

STATE OF WASHINGTON
WASHINGTON CITIZENS' COMMISSION ON
SALARIES FOR ELECTED OFFICIALS

LEGISLATIVE LEADERSHIP STIPEND STUDY

PROJECT REPORT

January, 2008

Owen-Pottier
Human Resource Consultants

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I. BACKGROUND:

For several years, the Commission has considered whether legislators in leadership positions deserve additional compensation for their leadership work. In previous action, the Commission granted such additional compensation in the form of stipends for the Speaker of the House of Representatives, the Majority Leader of the Senate and the Minority Leaders of both houses.

From time to time, the issue has been raised within the Commission and by some legislators. In order to resolve the issue as objectively as possible on the basis of factual information, the Commission engaged the services of Owen-Pottier Human Resource Consultants to conduct an independent study to determine and recommend whether any additional legislative positions are deserving of added compensation.

II. PROJECT OBJECTIVE:

The purpose of the project is to determine by objective criteria whether any legislative positions, other than the four leadership positions that presently receive additional compensation, should receive stipends for their roles in helping to lead the work of the Legislature.

III. METHODOLOGY:

A. Management and Leadership Criteria:

While the focus of this project is narrow, the process of collecting data for objective recommendations is complex. We acknowledge the very valuable professional work of the Commission's staff - Director, Carol Sayer and Ms. Teri Wright - for their excellent work in facilitating the process of connecting with key legislative position incumbents.

Prior to making any contacts with key legislators, the consultants established a set of criteria to serve as the basis for measuring the potential leadership aspects of various positions in the Legislature.

The criteria are:

- **Management of Resources:**

- Size, scope, breadth and complexity of resources under the position's management;
- Required knowledge of management principles;
- Requirement for directing the organization's (House, Senate and statewide) resources and allocation of those resources toward the mission of the Legislature and determining and managing how those resources are used for the statewide benefit of the state's citizens;
- Nature of impact on those resources. For example, controlling outcomes regarding application and utilization of those resources or influencing or collaborating in influencing the ways in which the resources are applied and used for the citizens of the state.

- **Effect on Policy:**

- The role of any legislative position in development of policy affecting the citizens of the state;
- The *scope* of influence on policy of any legislative position, whether that effect on policy is statewide or focused on a segment of the state's population.

- **Accountability for Outcomes in Contrast with Time and Effort Spent:**

This criterion focuses on the extent to which a legislator must answer for the outcomes of legislative action, whether resulting in statute or guidelines to state agencies for their operations.

The key question is whether an incumbent in any leadership position is held to a higher standard of accountability than any other legislator for the outcomes of legislative action. Are the expected outcomes of some positions in the Legislature different, in terms of impact on the citizens, than those of all other legislators? Or is their composite work the result of joint effort that does not depend on the effort of any one legislative position? If there is a

distinguishable difference for those leadership positions, is that difference compensable?

Assuming that incumbents in leadership positions may spend more time - whether during legislative session or in off-session - in fulfilling their obligation to represent the citizens of their respective districts, if that expenditure of time is a requirement of the position and whether it is, therefore, distinctly different from the required time expenditure of other legislators;

Whether additional time requirements result in greater accountability for results;

Whether time spent in campaigning for the incumbent or for others within the caucus ought to be considered as compensable effort.

B. Legislator Interviews:

The consultant developed an outline of issues regarding the respective roles of legislators that would be the basis for discussions between each of the selected legislators and the consultant. The Commission's staff prepared invitations for each of the selected legislators describing the potential discussion issues. Staff sent those invitations and outlines to 16 legislators who were selected by the consultant as incumbents who would be able to provide the information necessary for the project.

Following are the legislative leadership positions selected by the consultant for interviews:

- Speaker of the House
- Senate Majority Leader
- Senate Minority Leader
- House Minority Leader
- House Majority Leader
- Senate Transportation Committee Chair
- Senate Majority Caucus Chair
- Senate Minority Caucus Chair
- Senate Ways and Means Committee Chair
- Senate Labor, Commerce, Research & Development Committee Chair
- Senator Tim Sheldon, Member, Higher Education and Transportation Committees
- House Transportation Committee Chair
- House Appropriations Committee Chair
- House Majority Caucus Chair
- House Minority Caucus Chair
- House Minority Floor Leader

The consultant was able to meet with or to speak with 13 legislators from this list. Most of the meetings were in person. Two were by telephone. One contact declined to be interviewed, but left a voice message giving a very clear opinion about potential stipends for legislative positions. Two others were unavailable for interview.

The volume and clarity of legislators' information is more than sufficient to form a cogent recommendation to the Commission.

IV. SYNOPSIS OF INTERVIEW INFORMATION:

The consultant agreed with the legislators who were interviewed that they would not be quoted. In general, the cumulative opinions of those interviewed are captured in descriptive statements, although a few important statements by some of those interviewed are paraphrased without identifying those who made the statements. The intent is to provide the Commission with information that has been given in candor with the assurance of confidentiality.

- **Time and Effort:**

The single most frequently-mentioned issue is the amount of time required of those in leadership roles. Several stated that this time commitment continues throughout the year, not just during the legislative session. Several, however, said that no matter how important the position, if they were not in a leadership position, they probably would devote about the same amount of time because of their commitment to serving their constituents well and to being a very active legislator.

Two of the interviewees said that a significant amount of this time expenditure is in campaigning for their own re-election or for the election of others in their caucus.

One legislator stated that being a committee chair does not necessarily equate to a heavy workload, pointing out that individuals do things differently from one another.

Another interviewee stated that per diem paid to legislators compensates them for extra work.

One interviewee stated that chairs of large or complex committees deserve a stipend for their extra work, that the stipend should not be as large as those in effect for the established leaders, but should represent some form of recognition for the extra time and work.

(Editorial note: The job evaluation instrument measures both mental and physical effort, but does not measure the amount of *time* required to perform the work. This relies on the rationale that measurement of job value is based on what the job is designed to *accomplish* rather than the amount of time required.)

- **Required Qualifications - Knowledge, Skills and Abilities:**

Since the evaluation of positions relies in part on required qualifications for each position - generally expressed in terms of knowledge, skills and abilities - the consultant explored with each interviewee how legislators are determined to be qualified for such positions as committee chairs and how such appointments are made.

Members of both caucuses in both houses compete for appointment to committee chair positions. Specific knowledge of the subject area of committees, while helpful, does not appear to be essential. There appears to be heavy reliance on the research work of committee staff members in providing subject area information and knowledge.

In each house, the Committee on Committees makes final decisions for appointments. However, the caucuses and the leaders have a great amount of influence on appointments. For example, the consultant was told such information as:

- (a) ability to get collaborative effort from committee members is more important than subject knowledge;
- (b) chairs may be selected because of influential connections outside state government;
- (c) chairs may be selected according to time available to serve;
- (d) committee chairs may be changed during a legislative session if a different legislator has contacts or knowledge of areas addressed in new bills or critical issues that are brought forward during a session;
- (e) chairs may be selected based on the likelihood of carrying out the caucus's agenda while persuading the minority to cooperate;
- (f) committee chairs may be more likely to be selected if the legislator contributes excess campaign funds to the caucus;
- (g) previous experience as a member of a committee is given substantial weight in making selections of chairs to those same committees.

- **Management:**

Leadership is a part of management as measured by the job evaluation instrument. The instrument measures the extent to which a position requires its incumbent to exercise all the principles of management at a strategic level in directing an organization of substantial size and complexity or a major organizational function.

To illustrate how this criterion works in job value assessment, here are a few examples:

Positions in state agencies that direct divisions or major operating departments require the application of substantial managerial skill. Clearly, those kinds of positions require the application of complex and professional managerial skills as measured by the job evaluation instrument.

In a similar way, the positions of Speaker of the House and Senate Majority Leader apply the principles of management at a strategic level in planning, organizing and directing the operations of those two large and complex bodies.

Managerial skills are distinctly different from supervisory skills. Managerial skills not only require the application of all the principles of management, the focus of leadership as a function of management is strategic, long range, and involves directing large and complex organizations having major operational impacts and consequences.

In contrast, supervisory skills involve a measure of knowledge in the professional field of management and leadership, but not the full, strategic application of all the principles of management. Positions that supervise operating units or sections of a larger organization have a more focused area of operational impact and consequences, with shorter, more tactical time horizons for achieving more prescribed or well-defined outcomes. These positions require the application of supervisory skills. Full, "line" supervision of staff typically involves hiring, evaluating and disciplining of staff as well as resolving their grievances and preparing and administering a staff budget. Supervisors may be granted authority to terminate staff members or to participate with a higher authority in terminations.

The issue of whether legislative positions deserve monetary rewards for their leadership tasks requires examining whether those tasks qualify as "management" within the scope of the evaluation instrument.

The consultant pursued the question of requirements for application of managerial skill by discussing leadership tasks in the various interviewees' positions.

Several of the committee chairs reported that they supervise staff during the legislative session. Most acknowledged that they oversee the work of staff in conjunction with the Chief Clerk of the House or the Secretary of the Senate. However, direct supervision of staff does not require the use of managerial skills as defined in the evaluation instrument.

Others reported "member management" - the need to make sure all committee members work together harmoniously. One said that "troublesome" committee members are discussed with the Chief Clerk and resolved jointly.

With regard to formation of policy as a function of management, the four positions that presently receive a stipend for their leadership roles clearly have significant roles in development of policy for the operation of the two houses of the Legislature. Their policy roles are not at issue. In attempting to elicit information from the other positions interviewed, the consultant explored the question of their respective roles in development of operational and organizational policy. The Chairs of Transportation Committees in both houses stated that their committees not only develop spending budgets, but also develop policy on how funds are to be spent and allocated. Therefore, they stated, they have a significant role in developing policy.

With regard to management of resources, committee chairs who were interviewed acknowledge that they have an important role in the *development of budgets* (e.g. Appropriations, Ways and Means, Transportation) but do not actually manage those financial resources. Some stated that they manage or participate in managing internal operating budgets, but these are of a short term nature not requiring long term financial management.

- **Concept of Citizen Legislature:**

When asked about appropriateness of stipends for additional positions in the Legislature, several interviewees stated rather emphatically their opposition to additional stipends because of their concerns that adding positions with special compensation may diminish the nature of the Legislature as a citizen legislature. Some of those commented that stipends for additional positions might tend to cause a move toward a full-time salaried legislature. Others expressed concern that legislators might

compete and run for positions on the basis of expected compensation rather than for the value of service to citizens.

- **Effect of Stipends on the Legislature's Operations:**

Several of the leadership interviewees expressed concerns that additional stipends could alter the ways the Legislature operates. They explained internal operations by citing examples (paraphrased) such as these italicized comments:

- *The role of committee chair may be different from one incumbent to another or from one committee to another;*
- *In some committees, the number two member may have greater responsibility or may be more knowledgeable than the chair;*
- *There is a need for flexibility in appointing legislators to important and changing positions or roles. Much depends on the changing caucus membership and on determining what member can serve best in which role. Those needs may change during the session. A committee chair may be needed to serve as floor leader when conditions change. But if one position carries a stipend and the other does not, there is a reluctance to make the change for the good of the legislative agenda. The result could be rigidity that could develop into power blocks that could be brokered.*
- *Either caucus in either house needs to be able to appoint members to important roles based on who can do the job best and needs to make changes in appointments when conditions change without concern for whether the reassignment might give or take away a stipend for a member.*

V. DISCUSSION AND RATIONALE

A. Job Value Assessment

Several positions in the Legislature have duties that are different from those of other members. The issue is whether those duties are not only different but also whether they have greater value than the duties of most legislators. Further, the issue is whether those differences are compensable.

Legislators appointed to positions having some elements of leadership are expected to give substantial effort to developing cooperative and collaborative relationships with others toward consensus in achieving an agenda or legislative

goals. This suggests that legislators in those positions must possess some degree of skill in developing such collaborative and cooperative relationships.

However, all members are expected to work collaboratively and cooperatively in achieving a committee's objectives and in promoting the agenda of each member's caucus. This, too, would suggest the need for a degree of skill in working jointly with a range of other legislators in carrying out the Legislature's work.

Thus, in terms of skills and abilities, this collaboration ability appears comparable among a large majority of members as well as those in leadership positions. The distinction does not appear to be in required skills and abilities but in the amount of time required to attend to the work of a committee or in promoting consensus among members of a caucus.

Another area for comparison is accountability for results as an element of management. Although all members share in accountability for results, many leadership positions generally have a greater influence over outcomes of their joint work. The nature of that accountability is not control over outcomes but influence on results through guiding and urging joint effort. This element in leadership positions appears to be greater than that of non-leader members.

This, then, raises the question of whether all leadership positions - such as committee chairs - require an equivalent degree of accountability for results or whether size of effect is relevant to determining the worth of each position.

Information provided by the interviewees helps to resolve this issue. Several emphasized the importance of flexibility in legislative operations. They discussed the changing areas of legislative focus from session to session and the need to assign members to positions based on varying importance of issues and the varied capabilities of members. They pointed out that in some very large committees, consensus among majority and minority members may be more important than the impact of the chair, while in other smaller committees, the role of chair may be more significant in guiding legislation around specific issues. They suggested that in some committees, the vice chair makes equally important decisions as the chair. Another pointed out that Senate Ways and Means has been split into two units and that such splits can occur during legislative sessions. This raises the question of how many chairs of Ways and Means may be needed. The same question may be asked about chairs of other very important committees.

This evidence illustrates the difficulty of assigning stipends even for chairs of large standing committees. It was suggested, as well, that caucus chairs function differently depending upon the personality of the incumbent and the leadership style of the Speaker or the Senate Majority Leader.

The element of accountability in job value assessment was applied to such positions as committee chairs. Even where greater accountability was presumed in those positions compared with that of other legislators, there was no noticeable difference in total measured values. To illustrate, those leadership positions were assigned greater accountability value than non-leadership positions, but that added value did not make a significant difference in total job value.

Those who accept appointments to positions where their effort and time influence legislative action perform a commendable service to their respective caucuses and for their constituents. However, management and accountability appear to be broadly shared and ought not to serve as criteria for stipends.

With regard to the impact of stipends on the Legislature's operations, the variability of issues, capabilities and areas of influence of members as well as the changing needs of the Legislature described above, suggest that adding rigidity to the organization through granting of stipends would be counterproductive. One interviewee pointed out that additional stipends could result in members running for positions because of the compensation, thus hampering the necessary flexibility of operation as well as the nature of the citizen legislature.

2. Other Considerations

Among the several positions examined and studied for possible stipend eligibility, one received particular consideration:

The position of House Majority Leader clearly plays a significant role in the functioning of the House of Representatives. Consideration here is concerning the position and not the incumbent. However, it deserves noting that the current incumbent in the position displays outstanding qualities of committed service to the citizens. The incumbent gave a very candid and helpful interview regarding the work of the House Majority Leader.

The incumbent explained the joint working relationship of the position with the Speaker, describing how the position carries out the directions of the Speaker and shares many tasks with the Speaker, such as further developing interim plans that are set by the Speaker, and serving alongside the Speaker on the House Rules Committee. She explained that she participates with the Chief Clerk in administrative tasks such as assisting in developing the House operating budget and member management.

Notwithstanding the importance of these tasks, the organizational strength of the Speaker position suggests that the position of House Majority Leader would not qualify for a stipend.

The positions of Caucus Chair and Floor Leader also were examined. As important as these positions are, their work tends to be tactical rather than strategic. In order for positions to be considered managerial in nature, there is a requirement for a long-range and broad organizational focus. Therefore, the managerial content of those positions appears not to be sufficient to warrant a recommendation for stipends.

B. Summary and Conclusion

A few of the interviewees expressed strong opinion that stipends are deserved by several positions such as committee chairs because of the additional time and effort required of incumbents in such positions. All of these proponents described the many meetings which they are expected to attend and the ad hoc conferences they attend to gather information regarding bills proceeding through their respective committees. Again, the expenditure of time was a major concern of the legislators.

The consultant gave careful consideration to these opinions, particularly with regard to objective job evaluation of the efforts of legislators in carrying out the work of committee chairs.

A clear preponderance of opinion from the interviewees favors not granting stipends to positions other than those that presently receive stipends.

Based on objective application of the management criteria and standards contained in the evaluation instrument to the legislative positions studied in this project, the consultant concludes that these positions do not qualify for leadership stipends.