

Minutes of the

**LEGISLATIVE COMPENSATION COMMISSION**

Wednesday, August 18, 2004  
Harvest Room, State Capitol  
Bismarck, North Dakota

Mr. Charles Axtman, Chairman, called the meeting to order at 9:05 a.m.

**Members present:** Charles Axtman, Chris Christopherson, Meyer Kinnoin

**Members absent:** John Mahoney, Terry M. Wanzek

**Others present:** See attached appendix

**It was moved by Commissioner Christopherson, seconded by Commissioner Kinnoin, and carried on a voice vote that the minutes of the May 5, 2004, meeting be approved as distributed.**

**LEGISLATIVE COMPENSATION AND REIMBURSEMENT ISSUES SURVEY**

The Legislative Council staff presented a memorandum entitled *Legislative Compensation and Reimbursement Survey Results*. At the Legislative Compensation Commission meeting on May 5, 2004, Chairman Axtman asked the Legislative Council staff to conduct a survey of members of the Legislative Management Committee regarding legislative compensation and reimbursement issues. The following is a summary of the legislative compensation and reimbursement issues the members of the Legislative Management Committee were asked to respond to and the responses of six members.

Legislative Compensation and Reimbursement Issues	Responses
<p><b>Compensation for regular, special, or organizational sessions</b> - The current compensation for regular, special, or organizational sessions is \$125 per calendar day. The compensation was last increased in 2001 from \$111 to \$125 per day.</p>	<p>No suggested changes.</p> <p>The compensation is not sufficient; however, the compensation should not be increased due to the status of the state's budget.</p> <p>The compensation should be increased by \$10 per day, from \$125 to \$135 per day.</p> <p>No suggested changes.</p> <p>The compensation should follow inflation or state employee salary increases.</p> <p>No suggested changes.</p>
<p><b>Lodging expense reimbursement for regular, special, or organizational sessions</b> - The current lodging expense reimbursement for regular, special, or</p>	<p>No suggested changes.</p> <p>The lodging expense reimbursement is adequate.</p> <p>The maximum lodging expense reimbursement</p>

Legislative Compensation and Reimbursement Issues	Responses
<p>organizational sessions is \$45 plus tax per calendar day up to \$650 per month. The maximum expense reimbursement allowed was last increased in 1985 from \$600 to \$650. The Legislative Compensation Commission, at its May 5, 2004, meeting, discussed increasing the maximum lodging expense reimbursement allowed during legislative sessions from \$650 to \$900 per month for motels and \$750 per month for private residences.</p>	<p>allowed during legislative sessions should be increased to \$900 per month.</p> <p>No suggested changes.</p> <p>An increase for the maximum lodging expense reimbursement allowed during legislative sessions to \$750 or \$800 per month for motels would be adequate.</p> <p>The proposed lodging expense reimbursement increase to \$900 per month for motels is too great. The guarantee of a room filled for the month is a benefit for a motel, and there are days when motels are not filled. An increase to \$750 or \$800 per month for motels would be adequate.</p>
<p><b>Mileage expense reimbursement</b> - The current mileage expense reimbursement for regular, special, or organizational sessions and interim meetings is 31 cents per mile. The rate was last increased in 2001 from 25 to 31 cents per mile. The Legislative Compensation Commission, at its May 5, 2004, meeting, discussed increasing the rate from 31 to 37.5 cents per mile.</p>	<p>No suggested changes.</p> <p>An increase to 37.5 cents per mile for mileage expense reimbursement is appropriate.</p> <p>The mileage expense reimbursement should be raised to 37.5 cents per mile.</p> <p>The committee should consider increasing the mileage expense reimbursement to the standard mileage rate set by the Internal Revenue Service.</p> <p>The mileage expense reimbursement should be increased to 37.5 cents per mile.</p> <p>An increase to 37.5 cents per mile is warranted due to increased fuel costs.</p>
<p><b>Compensation during term of office</b> - The current compensation paid to legislators during their term of office is \$250 per month. The compensation was last increased in 1985 from \$180 to \$250 per month.</p>	<p>No suggested changes.</p> <p>The commission should consider an increase of \$50, from \$250 per month to \$300 per month.</p> <p>An increase of \$100 per month, from \$250 to \$350 per month, would be appropriate.</p> <p>No suggested changes.</p>

Legislative Compensation and Reimbursement Issues	Responses
<p><b>Compensation for interim meetings</b> - The current compensation for attendance at meetings of the Legislative Council and its committees is \$100 per day. The compensation was last increased in 2001 from \$75 to \$100 per day.</p>	<p>The current compensation of \$250 per month is acceptable; however, the commission may consider a percentage increase for inflation.</p> <p>An increase of \$50 per month, from \$250 to \$300 per month, would be appropriate.</p> <p>No suggested changes.</p> <p>The compensation for interim meetings should be the same as compensation for regular, special, or organizational sessions, \$125 per day.</p> <p>The compensation for interim meetings should be increased to \$125 per day.</p> <p>No suggested changes.</p> <p>The current compensation for interim meetings is acceptable; however, the commission may consider a percentage increase for inflation.</p> <p>No suggested changes.</p>

Commissioner Kinnoin said he is concerned with the large increase for monthly lodging expense reimbursement for regular, special, or organizational sessions being considered by the commission.

In response to a question from Commissioner Axtman regarding the number of members of the Legislative Assembly staying in motels and private residences, the Legislative Council staff said for the 2003 regular legislative session 80 legislators stayed in motels and 45 legislators stayed in private residences.

In response to a question from Commissioner Christopherson, Ms. Karen J. Mund, Legislative Administrator, said the Office of Management and Budget has a policy prohibiting state employees from receiving lodging reimbursement when staying with family members; however, the Legislative Management Committee has determined that members of the Legislative Assembly may receive lodging reimbursement when staying with family members. She said this option is used on a limited basis by legislators.

**LEGISLATIVE LODGING EXPENSE REIMBURSEMENT**

The Legislative Council staff presented a bill draft [50080.0100] to amend North Dakota Century Code (NDCC) Section 54-03-20 to increase the maximum lodging expense reimbursement allowed during legislative sessions from \$650 per month to \$900 per month for licensed lodging establishments and \$750 per month for any other lodging.

In response to a question from Commissioner Axtman, the Legislative Council staff said legislators

who live in districts outside Bismarck are allowed daily round trip mileage reimbursement of 31 cents per mile or lodging reimbursement of up to \$45 per night plus any applicable state or local taxes, with a combination of mileage and lodging reimbursement up to a maximum of \$650 per month. The bill draft increases the maximum allowed under these circumstances from \$650 per month to \$750 per month.

**STATE MILEAGE REIMBURSEMENT RATE**

The Legislative Council staff presented a bill draft [50081.0100] to amend NDCC Section 54-06-09 to increase the state mileage reimbursement rate from 31 to 37.5 cents per mile.

In response to a question from Commissioner Christopherson, the Legislative Council staff said the current federal mileage reimbursement rate is 37.5 cents per mile.

**FISCAL IMPACT**

The Legislative Council staff presented a memorandum entitled *Estimated Fiscal Impact of Items Considered by the Legislative Compensation Commission - May 5, 2004, Meeting*. The memorandum indicates the estimated general fund fiscal impact for the 2005-07 biennium of increasing the maximum lodging expense reimbursement allowed during legislative sessions from \$650 per month to \$900 per month is \$125,000, and the estimated general fund fiscal impact of increasing the maximum lodging expense reimbursement from \$650 per month to \$900 per month for licensed lodging establishments and \$750 per month for any other lodging is \$98,000. The memorandum also indicates the estimated fiscal impact for all state agencies for the 2005-07 biennium of increasing the state mileage reimbursement rate from 31 cents to 35 or 37.5 cents per mile is:

Mileage Rates	Estimated Fiscal Impact - 2005-07 Biennium		
	General Fund	Other Funds	Total
35 cents per mile	\$130,802 <sup>1</sup>	\$109,834 <sup>1</sup>	\$240,636 <sup>1</sup>
37.5 cents per mile	\$212,546 <sup>1</sup>	\$178,474 <sup>1</sup>	\$391,020 <sup>1</sup>

<sup>1</sup>The estimated biennial fiscal impact for the legislative branch of increasing the state mileage reimbursement rate from 31 to 35 cents per mile is approximately \$66,000, \$31,000 for the Legislative Assembly and \$35,000 for the Legislative Council. The estimated biennial impact for the legislative branch of increasing the rate from 31 to 37.5 cents per mile is approximately \$107,200, \$50,600 for the Legislative Assembly and \$56,600 for the Legislative Council.

In response to a question from Commissioner Christopherson, the Legislative Council staff said state employees are encouraged to use Department of Transportation Fleet Services vehicles rather than receive reimbursement for using their own vehicle.

## **IN-STATE LODGING REIMBURSEMENT RATE**

At Chairman Axtman's request, Ms. Pam Sharp, Director, Office of Management and Budget, provided information regarding the fiscal impact of increasing the in-state lodging reimbursement rate from \$45 to \$50 per day plus any applicable state or local taxes. A copy of the information is on file in the Legislative Council office. She said the estimated biennial fiscal impact of increasing the in-state lodging reimbursement rate from \$45 to \$50 per day is an increase of \$282,563, of which \$106,773 is from the general fund and \$175,790 is from special funds.

In response to a question from Commissioner Axtman, Ms. Sharp said there are some areas of the state where state employees may have difficulties reserving a room at the state rate.

## **COMMITTEE DISCUSSION AND STAFF DIRECTIVES**

**It was moved by Commissioner Christopherson, seconded by Commissioner Kinnoin, and carried on a roll call vote that the commission recommend the compensation for regular, special, or organizational sessions remain at the current level.** Commissioners Axtman, Christopherson, and Kinnoin voted "aye." No negative votes were cast.

**It was moved by Commissioner Kinnoin, seconded by Commissioner Christopherson, and carried on a roll call vote that the bill draft relating to increasing the maximum legislator lodging expense reimbursement allowed during legislative sessions from \$650 per month to \$900 per month for licensed lodging establishments and \$750 per month for any other lodging be approved and submitted to the 2005 Legislative Assembly.** Commissioners Axtman, Christopherson, and Kinnoin voted "aye." No negative votes were cast.

**It was moved by Commissioner Kinnoin, seconded by Commissioner Christopherson, and carried on a roll call vote that the bill draft relating to increasing the state mileage reimbursement rate from 31 to 37.5 cents per mile be approved and submitted to the 2005 Legislative Assembly.**

Commissioners Axtman, Christopherson, and Kinnoin voted "aye." No negative votes were cast.

**It was moved by Commissioner Christopherson, seconded by Commissioner Kinnoin, and carried on a roll call vote that the commission recommend the monthly compensation paid to legislators during their term of office remain at the current level.** Commissioners Axtman, Christopherson, and Kinnoin voted "aye." No negative votes were cast.

**It was moved by Commissioner Christopherson, seconded by Commissioner Kinnoin, and carried on a roll call vote that the commission recommend the compensation for interim meetings remain at the current level.** Commissioners Axtman, Christopherson, and Kinnoin voted "aye." No negative votes were cast.

In response to a question from Commissioner Christopherson, the legislative budget analyst and auditor said at the commission's previous meeting, Mr. Bill Shalhoob, owner and managing partner, Select Inn, Bismarck, said the North Dakota Hospitality Association will request the 2005 Legislative Assembly provide an increase in the in-state lodging reimbursement rate and the in-state meals reimbursement.

**It was moved by Commissioner Kinnoin, seconded by Commissioner Christopherson, and carried on a voice vote that the chairman of the commission and the staff of the Legislative Council be requested to prepare a report and the bill drafts recommended by the commission and submit the report and the recommended bill drafts to the 2005 Legislative Assembly.**

The meeting adjourned sine die at 9:45 a.m.

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Roxanne Woeste  
Senior Fiscal Analyst

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Jim W. Smith  
Legislative Budget Analyst and Auditor

ATTACH:1