

Minutes of the

LEGISLATIVE COMPENSATION COMMISSION

Monday, June 21, 2010
 Roughrider Room, State Capitol
 Bismarck, North Dakota

Mr. Charles Axtman, Chairman, called the meeting to order at 1:00 p.m.

Members present: Charles Axtman, Ron Carlisle, John Mahoney, Margaret Sitte

Member absent: Meyer Kinnoin

Others present: See attached [appendix](#)

BACKGROUND INFORMATION

The Legislative Council staff presented a memorandum entitled [Legislative Compensation Commission - Background Memorandum](#). The memorandum provides information on statutory provisions relating to the Legislative Compensation Commission, the history of the Legislative Compensation Commission, and recent recommendations of the Legislative Compensation Commission. She said North Dakota Century Code Section 54-03-19.1 provides that the Legislative Compensation Commission:

- Consist of five members appointed by the Governor with no more than three members representing the same political party.
- Develop recommendations for a long-term policy on legislative compensation, expense allowance, and insurance benefits.
- Recommend appropriate levels of legislative compensation, expense allowance, and insurance benefits.

The Legislative Council staff said Section 54-03-19.2 provides that the Legislative Compensation Commission must meet at least once each biennium to determine levels of legislative compensation, expense allowance, and insurance benefits which permit citizens to hold legislative office without undue financial sacrifice or disadvantage. The commission may consult with the leadership of the Legislative Assembly and review compensation, expense allowance, and insurance benefits for legislative service in other states and in other areas. The commission is to report its findings and recommendations regarding legislative compensation to the Legislative Assembly, and the commission may file with the Legislative Council a bill draft incorporating its recommendations.

The Legislative Council staff presented a memorandum entitled [Legislative Compensation and Expenses](#) regarding the history of legislative compensation and expense reimbursement rates in North Dakota, additional compensation, current compensation rates and reimbursements, and Legislative Assembly 2007-09 biennium expenditures and 2009-11 biennium appropriations. The following schedule summarizes increases in legislative compensation and expense reimbursement rates from 1889 to 2010:

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 ¹				\$10.00
1965	\$5	\$1,200 ²			\$35 ²	\$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 ³		\$50 ³		\$180	\$62.50
1985	\$90			\$600 ⁴	\$180 ⁵	\$62.50
1997	\$111			\$650	\$250	\$62.50

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		
1999	\$111			\$650	\$250	\$75.00
2001	\$125			\$650	\$250	\$100.00
2005	\$125			\$900 ⁶	\$350 ⁶	\$100.00
2007	\$130			\$900	\$364	\$104.00 ⁷
2008	\$135			\$900	\$378	\$108.00 ⁷
2009	\$141			\$1,040 ⁸	\$396	\$141.00 ^{7,9}
2010	\$148			\$1,040 ⁸	\$415	\$148.00 ^{7,9}

¹Section 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.

²Section 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.

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

⁴Section 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.

⁵House 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.

⁶The 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.

⁷In 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.

⁸The 2009 Legislative Assembly 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.

⁹The 2007 Legislative Assembly in House Bill No. 1001 increased legislators' interim meeting pay to \$135, beginning July 1, 2009. The 2009 Legislative Assembly in 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 Council staff said the 2009 Legislative Assembly made the following changes to legislators' compensation and expense reimbursement rates:

- Increased legislators' monthly compensation by 5 percent per year, from \$378 to \$396, effective August 1, 2009, and to \$415, effective July 1, 2010.
- Increased the compensation for regular, special, or organizational sessions by 5 percent per year from \$135 to \$141 per calendar day, effective August 1, 2009, and to \$148 per calendar day, effective July 1, 2010.
- Increased the interim compensation rate by 5 percent per year from \$135 to \$141 per day, effective August 1, 2009, and to \$148 per day, effective July 1, 2010.
- Increased the legislative leaders' additional monthly compensation by approximately 5 percent per year from \$270 to \$284, effective July 1, 2009, and to \$298, effective July 1, 2010.
- Increased the maximum monthly lodging expense reimbursement allowed during legislative sessions from \$900 per month to 30 times 55 percent of the state daily lodging expense reimbursement rate, effective August 1, 2009. (Based on the current state daily lodging reimbursement rate of \$63 per night, the maximum monthly lodging expense reimbursement is estimated to be \$1,040 per month.)
- Increased the state daily lodging expense reimbursement rate from \$55 plus tax per night to 90 percent of the rate established by the United States General Services Administration for lodging reimbursement in the state plus tax, effective August 1, 2009. (The current federal lodging reimbursement rate is \$70 per night plus tax; therefore, 90 percent of the federal lodging reimbursement rate would be \$63 per night plus tax.)
- Provided that the state mileage expense reimbursement rate be equal to the federal mileage expense reimbursement rate, effective

August 1, 2009. (The current federal mileage expense reimbursement rate is 50 cents per mile.)

- Increased the reimbursement rate for travel by private airplane from 70 cents per mile to the

sum of 1.5 times the mileage reimbursement rate by motor vehicle, effective August 1, 2009.

The following schedule, also included in the memorandum, summarizes the current compensation and expense reimbursement rates provided to members of the Legislative Assembly:

Compensation for Regular, Special, or Organizational Sessions	
Salary (Section 54-03-20)	\$141 per calendar day (\$148 per calendar day, effective July 1, 2010)
Additional compensation (Section 54-03-10)	
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
Expense Reimbursement for Regular, Special, or Organizational Sessions	
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 55 percent of the state daily lodging expense reimbursement rate for legislators who reside outside Bismarck and Mandan (currently \$63 plus tax per calendar day up to \$1,040 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 50 cents per mile.)
Compensation During Term of Office	
Compensation paid monthly to legislators during their term of office (Section 54-03-20)	\$396 per month (\$415 per month, effective July 1, 2010)
Additional compensation for majority and minority leaders and Legislative Management chairman (Section 54-03-20)	\$284 per month (\$298 per month, effective July 1, 2010)
Compensation for Interim Meetings	
Compensation for attendance at meetings of the Legislative Management and its committees (Section 54-35-10)	\$141 per day (\$148 per day, effective July 1, 2010)
Additional compensation	
Legislative Management chairman (Section 54-35-10)	\$5 per day
Committee chairmen (Section 54-35-10)	\$5 per day
Expense Reimbursement for Interim Meetings	
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 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 \$70 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 50 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

The Legislative Council staff presented a memorandum entitled [Legislative Compensation Increases Compared to Inflation and State Employee Salary Increases - 1981 Through 2010](#). The following

schedule compares legislative compensation rates effective 2010 to 1981 rates adjusted annually for inflation and percentage salary increases provided to state employees:

	Actual 2010 Compensation Rates	1981 Compensation Rates Adjusted for Inflation	1981 Compensation Rates Adjusted for Salary Increases Provided to State Employees
Interim daily compensation	\$148.00	\$153.74	\$147.37
Session daily compensation	\$148.00	\$221.37	\$212.16
Monthly compensation during term of office	\$415.00	\$442.84	\$424.41

The Legislative Council staff presented a memorandum entitled [Legislative Compensation Levels in Other States](#). The information presented includes legislative compensation, expense reimbursement, and other benefits provided to legislators in each of the 50 states as prepared by the National Conference of State Legislatures.

reimbursement rate and the lodging reimbursement rate are changed by the Office of Management and Budget based on federal reimbursement rates.

MEETING WITH LEGISLATIVE PROCEDURE AND ARRANGEMENTS COMMITTEE

The commission attended the meeting of the Legislative Procedure and Arrangements Committee.

At the request of Representative Al Carlson, Chairman, Legislative Procedure and Arrangements Committee, Chairman Axtman addressed the committee. Chairman Axtman said the commission has discussed the duties of the Legislative Compensation Commission and reviewed background information regarding legislative compensation and expense reimbursement. He said the commission has made the following recommendations relating to legislative compensation and expense reimbursement:

- Increase legislators' daily pay during legislative sessions and the interim meeting compensation rate by the same percentage as the authorized salary increase for state employees for the 2011-13 biennium.
- No change for the monthly compensation during each legislator's term of office for the 2011-13 biennium.

COMMISSION DISCUSSION AND STAFF DIRECTIVES

In response to a question from Commissioner Carlisle, the Legislative Council staff said the 2009 Legislative Assembly provided funding for state employee salary increases equal to an average of 5 percent of salaries, effective July 1, 2009, and 5 percent, effective July 1, 2010.

In response to a question from Commissioner Carlisle, the legislative budget analyst and auditor said the Public Employees Retirement System preliminary estimates indicate health insurance premiums may increase from \$826 per month to approximately \$1,000 per month for the 2011-13 biennium.

Commissioner Carlisle suggested legislators' regular session daily compensation and interim compensation increase by the same percentage as the authorized salary increase for state employees for the 2011-13 biennium.

Commissioner Sitte said she agrees with Commissioner Carlisle's suggestion.

It was moved by Commissioner Carlisle, seconded by Commissioner Sitte, and carried on a roll call vote that the Legislative Compensation Commission recommend legislators' compensation for regular, special, and organizational sessions and the interim compensation rate be increased by the same percentage as the legislatively authorized salary increase for state employees for the 2011-13 biennium. Commissioners Axtman, Carlisle, Mahoney, and Sitte voted "aye." No negative votes were cast.

Commissioner Sitte suggested legislators' monthly compensation during each legislator's term of office not be changed for the 2011-13 biennium.

Chairman Axtman said he agrees with Commissioner Sitte's suggestion.

Chairman Axtman said because of changes made by the 2009 Legislative Assembly, the state mileage

COMMISSION DISCUSSION AND STAFF DIRECTIVES

The commission returned to its discussion regarding legislative compensation.

Chairman Axtman requested the staff of the Legislative Council to prepare the commission's report and a bill draft incorporating the commission's recommendations and submit the report and the recommended bill draft to the 2011 Legislative Assembly.

The legislative budget analyst and auditor said the bill draft to be introduced will include the statutory changes necessary to increase legislators' daily session pay and interim meeting pay by the same percentage increase recommended by the Governor for state employee salaries for the 2011-13 biennium.

The meeting adjourned sine die at 1:45 p.m.

Roxanne Woeste
Assistant Legislative Budget Analyst and Auditor

Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:1