COMPENSATION COUNCIL HEARING

February 19, 2021

Testimony concerning the Minnesota Attorney General's Compensation by Richard Allyn

- 1. Richard Allyn background and qualifications
 - Former MN Chief Deputy Attorney General 3 years
 - Former Solicitor General- 3 years
 - Former lead Criminal Division- 2 years
 - Currently Partner at Robins Kaplan LLP, Minneapolis since 1983
 Past member of Executive Board
 Past chair of Hiring Committee
- 2. Overview of Attorney General's Duties and

The MN AG is the State's chief legal officer, particularly for the Executive branch of state government as well as assisting county attorneys. He oversees legal work for over 100 state agencies, boards and commissions and handles over 7000 open legal files per year. He manages a staff of over 335 employees with a \$40m+ annual budget. The size and complexity of the litigation supervised by the AG is enormous and his good work and judgment is vital for the citizens and taxpayers of Minnesota. Besides defending agencies and statues the AG is the leading protector of state interests in court.

3. Consideration of comparable public lawyer salaries shows the Minnesota Attorney General is falling further and further behind.

2016,2017,2018,2019,2020,2021 Minnesota Attorney General	\$121,248	.95 of the Governor salary. [see State Official's Comp. 12/18 Attached as Ex. 1]
2020 Minnesota Supreme Court	Chief Judge: \$205,362	(2018: \$195,467)
2020 MN Court of Appeals	Chief Judge: \$184,708	(2018: \$175,808)
2020 Trial Court Judge	Chief Judge: \$173,392	(2018: \$165,037)
2021 Hennepin Co. Attorney	\$195,065	
2021 Ramsey County Attorney	\$185,004	
2020 Stearns County Attorney	\$178,782	

2021 Dakota County	\$192,837	
Attorney		
2021 Anoka County Atty	\$188,000	
2021 U of Mn General Counsel	\$367,180	
2018 Minneapolis City	Range: \$165,122 to	
Attorney	\$202,221	
2017 MnSCU General Counsel	\$173,188	
2021 US Attorney	\$172,394	
2020 Ass't US Atty	Average: \$142,000	
	Range: \$65,463 -\$164,100	

4. Consideration of other public sector salaries - State Gov't and Education

2021 Commissioner of Administration	\$144,991	
2021 Commissioner of MMB	\$154,992	
2019 St. Paul School	\$232,000	
Superintendent		
2019 Minnetonka School Superintendent	\$240,938	
2019 Minneapolis School Superintendent	\$225,000	
2019 Albert Lea School	\$176,042	
Superintendent		
2019 Alexandria School	\$168,000	
Superintendent		
2019 Brainerd School		
Superintendent	\$168,000	

5. Consideration of private sector salaries in Twin Cities reflects a still greater disparity.

See: <u>The National Association of Legal Placement Directory of legal Employers, Comparison Report: Salaries for 2020 – EXHIBIT 2.</u>

Information on 2020 salaries paid to entry-level lawyers is attached as **EXHIBIT 2**. In 2020, the average starting pay for a <u>first year lawyer coming</u> <u>out of law school</u> into the 18 largest Twin City law firms was **\$149,333**,

approximately \$10,000 more than in 2018. Many attorneys in the private sector receive salaries of two to ten times those of the over 139 attorneys the AG supervises. Further, in addition to the Attorney General, assistant and deputy attorney general staff are falling further behind their government peers:

Average Attorney S	alary	Average Attorney Manager
MN Atty Genl	\$101,209	\$141,459
Ramsey County	\$115,919	\$145,538
Hennepin County	\$128,501	\$154,633
US Atty in MN	\$144,358	\$172,500

These disparities are pose increasing threats for recruiting and retention.

6. 2021 Recommendation for Minnesota Attorney General's salary:

In 2003, the Attorney General's salary was \$114,288. In the <u>eighteen years</u> since then there has only been a 3% increase in 2015 and 2016 to \$121,248. The Cost of Living Index has risen over 37% from 2003 through 2019 and in the last four years alone the CPI has risen 7.5%. Mindful of the challenging times facing the state and its citizens, and recognizing the Attorney General is falling further behind any reasonable measure of living costs, consideration of the following request is submitted as follows:

Re-adopt the Compensation Council's April 1, 2019 Findings and Recommendations and commence on 1/1/22:

 $.95 \times \$160,000 = \$152,000$

Questions?



State Elected Officials' Compensation

Ex 1.

December 2018

Salaries for governor, lieutenant governor, attorney general, state auditor, secretary of state, and judges are established by state law or by the legislature, depending on the position. Salaries for legislators are prescribed by a Legislative Salary Council in each odd-numbered year.

Salaries for Constitutional Officers

As required by the Minnesota Constitution, salaries for constitutional officers are prescribed by law. Art. V, § 4. The 2013 Legislature passed legislation increasing the governor's salary by 3 percent on January 1, 2015, and by 3 percent on January 1, 2016. Laws 2013, ch. 142, art. 6, § 12. Salaries of the other constitutional officers are a specified percentage of the governor's salary, so those salaries also increased by 3 percent in 2015 and 3 percent in 2016. Laws 2001, 1st spec. sess., ch. 10, art. 1, § 2. The salaries of the constitutional officers have not increased since 2016.

Officer	% of Governor's Salary	Current Salary
Governor		\$127,629
Attorney General	95%	\$121,248
State Auditor	85%	\$108,485
Secretary of State	75%	\$95,722
Lt. Governor	65%	\$82,959

The governor can veto legislation establishing compensation for constitutional officers because, according to the constitution, the compensation is set "by law."

Salaries for Judges

The Minnesota Constitution stipulates that the legislature must establish compensation for judges and that judges' salaries cannot be reduced while they are in office. Art. VI, § 5. The most recent salary increases for judges were 2.5 percent on July 1, 2017, and 2.5 percent on July 1, 2018. These increases were funded in Laws 2017, ch. 95, art. 1, sections 2, 3, and 4. Annual salaries for various judges are as follows.

Official	Current Salary
Supreme Court, chief	\$195,467
Supreme Court, justice	\$177,697
Court of Appeals, chief	\$175,808
Court of Appeals, judge	\$167,437
District Court, chief	\$165,037
District Court, judge	\$157,178

The constitutional provisions governing judges have been interpreted to mean that the governor may not veto provisions setting judges' compensation because their compensation is prescribed "by the legislature." *Gardner v. Holm*, 241 Minn. 125, 62 N.W. 2d 52 (1954).

Salaries for Legislators

Prior to 2016, the Minnesota Constitution provided that legislators' compensation was set by law. Under that structure, the annual salary for representatives and senators was \$31,140 and had remained at that amount since 1999.

At the 2016 state general election, the voters ratified a constitutional amendment requiring that legislator salaries be set by a newly established Legislative Salary Council. The council consists of members appointed by the governor and chief justice of the Supreme Court. Council members are prohibited from communicating with legislators during the period beginning when the council convenes its first meeting and ending the date it submits its salary determinations.

The council must report its determinations, and the rationale used to reach them, by March 31 of each odd-numbered year. If it directs a salary adjustment, the adjustment takes effect July 1 of that year.

On March 17, 2017, the Legislative Salary Council prescribed a salary of \$45,000 for legislators. The new salary became effective July 1, 2017.

The Compensation Council's role in establishing salaries for constitutional officers and judges

A 16-member Compensation Council exists to assist the legislature in establishing the compensation of constitutional officers and judges. Minn. Stat. § 15A.082. Members of the Compensation Council are appointed in January of each odd-numbered year. The council must make its recommendations to the legislature by April 15 of that year.

By law, the council's recommendations take effect if an appropriation to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date.

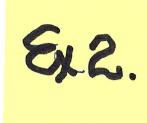
Insurance benefits and pension plans

Constitutional officers, legislators, and judges all are members of the state employee group insurance plan and receive the same insurance benefits as state employees.

Most legislators (those first elected after July 1, 1997, and some elected before then) and all constitutional officers are members of a defined contribution pension plan. Under this plan, the member contributes a percent of his or her salary (5.75 percent in fiscal year 2019, and 6 percent beginning in fiscal year 2020) and the state contributes separately (6 percent of salary in fiscal year 2019 and 6.25 percent beginning in fiscal year 2020). This money is invested, and upon leaving state service, the elected official is eligible to receive whatever money is in the account.

Judges belong to a defined benefit pension plan, in which the benefit is determined by multiplying years of service times a service-credit percentage and applying this percentage to the judge's average high-five years of salary.





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COMPARISON REPORT: Salaries for 2020 (1)

Information on salaries paid to summer and entry-level associates only

190,000	3,654	3,654	3,654	Minneapolis, Minnesota
				Fish & Richardson P.C.,
150,000	2,885	2,885	2,000	Minneapolis, Minnesota
	0	7000	2 0 0 0	Faegre Drinker LLP,
140000	2/00	2700	2700	Minneapolis, Minnesota
	0100	0026	2700	Dorsey & Whitney LLP,
				Offices
				Dorsey & Whitney LLP - U.S.
				Dorsey & Whitney LLP,
125,000		2,400	2,400	Minneapolis, Minnesota
		2 400	2 400	Barnes & Thornburg LLP,
145,000		2,/88	2,700	Minneapolis, Minnesota
		0 700	2 700	Ballard Spahr LLP,
2020	2020	2020	2020	
Entry Level	3L Summer	2L Summer	1L Summer	
			-	

Taft Stettinius & Hollister LLP, Minneapolis, Minnesota	Stoel Rives, Minneapolis, Minnesota	Stinson LLP, Minneapolis, Minnesota	Stinson LLP, Firm-wide	Shumaker & Sieffert, 06770	Robins Kaplan LLP, Minneapolis, Minnesota	Quarles & Brady, Minneapolis, Minnesota	Merchant & Gould, Merchant & Gould - Firmwide (Multiple Locations)	Maslon LLP, Minneapolis, Minnesota	Lathrop GPM LLP, St. Cloud, Minnesota	Lathrop GPM LLP, Minneapolis, Minnesota	Jones Day, Minneapolis, Minnesota	Greenberg Traurig, Minneapolis, Minnesota	Fredrikson & Byron, P.A., Fredrikson & Byron, P.A.	Fox Rothschild LLP, Minneapolis, Minnesota	
2692.00	2,693	2300	2300		2,653	2692	2500	2500			3,269		2,700	2692.31	
2692.00	2,693	2300	2300	2400	2,653	2692	2500	2600			3,269		2,700	2692.31	ASE Directory of Legal Elliployers Collipatison Reports - Results
2692.00											3,269				palison Reputs - Results
140000.00	140,000	132,500	125,000-132,500	130000-145000	140,000	140,000	150000	135000	116,000	130,000	170,000			140000	

Minneapolis, Minnesota	Winthrop & Weinstine, P.A.,
100	2700
2,00	2700
c	D
140,000	140 000

Dues. \$ (49,333

Salaries of Minnesota Officials 6/21/2019

Legislators	Judges Supreme Ct. Chief Justice Supreme Ct. Assoc. Justice Ct. of Appeals Chief Judge Ct. of Appeals Judge District Court Chief Judge District Court Judge	Governor Attorney General Auditor Sec. of State Lt. Governor	Constitutitional Officers
31,140			1999 Jan 4
		Governor's salary 95% 85% 75% 65%	
		114,288 102,257 90,227 78,197	2003 Jan 6
	146,920 133,564 132,144 125,852 124,047 118,141		2004 Jan 1
	1.5% 149,124 135,567 134,126 127,740 125,908 119,913		2005 July 1
	1.5% 151,361 137,601 136,138 129,656 127,797 121,712		2006 July 1
	3.0% 155,902 141,729 140,222 133,546 131,631 125,363		2007 July 1
	3.0% 160,579 145,981 144,429 137,552 135,580 129,124		2008 July 1
	0.0%		2009-2012
	4.0% 167,002 151,820 150,206 143,054 141,003 134,289		2013 July 1
	3.0% 172,012 156,375 154,712 147,346 145,233 138,318		2014 July 1
		3.0% 123,912 117,716 105,325 92,934 80,543	2015 January 1
	4.0% 178,893 162,630 160,901 153,240 151,042 143,851		2015 July 1
		3.0% 127,629 121,248 108,485 95,722 82,959	2016 January 1
	4.0% 186,048 169,135 167,337 159,369 157,084 149,605		2016 July 1
44.5% 45,000	2.5% 190,699 173,363 171,520 163,353 161,011 153,345		2017 July 1
	2.5% 195,467 177,697 175,808 167,437 165,037		2018 July 1
3.3% 46,500	2.5% 200,354 182,140 180,203 171,623 169,162 161,108		2019 July 1
	2.5% 205,362 186,693 184,708 175,914 173,392 165,136		2020 July 1

James Fox 3/22/19

Constitutional Officer Salaries

Relevant Comparisons

Minnesota is:

- Ranked 22nd in estimated population in 2018
- Ranked 19th in per capita spending (state and federal \$)

Yet, the current Constitutional Salaries are:

- Governor: 35th
- Attorney General: 33rd
- Sec of State: 31ST
- Auditor: 28th

Corrections Suggested by Rank Method

Adjusting the Constitutional Officer's salaries to approximately the 20th rank would involve:

- 2018
- Governor's salary: \$150,000 (currently \$127,629 or 100%)
- Attorney General: \$137,000 91% (currently \$121,248 or 95% of Gov. salary)
- Sec of State: \$110,000 73% (currently \$95,722 or 75% of Gov. salary)
- Auditor: \$127,000 84% (currently \$108,485 or 85% of Gov. salary)