

# LEGISLATIVE COMPENSATION COMMISSION

The Legislative Compensation Commission was originally established by the 1969 Legislative Assembly. Consisting of five members appointed by the Governor, the commission was responsible for determining appropriate levels of expense allowance and compensation to be paid to members of the North Dakota Legislative Assembly. In 1979 after 10 years of existence, the law that created the original Legislative Compensation Commission was repealed.

The Legislative Compensation Commission was recreated by passage of 1983 Senate Bill No. 2360. The bill, codified as North Dakota Century Code (NDCC) Sections 54-03-19.1 and 54-03-19.2, once again established a Legislative Compensation Commission to determine appropriate levels of expense allowance and compensation to be paid to members of the Legislative Assembly.

In 1993 NDCC Section 54-03-19.1 was amended to direct the Legislative Compensation Commission to develop recommendations for a long-term policy on legislative compensation, expense allowance, and insurance benefits. In addition, the 1993 Legislative Assembly amended Section 54-03-19.2 to allow the commission to file with the Legislative Council a bill incorporating its recommendations.

The membership of the Legislative Compensation Commission has traditionally been bipartisan. The 1995-96 Legislative Compensation Commission recommended a bill to make bipartisan membership a requirement of the commission. The 1997 Legislative Assembly adopted the commission's recommendation and amended NDCC Section 54-03-19.1 to provide that no more than three of the five appointees to the Legislative Compensation Commission can represent the same political party.

Commission members were Charles Axtman (Chairman), Chris Christopherson, Meyer Kinnoin, John Mahoney, and Terry Wanzek. The commission met on July 25, 2006.

The committee submitted this report to the Legislative Council at the biennial meeting of the Council in November 2006. The Council accepted the report for submission to the 60th Legislative Assembly.

## BACKGROUND INFORMATION History of Legislative Compensation and Expense Reimbursement Rates

The Legislative Compensation Commission reviewed information on legislative compensation and expense reimbursement rates in effect from 1889 to 2005 summarized as follows:

Year	Compensation for Each Calendar Day During Session	Expense Reimbursement During Session			Expense Reimbursement or Compensation for Each Month During Term of Office	Compensation for Each Day Attending Interim Meetings
		Per Session	For Each Day During Session	For Each Month During Session		
1889	\$5	10 cents per mile				
1945	\$5	\$300				\$5.00
1949	\$5	\$600				\$10.00
1957	\$5	\$1,200 <sup>1</sup>				\$10.00
1965	\$5	\$1,200 <sup>2</sup>			\$35 <sup>2</sup>	\$10.00
1967	\$5		\$25		\$35	\$20.00
1969	\$5		\$35		\$35	\$30.00
1971	\$5		\$40		\$50	\$30.00
1973	\$5		\$50		\$50	\$30.00
1975	\$5		\$60		\$75	\$45.00
1977	\$5		\$60		\$150	\$45.00
1979	\$5		\$70		\$150	\$52.00
1981	\$5		\$85		\$180	\$62.50
1983	\$40 <sup>3</sup>		\$50 <sup>3</sup>		\$180	\$62.50
1985	\$90			\$600 <sup>4</sup>	\$180 <sup>5</sup>	\$62.50
1997	\$111			\$650	\$250	\$62.50
1999	\$111			\$650	\$250	\$75.00
2001	\$125			\$650	\$250	\$100.00
2005	\$125			\$900 <sup>6</sup>	\$350 <sup>6</sup>	\$100.00 <sup>7</sup>

<sup>1</sup>Section 54-03-20 was amended in 1959 to provide that the \$1,200 payment was reimbursement for expenses incurred during the interim and during the session.

<sup>2</sup>Section 54-03-20 was amended in 1965 to provide that the \$1,200 payment was reimbursement for expenses incurred during the session only and to provide for payments of \$35 per month during each legislator's term of office for uncompensated expenses.

<sup>3</sup>Bismarck legislators received \$90 per day during session as compensation and did not receive any amount for daily expense reimbursement.

<sup>4</sup>Section 54-03-20 was amended to provide that legislators receive reimbursement for lodging or mileage at the rates provided for state employees to a maximum of \$600 per month.

<sup>5</sup>House Bill No. 1243 (1985) amended Section 54-03-20 to provide that the monthly amount paid to legislators during the interim was compensation, not reimbursement for expenses.

<sup>6</sup>The 2005 Legislative Assembly increased the maximum lodging expense reimbursement allowed during legislative sessions from \$650 to \$900 per month, effective January 1, 2005, and increased legislators' monthly compensation from \$250 to \$350, effective July 1, 2005.

<sup>7</sup>In addition to the compensation for each day attending interim meetings, legislators are entitled to receive up to \$25 per day for expense

reimbursement for meals.

## Current Compensation, Per Diem, and Expense Reimbursement Rates

The Legislative Compensation Commission reviewed information on the current compensation, per diem, and

expense reimbursement rates provided to members of the Legislative Assembly summarized as follows:

<b>Compensation for Regular, Special, or Organizational Sessions</b>	
Salary (Section 54-03-20)	\$125 per calendar day
<b>Additional compensation (Section 54-03-10)</b>	
Speaker of the House	\$10 per calendar day
House majority leader	\$10 per calendar day
Senate majority leader	\$10 per calendar day
House minority leader	\$10 per calendar day
Senate minority leader	\$10 per calendar day
Chairmen of substantive standing committees	\$5 per calendar day
House assistant majority leader	\$5 per calendar day
Senate assistant majority leader	\$5 per calendar day
House assistant minority leader	\$5 per calendar day
Senate assistant minority leader	\$5 per calendar day
<b>Expense Reimbursement for Regular, Special, or Organizational Sessions</b>	
Lodging expenses (Sections 44-08-04 and 54-03-20)	\$50 plus tax per calendar day up to \$900 per month
Mileage (Sections 54-03-20 and 54-06-09)	Thirty-seven and a half cents per mile for one round trip each calendar week going to and from the meeting of the Legislative Assembly. If travel is by common carrier, reimbursement must be at coach fare and may not exceed 1.5 times the amount the legislator would be entitled to receive as mileage reimbursement for travel by motor vehicle. Legislators who live in districts outside Bismarck are allowed daily round trip mileage reimbursement of 37.5 cents per mile or lodging reimbursement of up to \$50 per night plus any applicable state or local taxes, or a combination of mileage and lodging reimbursement up to a maximum of \$900 per month.
<b>Compensation During Term of Office</b>	
Compensation paid to legislators during their term of office, either monthly or every six months at the legislator's option (Section 54-03-20)	\$350 per month
Additional compensation for majority and minority leaders and Legislative Council chairman (Section 54-03-20)	\$250 per month
<b>Compensation for Interim Meetings</b>	
Compensation for attendance at meetings of the Legislative Council and its committees (Section 54-35-10)	\$100 per day
<b>Additional compensation</b>	
Council chairman (Section 54-35-10)	\$5 per day
Committee chairmen (Section 54-35-10)	\$5 per day
<b>Expense Reimbursement for Interim Meetings</b>	
Meals (Section 44-08-04)	Up to \$25 per day in state; an amount equal to the federal per diem meals rate for out-of-state travel
Lodging (Section 44-08-04)	Actual expenses not to exceed \$50 per day, plus any applicable state or local taxes in state; actual expenses for out-of-state travel
Mileage (Section 54-06-09)	Thirty-seven and a half cents per mile by motor vehicle; 18 cents per mile by motor vehicle 300 miles beyond the state border; 70 cents per mile by private airplane

# LEGISLATIVE COMPENSATION COMMISSION

## Previous Recommendations of the Legislative Compensation Commission

The commission reviewed previous recommendations of the Legislative Compensation Commission. The 1995-96 Legislative Compensation Commission recommended three bills for consideration by the 1997 Legislative Assembly:

1. Senate Bill No. 2051, as passed, included the commission's recommendation that monthly compensation be increased from \$180 to \$250 and the provision that at the legislator's option, this amount could be paid monthly rather than every six months. In addition, this bill was amended to increase the session compensation rate from \$90 to \$111 per day. The effective date of the bill was changed to apply retroactively to January 1, 1997.
2. Senate Bill No. 2052, as passed, did not include provisions to allow the Legislative Compensation Commission to set rather than recommend the level of legislative compensation, as were included in the bill recommended by the commission. However, as included in the recommended bill, the statutory references to the amount of compensation provided pursuant to NDCC Section 54-35-10 were changed to the fixed dollar amount of \$62.50 per day so that changes to the amount of interim compensation provided to legislators would not affect members of boards and commissions paid at the same rate. The Legislative Assembly also adopted the recommended provision that no more than three of the five members of the commission represent the same political party.
3. Senate Bill No. 2053, as passed, included the commission's recommended increase from \$600 to \$650 per month for lodging reimbursement but did not include the recommended increase from \$62.50 to \$90 per day for attending interim meetings.

The 1997-98 Legislative Compensation Commission recommended Senate Bill No. 2055, which provided that legislative compensation for attending interim Legislative Council committee meetings be increased from \$62.50 to \$75 per day. This bill was passed without change by the 1999 Legislative Assembly.

The 1999-2000 Legislative Compensation Commission recommended three bills, all of which were passed by the Legislative Assembly, as follows:

1. Senate Bill No. 2175 amended NDCC Section 54-03-20 to provide that the session compensation rate be increased from \$111 to \$125 per calendar day.
2. Senate Bill No. 2176 amended NDCC Section 54-35-10 to provide that the interim

compensation rate be increased from \$75 to \$100 per day for each day spent in attendance at sessions of the Legislative Council and its committees.

3. House Bill No. 1197 amended NDCC Section 54-06-09 to provide that the state mileage reimbursement rate be increased from 25 to 31 cents per mile.

The 2001-02 Legislative Compensation Commission recommended, in its report to the 2003 Legislative Assembly, that legislative compensation and expense reimbursement remain at the current level.

The 2003-04 Legislative Compensation Commission recommended the compensation for regular, special, or organizational sessions; monthly compensation paid to legislators during their term of office; and compensation for interim meetings remain at the current level. The commission also recommended two bills for consideration by the 2005 Legislative Assembly:

1. Senate Bill No. 2059, as passed, did not increase the maximum lodging expense reimbursement allowed during legislative sessions from \$650 to \$900 per month for licensed lodging establishments and \$750 per month for any other lodging as was recommended by the commission. Instead, the bill was amended to increase the maximum lodging expense reimbursement from \$650 to \$900 per month. The effective date of the bill was changed to apply retroactively to January 1, 2005.
2. Senate Bill No. 2058, as passed, included the commission's recommended increase for the state mileage reimbursement rate from 31 to 37.5 cents per mile.

Although the commission recommended monthly compensation paid to legislators during their term of office remain at the current level, the 2005 Legislative Assembly increased the monthly compensation from \$250 to \$350.

## Legislative Compensation and Reimbursement Survey Results

The Legislative Compensation Commission reviewed a Legislative Council memorandum entitled *Legislative Compensation and Reimbursement Survey Results*. The Legislative Council staff conducted a survey of members of the Legislative Assembly regarding legislative compensation and reimbursement issues. The following is a summary of the legislative compensation and reimbursement issues the members of the Legislative Assembly were asked to respond to and the responses:

Legislative Compensation and Reimbursement Issues	Responses	
Compensation for regular, special, or organizational sessions - The current compensation for regular, special, or organizational sessions is \$125 per calendar day. The compensation was last	Increase compensation by \$25 per day, from \$125 to \$150 per day	8
	Increase compensation by 18 percent, or \$22.50 per day, from \$125 to \$147.50 per day	1

Legislative Compensation and Reimbursement Issues	Responses	
increased in 2001 from \$111 to \$125 per day.	Increase compensation by \$20 per day, from \$125 to \$145 per day	1
	Increase compensation by \$15 per day, from \$125 to \$140 per day	1
	Increase compensation by \$10 per day, from \$125 to \$135 per day	5
	Increase compensation by \$10 per day, from \$125 to \$135 per day, and tie future increases in compensation to state employee raises	2
	Increase compensation by 5 percent, or \$6 per day, from \$125 to \$131 per day	1
	Increase compensation by 2.5 percent, or \$3 per day for each year, from \$125 to \$128 and \$131 per day, respectively	1
	Increase compensation by a modest percentage	3
	Tie increases in compensation to state employee increases	5
	No suggested change	26
	Total	54
<b>NOTE:</b> One legislator also noted the Legislative Compensation Commission should consider increases to additional compensation paid to committee chairs and leaders.		

<b>Lodging expense reimbursement for regular, special, or organizational sessions</b> - The current lodging expense reimbursement for regular, special, or organizational sessions is \$50 plus tax per calendar day up to \$900 per month. The maximum expense reimbursement allowed was last increased in 2005 from \$650 to \$900.	Limit the maximum amount of reimbursement allowed for an individual rental	1
	Allow legislator to retain any savings resulting from securing lodging below the \$900 maximum expense reimbursement to encourage competitive shopping	1
	Lower the maximum expense reimbursement for private residences to \$600 per month unless a legislator is allowed to stay in the residence for the entire legislative session	1
	Increase the reimbursement rate to cover actual rates charged by most motels	2
	Increase the per day reimbursement rate to \$60 plus tax	1
	No suggested change	48
	Total	54
<b>Mileage expense reimbursement</b> - The current mileage expense reimbursement for regular, special, or organizational sessions and interim meetings is 37.5 cents per mile. The rate was last increased in 2005 from 31 to 37.5 cents per mile. As of January 1, 2006, the federal mileage expense reimbursement rate was 44.5 cents per mile.	Increase reimbursement by 7.5 cents per mile, from 37.5 to 45 cents per mile	1
	Increase reimbursement by 7 cents per mile, from 37.5 to 44.5 cents per mile	12
	Increase reimbursement by 2.5 cents per mile, from 37.5 to 40 cents per mile	2
	Increase the reimbursement	9
	Tie the reimbursement to federal mileage reimbursement rate	17
	Tie the reimbursement to the price of fuel	3
	No suggested change	10
Total		54
<b>Compensation during term of office</b> - The current compensation paid to legislators during their term of office is \$350 per month. The compensation was last increased in 2005 from \$250 to \$350 per month.	Increase compensation by \$150 per month, from \$350 to \$500 per month	2
	Increase compensation by \$50 or \$100 per month, from \$350 to \$400 or \$450 per month	1
	Increase compensation by \$50 per month, from \$350 to \$400 per month	2
	Increase compensation by \$25 per month, from \$350 to \$375 per month	1
	Increase compensation by a modest percentage	5
	Tie the compensation to inflation or state employee increases	2
	Tie the compensation to the size of the legislative district	1
	Decrease the compensation to \$250 per month and increase the compensation for interim meetings and the mileage expense reimbursement	1
	No suggested change	39
	Total	54
<b>Compensation for interim meetings</b> - The current compensation for attendance at meetings of the Legislative Council and its	Increase compensation by \$100 per day, from \$100 to \$200 per day	1
	Increase compensation by \$50 per day, from \$100 to \$150 per day	2

Legislative Compensation and Reimbursement Issues	Responses	
committees is \$100 per day. The compensation was last increased in 2001 from \$75 to \$100 per day. In addition to the compensation for each day attending interim meetings, legislators are entitled to receive up to \$25 per day for expense reimbursement for meals.	Increase compensation by \$45 per day, from \$100 to \$145 per day	1
	Increase compensation by \$25 per day, from \$100 to \$125 per day	12
	Increase compensation by \$20 per day, from \$100 to \$120 per day	1
	Increase compensation by \$15 to \$25 per day, from \$100 to \$115 to \$125 per day	2
	Increase compensation	1
	Tie increases in compensation to inflation or state employee salary increases	2
	Tie the compensation for interim meetings to compensation for the legislative session	14
	Increase the additional compensation for committee chairmen	1
	No suggested change	17
	Total	54
<b>Other issues</b> - Are there any suggestions for other areas of compensation or reimbursement, such as reimbursement for wireless telephone services?	Provide a reimbursement for wireless telephone service	2
	Provide a reimbursement of \$25 per month for wireless telephone service with the requirement the telephone number be a public number	1
	Provide a reimbursement for high-speed wireless Internet access	1
	Reimburse local legislators for meals	1
	Utilize technology to hold meetings	1
	Provide an allowance for postage, printing, etc.	1
	Start a retirement plan for legislators	1
	Replace legislators' computers	1

### Other Information

The Legislative Compensation Commission reviewed:

- The provisions of NDCC Sections 54-03-19.1 and 54-03-19.2 relating to the duties of the Legislative Compensation Commission.
- A Legislative Council memorandum entitled *Legislative Compensation Increases Compared to Inflation and State Employee Salary Increases - 1981 Through 2006*. The following schedule compares actual calendar year 2006 legislative compensation rates to 1981 rates adjusted annually for inflation and percentage salary increases provided to state employees:

	Actual 2006 Compensation Rates	1981 Compensation Rates Adjusted for Inflation	1981 Compensation Rates Adjusted for Salary Increases Provided to State Employees
Interim daily compensation	\$100	\$138.21	\$123.59
Session daily compensation	\$125	\$199.03	\$177.92
Monthly compensation during term of office	\$350	\$398.11	\$355.90

- Information prepared by the National Conference of State Legislatures regarding legislative compensation levels in other states, including legislative compensation, expense reimbursements, and other benefits provided to legislators in each of the 50 states.

## DISCUSSION AND COMMENTS

The following comments were made by members of the Legislative Compensation Commission:

- A portion of the differential between legislative pay during a legislative session and during the interim is attributable to the fact that during the interim legislators are allowed meal reimbursement of up to \$25 per day in addition to legislative compensation.
- Legislative compensation needs to be at a level that allows all individuals to run for the positions.
- The health insurance benefit provided by the state is a large benefit to members of the Legislative Assembly.
- The commission should consider increasing the compensation for regular, special, or organizational sessions by 4 percent, or \$5 per calendar day, from \$125 to \$130 per calendar day.
- The commission should consider increasing the state mileage reimbursement rate to reflect increased gas prices and other costs.

## RECOMMENDATIONS

The Legislative Compensation Commission recommends:

- A bill to amend NDCC Section 54-03-20 to increase the compensation for regular, special, or organizational sessions from \$125 to \$130 per calendar day. The estimated cost of the bill is \$88,000 from the general fund for the 2007-09 biennium. This legislation would be effective August 1, 2007.
- A bill to amend NDCC Section 54-06-09 to increase the state mileage reimbursement rate from 37.5 to 42.5 cents per mile. The estimated

cost of the bill for the Legislative Assembly and the Legislative Council is a total of approximately \$83,000 from the general fund for the 2007-09 biennium. The statutory change will also impact other agencies that reimburse employees for use of employees' vehicles in lieu of using Department of Transportation Fleet Services vehicles. This legislation would be effective August 1, 2007.

3. The other legislative compensation and reimbursement levels, including compensation during a term of office, compensation for interim meetings, additional compensation for committee chairmen and majority and minority leaders, and lodging expense reimbursement, remain at the current level.