

## LEGISLATIVE COMPENSATION AND EXPENSES

This memorandum provides information on:

- The determination of legislative compensation.
- The history of legislative compensation and expense reimbursement in North Dakota.
- Recent changes in the amount of additional compensation provided to the Speaker of the House, legislative leaders, and committee chairmen.
- Current rates of compensation and expense reimbursement provided to members of the Legislative Assembly.
- 2009-11 biennium expenditures for the Legislative Assembly.
- 2011-13 biennium appropriations for the Legislative Assembly.

### STATUTORY PROVISIONS RELATING TO LEGISLATIVE COMPENSATION RECOMMENDATIONS

The Legislative Assembly in 2011 House Bill No. 1001 amended North Dakota Century Code Section 54-03-20 to require that the Legislative Management prior to each regular legislative session make recommendations and submit any necessary legislation to adjust legislative compensation amounts. Previously, the Legislative Compensation Commission made recommendations and submitted legislation to adjust legislative compensation. However, the Legislative Assembly in 2011 House Bill No. 1261 repealed the commission. The following is a history of the commission:

- The commission was established by the Legislative Assembly in 1969. Consisting of five members appointed by the Governor, the primary duty of the commission was to determine appropriate rates of expense allowance and compensation to be paid to members of the Legislative Assembly. In 1979, after 10 years of existence, the law which created the original commission was repealed.
- The commission was recreated by passage of 1983 Senate Bill No. 2360. The bill, codified as Sections 54-03-19.1 and 54-03-19.2, once again directed the commission to determine appropriate levels of expense allowance and compensation to be paid to members of the Legislative Assembly.
- In 1993, Section 54-03-19.1 was amended to direct the commission to also develop recommendations for a long-term policy on legislative compensation, expense allowance, and insurance benefits. In addition, the Legislative Assembly in 1993 amended Section 54-03-19.2 to allow the commission to file with the Legislative Council a bill incorporating its recommendations.
- The Legislative Assembly in 1997 amended Section 54-03-19.1 to provide that no more than three of the five appointees to the commission may represent the same political party.
- The Legislative Assembly in 2011 House Bill No. 1261 repealed Sections 54-03-19.1 and 54-03-19.2 relating to the commission.

### HISTORY OF LEGISLATIVE COMPENSATION AND EXPENSE REIMBURSEMENT

As originally adopted in 1889, the Constitution of North Dakota provided that legislators were entitled to compensation for their service during each legislative session at the rate of \$5 per day and 10 cents per mile of travel. In 1943 the Legislative Assembly passed House Concurrent Resolution X, which would have amended the constitution to provide that in addition to \$5 per day and 10 cents per mile, legislators be paid \$4 per day reimbursement for other expenses. However, this resolution was narrowly rejected by the voters (86,340 to 85,212) and legislative compensation and expense reimbursement remained at the level set in 1889.

Although the rate of legislative compensation was limited by the constitution, the rate of expense reimbursement was not. In 1945 the Legislative Assembly passed legislation, now codified as Section 54-03-20, which provided for expense reimbursement payments to legislators. The level of expense reimbursement was set at \$300 per session. Expense reimbursement was increased to \$600 per session in 1949 and \$1,200 per session in 1957. In 1959 this section was amended to provide that the expense reimbursement was to cover expenses incurred during the session and the interim. In 1965 expense reimbursement was changed to \$1,200 per session and \$35 per month during each legislator's term of office. In 1967 expense reimbursement for each legislator's term of office remained unchanged at \$35 per month, but the expense reimbursement provided during sessions was increased to \$25 per calendar day (a maximum of \$1,500 based on the constitutional limitation then in effect of 60 legislative days, not including organizational session). From 1967 to 1981, legislative session expense

reimbursement was increased six times--from \$25 to \$85 per day--and reimbursement for expenses incurred during each legislator's term of office was increased four times--from \$35 to \$180 per month. However, legislative compensation still remained at \$5 per calendar day during legislative sessions, as provided by the constitution.

The 1889 constitutional provision was repealed on June 8, 1982, by voter approval of measure No. 4, which created Article XI, Section 26, of the Constitution of North Dakota, and provides that:

The legislative, executive, and judicial branches are coequal branches of government. Elected members and officials of each branch shall receive as compensation for their services only such amounts as may be specifically set by law. Payment for necessary expenses shall not exceed those allowed for other state employees.

After the adoption of the 1982 constitutional amendment, the subsequent Legislative Assembly (1983) amended Section 54-03-20 to increase legislative compensation from \$5 to \$40 per day during legislative sessions. Most legislators were also entitled to receive \$50 per day expense reimbursement, a decrease of \$35 from the expense reimbursement rate in effect in 1981. The 1983 combined total of compensation (\$40) and expense reimbursement (\$50) resulted in no overall change from the 1981 combined total of compensation (\$5) and expense reimbursement (\$85). The Legislative Assembly in 1983 also added a provision that each legislator was entitled to reimbursement during the session for one round trip per week between the legislator's residence and the Capitol at the rate provided for state employee travel.

The Legislative Assembly in 1985 amended Section 54-03-20 to provide that legislators receive compensation of \$90 per calendar day during the session. In addition, legislative expense reimbursement was changed to a maximum of \$600 per month for lodging for out-of-area legislators or for mileage for legislators not claiming lodging reimbursement. Section 54-03-20 was also amended to provide that the \$180 per month payment to legislators during their term of office was compensation, not reimbursement for expenses.

The Legislative Assembly in 1997 made the following legislative compensation and expense reimbursement changes:

- Daily compensation during legislative sessions was increased from \$90 to \$111.
- Monthly compensation during each legislator's term of office was increased from \$180 to \$250.
- The maximum lodging expense reimbursement allowed during legislative sessions was increased from \$600 to \$650 per month.

The Legislative Assembly in 2001 increased daily compensation during legislative sessions from \$111 to \$125 per day.

The Legislative Assembly in 2003 did not make any legislative compensation and expense reimbursement changes; however, the Legislative Assembly considered but did not approve increasing the maximum lodging expense reimbursement allowed during legislative sessions from \$650 per month to 50 percent of the daily federal per diem lodging rate for the city of Bismarck for 30 days.

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

The Legislative Assembly in 2007 made the following legislative compensation changes:

- Increased legislators' daily pay during legislative sessions by 4 percent for the first year of the 2007-09 biennium from \$125 to \$130 per day and by 3.85 percent for the second year of the biennium from \$130 to \$135 per day.
- Increased monthly compensation during each legislator's term of office by 4 percent for the first year of the 2007-09 biennium from \$350 to \$364 and by 3.85 percent for the second year of the biennium from \$364 to \$378.

The Legislative Assembly in 2009 made the following legislative compensation changes:

- Increased legislators' daily pay during legislative sessions by 5 percent per year for the 2009-11 biennium from \$135 to \$141 per day effective August 1, 2009, and to \$148 per day effective July 1, 2010.
- Increased monthly compensation during each legislator's term of office by 5 percent per year for the 2009-11 biennium from \$378 to \$396 effective August 1, 2009, and to \$415 effective July 1, 2010.

The Legislative Assembly in 2011 made the following legislative compensation changes:

- Increased legislators' daily pay during legislative sessions by 3 percent per year for the 2011-13 biennium from \$148 to \$152 per day effective July 1, 2011, and to \$157 per day effective July 1, 2012.
- Increased monthly compensation during each legislator's term of office by 3 percent per year for the 2011-13 biennium from \$415 to \$427 effective July 1, 2011, and to \$440 effective July 1, 2012.

In addition to daily compensation and expense reimbursement during legislative sessions and monthly compensation during their term of office, legislators are entitled to be compensated for time spent in attendance at interim committee meetings. The Legislative Assembly in 1945 created the Legislative Research Committee (which eventually became the Legislative Management) to direct legislative studies and research during the interim and provided that members of the committee and its subcommittees were entitled to compensation of \$5 per day for time spent in attendance at interim meetings. The Legislative Assembly in 1949 amended what is now codified as Section 54-35-10 to increase compensation to \$10 per day. The interim compensation rate was increased again in 1967 to \$20, in 1969 to \$30, in 1975 to \$45, in 1979 to \$52, and in 1981 to \$62.50. This amount was not changed again until 1999, when it was increased to \$75 per day. It was increased in 2001 to \$100 per day. The Legislative Assembly in 2007 increased the interim compensation rate by 4 percent for the first year of the 2007-09 biennium from \$100 to \$104 per day and 3.85 percent for the second year of the biennium from \$104 to \$108. The Legislative Assembly in 2007 also increased the compensation rate to \$135 per day beginning July 1, 2009. The Legislative Assembly in 2009 increased the interim compensation rate by 5 percent per year for the 2009-11 biennium from \$135 to \$141 per day effective August 1, 2009, and to \$148 per day effective July 1, 2010. The Legislative Assembly in 2011 increased the interim compensation rate by 3 percent per year for the 2011-13 biennium from \$148 to \$152 per day effective July 1, 2011, and to \$157 per day effective July 1, 2012.

The following table summarizes increases in legislative compensation and expense reimbursement from 1889 to 2012:

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
2007	\$130			\$900	\$364	\$104.00 <sup>7</sup>
2008	\$135			\$900	\$378	\$108.00 <sup>7</sup>
2009	\$141			\$1,040 <sup>8</sup>	\$396	\$141.00 <sup>7,9</sup>
2010	\$148			\$1,040 <sup>8</sup>	\$415	\$148.00 <sup>7,9</sup>
2011	\$152			\$1,351 <sup>10</sup>	\$427	\$152.00 <sup>7,9</sup>
2012	\$157			\$1,351 <sup>10</sup>	\$440	\$157.00 <sup>7,9</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 for lodging for out-of-area legislators or for mileage for legislators not claiming lodging reimbursements.

<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 Legislative Assembly in 2005 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 \$30 per day for expense reimbursement for meals. The Legislative Assembly in 2011 House Bill No. 1426 increased the expense reimbursement for meals from \$25 per day to \$30 per day effective August 1, 2011.

<sup>8</sup>The Legislative Assembly in 2009 increased the maximum lodging expenses reimbursement allowed during legislative sessions from \$900 per month to 30 times 55 percent of the state daily lodging expense reimbursement rate. This increase was effective August 1, 2009. Based on the current estimated state daily lodging reimbursement rate of \$63 per night, the maximum monthly lodging expense reimbursement is estimated to be \$1,040 per month.

<sup>9</sup>The Legislative Assembly in 2007 House Bill No. 1001 increased legislators' interim meeting pay to \$135 beginning July 1, 2009. The Legislative Assembly in 2009 Senate Bill No. 2064 increased legislators' interim meeting pay by 5 percent per year from \$135 to \$141 per day effective August 1, 2009, and to \$148 per day effective July 1, 2010. The Legislative Assembly in 2011 House Bill No. 1001 increased legislators' interim meeting pay by 3 percent per year from \$148 to \$152 per day effective July 1, 2011, and to \$157 per day effective July 1, 2012.

<sup>10</sup>The Legislative Assembly in 2011 Senate Bill No. 2015 increased the maximum lodging expenses reimbursement allowed during legislative sessions from \$1,040 per month to 30 times 65 percent of the state daily lodging expense reimbursement rate. This increase became effective August 1, 2011. Based on the current estimated state daily lodging reimbursement rate of \$69.30 per night, the maximum monthly lodging expense reimbursement is estimated to be \$1,351 per month.

### **ADDITIONAL COMPENSATION - 1989 TO 2012 CHANGES**

The Legislative Assembly in 1989 amended Section 54-03-10 to provide that additional compensation of \$5 per day, previously provided only to committee chairmen, also be provided to the Assistant Majority and Minority Leaders. Pursuant to this section, the Speaker of the House and Majority and Minority Leaders are entitled to additional compensation of \$10 per day.

The Legislative Assembly in 2011 amended Section 54-03-10 to increase the additional compensation provided to the Speaker of the House, the House Majority Leader, the Senate Majority Leader, the House Minority Leader, and the Senate Minority Leader from \$10 to \$15 per day for each calendar day during any regular, special, or organizational session. The section was also amended to increase the additional compensation provided to the chairmen of the substantive standing committees, the House Assistant Majority Leader, the Senate Assistant Majority Leader, the House Assistant Minority Leader, and the Senate Assistant Minority Leader from \$5 to \$10 per day for each calendar day during any regular, special, or organizational session.

The Legislative Assembly in 1999 amended Section 54-03-20 to provide that Majority and Minority Leaders of the House and Senate are entitled to receive as compensation, in addition to other compensation and expense reimbursements, the sum of \$250 per month.

The Legislative Assembly in 2001 amended Section 54-03-20 to provide that the Chairman of the Legislative Council, if the Chairman is not a Majority or Minority Leader, is entitled to receive an additional \$250 per month. The Legislative Assembly in 2001 also amended Section 54-03-20 (Senate Bill No. 2048) to provide that each member of the Legislative Assembly attending a meeting of a legislative committee between the organizational session and the regular session, as authorized by legislative rule, is entitled to compensation at the session rate. This statutory change was enacted in response to action taken by the Legislative Management Committee during the 1999-2000 interim. The Legislative Management Committee adopted House and Senate Rules 505, which provide that the Appropriations Committees may meet for not more than five calendar days during the period after the adjournment of the organizational session and before the convening of the regular session, as called by the Majority Leader of each respective legislative chamber.

The Legislative Assembly in 2007 amended Section 54-03-20 to increase the additional monthly compensation for Majority and Minority Leaders of the House and Senate and the Chairman of the Legislative Council if not a Majority or Minority Leader by 4 percent for the first year of the 2007-09 biennium and 3.85 percent for the second year of the 2007-09 biennium. As a result, leaders' additional monthly compensation increased from \$250 to \$260 effective August 1, 2007, and to \$270 effective July 1, 2008.

The Legislative Assembly in 2009 amended Section 54-03-20 to increase the additional monthly compensation for Majority and Minority Leaders of the House and Senate and the Chairman of the Legislative Management if not a Majority or Minority Leader by 5 percent per year for the 2009-11 biennium. As a result, leaders' additional monthly compensation increased from \$270 to \$284 effective July 1, 2009, and to \$298 effective July 1, 2010.

The Legislative Assembly in 2011 amended Section 54-03-20 to increase the additional monthly compensation for Majority and Minority Leaders of the House and Senate and the Chairman of the Legislative Management if not a Majority or Minority Leader by 3 percent per year for the 2011-13 biennium. As a result, leaders' additional monthly compensation increased from \$298 to \$307 effective July 1, 2011, and to \$316 effective July 1, 2012.

## CURRENT COMPENSATION AND EXPENSE REIMBURSEMENT RATES

The following schedule provides a summary of the current compensation and expense reimbursement rates provided to members of the Legislative Assembly during legislative sessions, monthly during their term of office, and for expenses incurred during the interim:

<b>Compensation for Regular, Special, or Organizational Sessions</b>	
Salary (Section 54-03-20)	\$157 per calendar day, effective July 1, 2012
Additional compensation (Section 54-03-10)	
Speaker of the House	\$15 per calendar day
House Majority Leader	\$15 per calendar day
Senate Majority Leader	\$15 per calendar day
House Minority Leader	\$15 per calendar day
Senate Minority Leader	\$15 per calendar day
Chairmen of substantive standing committees	\$10 per calendar day
House Assistant Majority Leader	\$10 per calendar day
Senate Assistant Majority Leader	\$10 per calendar day
House Assistant Minority Leader	\$10 per calendar day
Senate Assistant Minority Leader	\$10 per calendar day
<b>Expense Reimbursement for Regular, Special, or Organizational Sessions</b>	
Lodging expenses (Sections 44-08-04 and 54-03-20)	Ninety percent of the rate established by the United States General Services Administration for lodging reimbursement in the state plus tax per calendar day up to 30 times 65 percent of the state daily lodging expense reimbursement rate for legislators who reside outside Bismarck and Mandan (currently \$69.30 plus tax per calendar day up to \$1,351 per month for legislators who reside outside Bismarck or Mandan)
Mileage (Sections 54-03-20 and 54-06-09)	Federal mileage reimbursement rate per mile for legislators who reside outside of Bismarck for one round trip each calendar week going to and from the meeting of the Legislative Assembly (The current federal mileage reimbursement rate is 55.5 cents per mile.)
<b>Compensation During Term of Office</b>	
Compensation paid monthly to legislators during their term of office (Section 54-03-20)	\$440 per month, effective July 1, 2012
Additional compensation for Majority and Minority Leaders and Legislative Management Chairman (Section 54-03-20)	\$316 per month, effective July 1, 2012
<b>Compensation for Interim Meetings</b>	
Compensation for attendance at meetings of the Legislative Management and its committees (Section 54-35-10)	\$157 per day, effective July 1, 2012
Additional compensation	
Legislative Management 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 \$30 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 per day not to exceed 90 percent of the rate established by the United States General Services Administration for lodging reimbursement in the state (current federal lodging reimbursement rate is \$77 per night), plus any applicable state or local taxes in state; actual expenses for out-of-state travel
Mileage (Section 54-06-09)	Federal mileage reimbursement rate per mile by motor vehicle (current federal mileage reimbursement rate is 55.5 cents); 18 cents per mile by motor vehicle 300 miles beyond the state border; 1.5 times the state mileage reimbursement rate by motor vehicle per mile by private airplane

## 2009-11 BIENNIUM EXPENDITURES FOR THE LEGISLATIVE ASSEMBLY

The amounts spent by the Legislative Assembly in 2011 for the regular legislative session and the 2009-11 biennium in total are shown on the following schedule:

	2011 Regular Legislative Session Costs	Other Costs	Total
Costs paid during 2009-11 biennium			
Legislators' salaries and wages			
Salaries and wages	\$2,591,676	\$1,397,743	\$3,989,419
Fringe benefits	198,263	149,363	347,626
Health insurance	0	2,516,280	2,516,280
Total legislators' salaries and wages	\$2,789,939	\$4,063,386 <sup>1</sup>	\$6,853,325
Mileage and lodging			
Lodging during session	\$520,975	\$0	\$520,975
Mileage during session	354,210	0	354,210
Total mileage and lodging	\$875,185	\$0	\$875,185
Total legislators' salaries and wages, mileage, and lodging	\$3,665,124	\$4,063,386	\$7,728,510
Session employees' salaries and wages	1,017,006	0	1,017,006
Other expenses	506,122	1,530,299	2,036,421
Development of legislative applications replacement system project (LEGEND) software		4,760,167 <sup>2</sup>	4,760,167
Total 2011 legislative session costs	\$5,188,252 <sup>3</sup>	\$10,353,852	\$15,542,104
<sup>1</sup> Other costs - Legislators' salaries and wages - Includes legislators' monthly compensation and health insurance. <sup>2</sup> Expenditures incurred during the 2009-11 biennium for the development of the LEGEND software system. <sup>3</sup> 2011 regular legislative session costs per day.			
		<b>Cost Per Day</b>	
81 legislative days (including the three-day organizational session)		\$64,052	
122 calendar days (including the three-day organizational session and travel days to and from the organizational and regular sessions)		\$42,527	

The amounts appropriated and spent for the Legislative Assembly for the 2009-11 biennium are shown on the following schedule:

2009-11 biennium Legislative Assembly appropriation (2009 SB 2001)	\$16,014,554
Add 1997-99 biennium carryover, pursuant to 1999 SB 2015	147,416
Add 2007-09 biennium carryover, pursuant to 2009 SB 2001	2,024,870
2009-11 biennium adjusted Legislative Assembly appropriation	\$18,186,840
Less unexpended appropriation authority	2,644,736 <sup>1</sup>
Total 2009-11 biennium expenditures for the Legislative Assembly	\$15,542,104
<sup>1</sup> The \$2,644,736 unexpended appropriation authority is available for use during the 2011-13 biennium, including \$125,538 pursuant to 1999 Senate Bill No. 2015, \$1,169,210 pursuant to 2009 Senate Bill No. 2001, and \$1,349,988 pursuant to 2011 House Bill No. 1001.	

## 2011-13 BIENNIUM APPROPRIATIONS FOR THE LEGISLATIVE ASSEMBLY

The following schedule shows the amount appropriated for the Legislative Assembly for the 2011-13 biennium:

Estimated cost of legislators' session compensation	\$2,764,335 <sup>1</sup>
Estimated cost of legislators' monthly compensation	1,644,240
Estimated cost of legislators' health insurance (\$887 per month premium for 130 legislators)	2,779,421
Estimated cost of lodging during session	813,272
Estimated cost of mileage during session	428,464
Estimated cost of session employees' compensation	1,337,658
Estimated cost of redistricting special session (one-time funding)	272,018 <sup>2</sup>
Estimated cost of computer equipment replacement (one-time funding)	510,750
Estimated cost of information technology projects (one-time funding)	159,938
Estimated cost of legislative wing equipment and improvements (one-time funding)	1,300,000
Estimated other expenses	2,257,821
Total 2011-13 biennium appropriation for the Legislative Assembly (2011 HB 1001)	\$14,267,917
<sup>1</sup> Provides funding for a 77-legislative-day 2013 legislative session and a 3-legislative-day 2012 organizational session. <sup>2</sup> Provides funding for a 5-legislative-day special session in November 2011.	