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LEGISLATIVE COMPENSATION INCREASES COMPARED TO INFLATION AND STATE EMPLOYEE SALARY INCREASES - 1981 THROUGH 2000

This memorandum compares actual legislative compensation rates and legislative compensation rates adjusted for inflation and state employee salary increases for the period 1981 through 2000.

LEGISLATIVE COMPENSATION RATES

North Dakota Century Code (NDCC) Section 54-03-20 provides that each member of the Legislative Assembly is entitled to receive compensation of \$111 per calendar day during each regular, special, or organizational session. In addition, each legislator is entitled to receive monthly compensation of \$250 during each legislator's term of office. Section 54-35-10 provides that legislators are also entitled to receive compensation of \$75 per day for attending interim meetings of the Legislative Council and its committees.

CHANGES IN LEGISLATIVE COMPENSATION SINCE 1981

In 1981 the amount legislators were paid as monthly compensation was increased from \$150 to \$180. Also in 1981 the amount legislators were paid for attending meetings of the Legislative Council and its committees was increased from \$52 per day to \$62.50 per day. Legislative session compensation was constitutionally limited to \$5 per calendar day, and the level of expense reimbursement during legislative sessions was set by statute at \$85 per calendar day for a total of \$90 per day.

The constitutional provision limiting legislative compensation was repealed on June 8, 1982, by voter approval of measure No. 4, which created Section 26 of Article XI of the Constitution of North Dakota, and provides that: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 NDCC Section 54-03-20 to set the levels of legislative session compensation and expense reimbursement at \$40 per day and \$50 per day, respectively. As an exception to the compensation and expense reimbursement rates provided to other legislators, legislators from Bismarck received \$90 per day as compensation and no expense reimbursement. Consequently, the total of legislative session expense reimbursement and compensation for all legislators remained unchanged at \$90 per day.

The 1985 Legislative Assembly amended NDCC Section 54-03-20 to provide that legislators receive compensation of \$90 per calendar day during the legislative session plus reimbursement for lodging up to \$600 per month. Section 54-03-20 was also amended to provide that the \$180 per month payment to legislators during their terms of office was compensation rather than reimbursement for expenses.

North Dakota Century Code Section 54-03-20 was not substantively changed again until 1997. The changes made by the 1997 Legislative Assembly include:

- Increased daily compensation during legislative sessions from \$90 to \$111.
- Increased monthly compensation during each legislator's term of office from \$180 to \$250.
- Provided that compensation may be paid monthly, rather than every six months, at the option of each legislator.
- Increased the maximum reimbursement for lodging during legislative sessions from \$600 to \$650 per month.

The 1999 Legislative Assembly increased the level of compensation for attending interim Legislative Council committee meetings from \$62.50 to \$75 per day.

The schedule attached as an appendix provides a comparison of actual legislative compensation rates and legislative compensation rates adjusted for inflation and state employee salary increases for the period 1981 through 2000.

ATTACH:1

**ACTUAL LEGISLATIVE COMPENSATION RATES AND LEGISLATIVE COMPENSATION RATES ADJUSTED FOR INFLATION
AND STATE EMPLOYEE SALARY INCREASES - 1981 THROUGH 2000**

	ACTUAL COMPENSATION RATES			Inflation ²	COMPENSATION RATES ADJUSTED FOR INFLATION			Salary Increases Provided to State Employees	COMPENSATION RATES ADJUSTED FOR SALARY INCREASES PROVIDED TO STATE EMPLOYEES		
	Interim Daily Compensation	Session Daily Compensation and Expense Reimbursement ¹	Monthly Compensation During Term of Office		Interim Daily Compensation	Session Daily Compensation	Monthly Compensation During Term of Office		Interim Daily Compensation	Session Daily Compensation	Monthly Compensation During Term of Office
1981	\$62.50	\$90.00	\$180.00		\$62.50	\$90.00	\$180.00		\$62.50	\$90.00	\$180.00
1982	\$62.50	\$90.00	\$180.00	6.2%	\$66.38	\$95.58	\$191.16	8.0% ³	\$67.50	\$97.20	\$194.40
1983	\$62.50	\$90.00	\$180.00	3.2%	\$68.50	\$98.64	\$197.28	2.0% ⁴	\$68.85	\$99.14	\$198.29
1984	\$62.50	\$90.00	\$180.00	4.3%	\$71.45	\$102.88	\$205.76	2.0% ⁴	\$70.23	\$101.12	\$202.26
1985	\$62.50	\$90.00	\$180.00	3.5%	\$73.95	\$106.48	\$212.96	5.5% ⁵	\$74.09	\$106.68	\$213.38
1986	\$62.50	\$90.00	\$180.00	1.9%	\$75.36	\$108.50	\$217.01	4.0% ⁶	\$77.05	\$110.95	\$221.92
1987	\$62.50	\$90.00	\$180.00	3.7%	\$78.15	\$112.51	\$225.04	0.0%	\$77.05	\$110.95	\$221.92
1988	\$62.50	\$90.00	\$180.00	4.1%	\$81.35	\$117.12	\$234.27	0.0%	\$77.05	\$110.95	\$221.92
1989	\$62.50	\$90.00	\$180.00	4.8%	\$85.25	\$122.74	\$245.51	7.1% ⁷	\$82.52	\$118.83	\$237.68
1990	\$62.50	\$90.00	\$180.00	5.4%	\$89.85	\$129.37	\$258.77	0.0% ⁸	\$82.52	\$118.83	\$237.68
1991	\$62.50	\$90.00	\$180.00	4.2%	\$93.62	\$134.80	\$269.64	4.0% ⁹	\$85.82	\$123.58	\$247.19
1992	\$62.50	\$90.00	\$180.00	3.0%	\$96.43	\$138.84	\$277.73	\$40 per month ¹⁰	\$87.54	\$126.05	\$252.13
1993	\$62.50	\$90.00	\$180.00	3.0%	\$99.32	\$143.01	\$286.06	\$60 per month ¹¹	\$90.17	\$129.83	\$259.69
1994	\$62.50	\$90.00	\$180.00	2.6%	\$101.90	\$146.73	\$293.50	3.0% ¹²	\$92.88	\$133.72	\$267.48
1995	\$62.50	\$90.00	\$180.00	2.8%	\$104.75	\$150.84	\$301.72	2.0%	\$94.74	\$136.39	\$272.83
1996	\$62.50	\$90.00	\$180.00	2.9%	\$107.79	\$155.21	\$310.47	3.0% ¹³	\$97.58	\$140.48	\$281.01
1997	\$62.50	\$111.00	\$250.00	2.3%	\$110.27	\$158.78	\$317.61	3.0% ¹⁵	\$100.51	\$144.69	\$289.44
1998	\$62.50	\$111.00	\$250.00	1.6%	\$112.03	\$161.32	\$322.69	3.0% ¹⁵	\$103.53	\$149.03	\$298.12
1999	\$75.00	\$111.00	\$250.00	2.2% ¹⁴	\$114.49	\$164.87	\$329.79	2.0% ¹⁶	\$105.60	\$152.01	\$304.08
2000	\$75.00	\$111.00	\$250.00	2.6% ¹⁴	\$117.47	\$169.16	\$338.36	3.0% ¹⁶	\$108.77	\$156.57	\$313.20

¹ Until 1985 the \$90 per calendar day amount included compensation and expense reimbursement. Beginning in 1985 the \$90 per day amount includes only compensation.

² The inflation rate is the annual percentage change in the consumer price index.

³ The actual salary increase was reduced by a budget allotment directed by the Governor.

⁴ The percentage shown is a two percent additional state paid contribution to retirement in lieu of a salary increase.

⁵ Salary increases of 9.5 percent were provided to higher education faculty and senior administrative staff, 5.5 percent for all other state employees.

⁶ The Governor deferred this salary increase for executive branch agencies until January 1, 1987, with a minimum of \$50 per month. For the purposes of this analysis, a four percent increase was applied to legislative compensation.

⁷ Salary increases of 11.4 percent were provided for higher education faculty at the University of North Dakota and North Dakota State University; 9.5 percent for higher education faculty at other four-year universities; 7.3 percent for higher education faculty at two-year colleges; 9.1 percent for faculty at the UND Medical School; 8.7 to 9.7 percent for administrative, professional, and classified employees at the institutions of higher education; and 7.1 percent for all other state employees.

⁸ Salary increases of seven percent were provided for higher education faculty at four-year universities, five percent for higher education faculty at two-year colleges, and zero percent for all other state employees.

⁹ A salary increase of four percent, with a minimum of \$50 per month, was provided for state employees. For the purposes of this analysis, only the four percent increase was applied to legislative compensation.

¹⁰ The \$40 per month increase averaged approximately two percent for classified state employees. For the purposes of this analysis, a two percent increase was applied to legislative compensation.

¹¹ The \$60 per month increase averaged approximately three percent for classified state employees. For the purposes of this analysis, a three percent increase was applied to legislative compensation.

¹² A salary increase of up to three percent was provided to the extent available from agency savings.

¹³ The salary increase of three percent includes one percent provided for salary equity adjustments and merit increases.

¹⁴ Projected annual percentage increase in the consumer price index, as projected by Regional Financial Associates (RFA).

¹⁵ Salary increases were a minimum of \$30 per month, with any additional increases, up to an average of three percent, distributed on the basis of merit and equity. For the purposes of this analysis, only the three percent increase was applied to legislative compensation.

¹⁶ Salary increases were a minimum of \$35 per month, with any additional increases up to two percent the first year and three percent the second year distributed on the basis of merit and equity. For the purposes of this analysis, the percentage increases were applied to legislative compensation.