factors presented by President Pro Tem Dismang and Speaker Gilliam in their remarks to you on January 26, 2015.

Legislative Branch

Revision to Expense Policy for Legislators

Recommend the elimination of allowed office expense reimbursement for legislators of \$14,440 per year. (Do not eliminate office expense reimbursement for committee chairs and subcommittee chairs). Also, prior to final action to adjust salaries, obtain in writing from legislative leadership (a) commitment to eliminate office expense reimbursement and (b) recent changes to, and commitments made by Sen. Dismang and Rep. Gilliam on, per diem policy.

Salaries

CPI Increase: To determine new salaries for legislators, adopt as baseline what salaries would be now if the CPI increases had been approved in each year since 1993 per Amendment 70. If that had taken place, the salary for the Speaker and President Pro Tem would be \$23,167 and the salary for other members would be \$20,685. See attached spreadsheet prepared by the Bureau of Legislative Research.

Extra Session Adjustment: Adjust salaries further in recognition of even-year fiscal legislative sessions adopted since salaries were last increased 22 years ago by Amendment 70. This adjustment would increase the above baseline salaries by one-third. Thus, add \$7,722 to the House Speaker and Senate President salaries of \$23,167, resulting in \$30,889, and add \$6,895 to other legislator salaries of \$20,685, resulting in \$27,580.

Fold Office Expense into Salaries: Add to those salaries \$14,440 based on elimination of office reimbursement expense, resulting in \$45,329 for the House Speaker and Senate President and \$42,020 for other members.

Scott Trotter

<u>Official</u>	<u>Amendment</u> <u>70 Salary</u>	<u>Inflated</u> <u>Salary</u>	<u>Current</u> <u>Salary</u>	<u>Difference</u>
Governor	60,000.00	99,286.26	87,759.00	11,527.26
Lt. Governor	29,000.00	47,988.36	42,315.00	5,673.36
Secretary of State	37,500.00	62,053.91	54,848.00	7,205.91
Treasurer of State	37,000.00	61,226.53	54,848.00	6,378.53
Attorney General	50,000.00	82,738.55	73,132.00	9,606.55
Commissioner of State Lands	37,500.00	62,053.91	54,848.00	7,205.91
Auditor of State	37,500.00	62,053.91	54,848.00	7,205.91
General Assembly Member	12,500.00	20,684.64	15,869.00	4,815.64
Speaker & Pro Tempore	14,000.00	23,166.79	17,771.00	5,395.79

Source: Bureau of Labor Statistics CPI-U Dec., 1992 - Dec., 2014.

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MEMORANDUM

TO: Chairman Larry Ross, Vice Chairman Chuck Banks and Commissioners Stuart Hill, Brenda James, Mitch Berry, Stephen Tipton and Barbara Graves

FROM: Scott Trotter

DATE: January 28, 2014

RE: Recommendations on Executive Officer Compensation

For the reasons stated in my oral presentation, I respectfully ask that you consider the following recommendations.

Executive Branch

CPI Increase: Adopt as baseline what salaries would be now if the CPI increases had been approved in each year since 1993 per Amendment 70.* (See the attachment for CPI calculations.) This step would result in the following salaries:

- Governor: \$99,286
- Lt. Governor: \$47,988
- Attorney General: \$82,739
- Secretary of State: \$62,054
- Treasurer of State: \$61,227
- Auditor of State: \$62,054
- Commissioner of State Lands: \$62,054

Comparison to Other States with CPI: Even with these increases for CPI, the salary levels remain very low in comparison to most states:

- Governor would move from about 48 to 45
- Lt. Governor would move from about 41 to 40
- Attorney General would move from about 50 to 48
- Secretary of State would remain at about 46
- Treasurer of State would remain at about 47

I am not aware of a precise way to compare the salaries of the Auditor of State and Commissioner of State Lands to offices in other states, and I would hasten to add that comparing the office of Arkansas Lt. Governor with that position in other states is not reliable because of substantially varying duties.

Scott Trotter

Additional Salary Increase: My recommendation is to increase the CPI baseline salaries set out above by approximately 50% for Governor, Attorney General, Secretary of State, Treasurer of State and Auditor of State:

Governor to \$150,000 (12th among states)
Attorney General to \$124,108 (24th)
Secretary of State to \$93,000 (32nd)
Treasurer of State to \$91,840 (33rd)
Auditor of State to \$93,000

Additionally, considering the lesser duties of the Lt. Governor, I recommend his CPI baseline salary of \$47,988. And, considering the duties of the Commissioner of State Lands, I recommend his CPI baseline salary of \$62,054 plus 10%, or a total of \$68,259.

* Amendment 70 was proposed by H.J.R. 1018 of 1991 and was adopted at the general election of 1992 by a vote of 464,901 to 305,161 (65.6% to 34.4%)

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Source: Bureau of Labor Statistics CPI-U Dec., 1992 - Dec., 2014.