

Minutes of the

**LEGISLATIVE COMPENSATION COMMISSION**

Thursday, September 28, 2000  
Harvest Room, State Capitol  
Bismarck, North Dakota

Mr. Charles Axtman, Chairman, called the meeting to order at 10:00 a.m.

**Members present:** Charles Axtman, Rosie Black, Jim Gerl, Steve Gorman, Tish Kelly

**Others present:** Karen Mund, Legislative Council, Bismarck

**It was moved by Ms. Kelly, seconded by Mr. Gorman, and carried on a voice vote that the minutes of the May 24, 2000, meeting be approved as distributed.**

**ARIZONA COMMISSION ON SALARIES FOR ELECTIVE STATE OFFICERS**

Chairman Axtman called on the Legislative Council staff to present a memorandum entitled *Arizona Commission on Salaries for Elective State Officers Legislative Pay Recommendations*. The Arizona Commission on Salaries for Elective State Officers consists of five members--two members appointed by the Governor, one member appointed by the President of the Senate, one member appointed by the Speaker of the House, and one member appointed by the Chief Justice of the Supreme Court. The commission makes recommendations relating to compensation for all elected state officials, including legislators. The commission's recommendation relating to the salaries of elected state officials other than legislators is submitted to the Governor who then makes a recommendation to the legislature. If not rejected by the legislature within 90 days, the Governor's recommendation takes effect in January of the following year. The commission's recommendation relating to legislative pay is considered by the voters at the next regular general election. If approved by the voters, the commission's recommendation takes effect at the beginning of the next legislative session. The legislative pay recommendations of the commission have been approved by the voters three times--in 1970, 1980, and 1998. The commission's recommended pay increases for legislators have been rejected by the voters 11 times--in 1972, 1974, 1976, 1978, 1982, 1986, 1988, 1990, 1992, 1994, and 1996.

Mr. Gerl said the Legislative Compensation Commission should have the authority to set rather than recommend the level of legislative compensation. He said this concept was included in a bill recommended to the 1997 Legislative Assembly by the 1995-96 interim Legislative Compensation Commission.

Ms. Kelly said the 1997 Legislative Assembly did not support granting the Legislative Compensation Commission the authority to set rather than recommend the level of legislative compensation. She said the 2001 Legislative Assembly is unlikely to support the concept, even though it is difficult for legislators to avoid public criticism when voting for a legislative pay increase.

**STATE MILEAGE REIMBURSEMENT RATE**

Chairman Axtman called on the Legislative Council staff to present a bill draft to amend North Dakota Century Code (NDCC) Section 54-06-09 to increase the state mileage reimbursement rate from 25 to 31 cents per mile.

The Legislative Council staff presented a memorandum entitled *Budget Adjustments Resulting From Increased Mileage Reimbursement Rate - 1995 House Bill No. 1245*. The state mileage reimbursement rate was last changed by the 1995 Legislative Assembly, which passed House Bill No. 1245, increasing the mileage reimbursement rate from 20 to 25 cents per mile. State agency budgets for the 1995-97 biennium were not increased to reflect additional travel costs resulting from the increased mileage reimbursement rate. Legislative records indicate it was the intent of the Legislative Assembly that agencies reduce the amount of travel for which mileage reimbursement is required in order to pay the new rate of 25 cents per mile without exceeding the amounts appropriated for travel expenses.

The Legislative Council staff presented a memorandum entitled *Estimated 1999-2001, 2001-03, and 2003-05 Bienniums Fiscal Impact of Bill Drafts Requested by the Legislative Compensation Commission at Its May 24, 2000, Meeting*. The memorandum indicates the estimated statewide fiscal impact of the bill draft relating to increasing the state mileage reimbursement rate from 25 to 31 cents per mile is:

Biennium	Estimated Fiscal Impact		
	General Fund	Other Funds	Total
1999-2001	\$0	\$0	\$0
2001-03	\$226,336	\$224,175	\$450,511
2003-05	\$236,176	\$233,922	\$470,098

Ms. Kelly said requiring a state agency to pay reimbursement for employee travel at a rate higher than the rate used in preparing the agency budget

may impact agency operations. Mr. Jim W. Smith, Legislative Budget Analyst and Auditor, Legislative Council, said NDCC Section 24-02-03.3 requires that every state agency, institution, department, board, bureau, and commission, unless exempted by the director of the Department of Transportation, must use the Department of Transportation's central vehicle management system. He said the increased mileage reimbursement rate will only affect state agencies that allow state employees to travel using their own vehicles.

Mr. Smith said a representative of the Office of Management and Budget has indicated that the Office of Management and Budget plans to introduce a bill for consideration by the 2001 Legislative Assembly to increase the state mileage reimbursement rate from 25 to 31 cents per mile. Mr. Gorman said the Legislative Compensation Commission should consider recommending the bill draft to increase the state mileage reimbursement rate even though the Office of Management and Budget plans to introduce a similar bill. He said the issue of inadequate mileage reimbursement is a concern for legislators. Ms. Kelly said having bills introduced by the Legislative Compensation Commission and the Office of Management and Budget to increase the state mileage reimbursement rate should convey to the Legislative Assembly the necessity of considering the issue. She said the cost of gasoline has increased considerably from when the mileage reimbursement rate was set in 1995. She said the increase in the cost of gasoline makes it necessary to increase the mileage reimbursement rate.

Ms. Black said the Legislative Compensation Commission should consider amending the bill draft to include a special clause providing for retroactive application to January 1, 2001. She said if the bill is enacted without a special clause providing for retroactive application, the bill will take effect August 1, 2001. She said the higher mileage reimbursement rate will not be applied to legislators during the 2001 legislative session unless such a special clause is included in the bill. Ms. Kelly said the issue of retroactive application can be considered by the Legislative Assembly even if the bill draft is approved by the Legislative Compensation Commission without the inclusion of a special clause. The Legislative Council staff indicated that if the bill is enacted with a special clause providing for retroactive application, the impact on the Legislative Assembly's 1999-2001 biennium budget will be additional general fund expenditures of approximately \$46,000.

**It was moved by Mr. Gerl, seconded by Ms. Kelly, and carried on a roll call vote that the bill draft relating to increasing the state mileage reimbursement rate from 25 to 31 cents per mile be approved and submitted to the 2001 Legislative Assembly.** Mr. Axtman, Ms. Black, Mr. Gerl, Mr. Gorman, and Ms. Kelly voted "aye." No negative votes were cast.

## LEGISLATIVE SESSION COMPENSATION

Chairman Axtman called on the Legislative Council staff to present a bill draft to amend NDCC Section 54-03-20 to increase the rate of legislative compensation during legislative sessions from \$111 to \$125 per calendar day. The memorandum entitled *Estimated 1999-2001, 2001-03, and 2003-05 Bienniums Fiscal Impact of Bill Drafts Requested by the Legislative Compensation Commission at Its May 24, 2000, Meeting*, previously presented by the Legislative Council staff, indicates the estimated fiscal impact of the bill draft is:

Biennium	Estimated Fiscal Impact		
	General Fund	Other Funds	Total
1999-2001	\$0	\$0	\$0
2001-03	\$250,344	\$0	\$250,344
2003-05	\$250,344	\$0	\$250,344

Mr. Gerl asked when the most recent legislative session pay increase was authorized by the Legislative Assembly. Mr. Axtman said the last increase in legislative session compensation was authorized by the 1997 Legislative Assembly, when the amount was increased from \$90 to \$111 per calendar day. Mr. Axtman said the 1997 increase was to provide an increase of a portion of the salary increases provided to state employees since the previous change in legislative compensation.

In response to a question from Mr. Axtman, commission members indicated that they have not received any negative comments from members of the public regarding the proposed increase in legislative session compensation since it was considered at the last meeting of the commission.

In response to a question from Ms. Kelly, Mr. Smith said the amount that will be proposed in the Governor's budget for the 2001-03 biennium for state employee salary increases has not been determined and will not be made available until the executive budget is released on December 7, 2000.

**It was moved by Mr. Gorman, seconded by Ms. Kelly, and carried on a roll call vote that the bill draft relating to increasing legislative session compensation from \$111 to \$125 per calendar day be approved and submitted to the 2001 Legislative Assembly.** Mr. Axtman, Ms. Black, Mr. Gerl, Mr. Gorman, and Ms. Kelly voted "aye." No negative votes were cast.

## LEGISLATIVE INTERIM COMPENSATION

Chairman Axtman called on the Legislative Council staff to present a bill draft to amend NDCC Section 54-35-10(1) to increase legislative interim compensation from \$75 to \$100 per day. The memorandum entitled *Estimated 1999-2001, 2001-03, and 2003-05 Bienniums Fiscal Impact of Bill Drafts Requested by the Legislative Compensation Commission at Its May 24, 2000, Meeting*, previously presented by the

Legislative Council staff, indicates that the estimated fiscal impact of the bill draft is as follows:

Biennium	Estimated Fiscal Impact		
	General Fund	Other Funds	Total
1999-2001	\$0	\$0	\$0
2001-03	\$140,928	\$0	\$140,928
2003-05	\$140,928	\$0	\$140,928

Ms. Kelly said at the commission's last meeting, members of the Legislative Management Committee expressed concern regarding the disparity between legislative session and interim compensation paid to legislators.

Mr. Axtman said several other legislators have expressed similar concerns regarding the low rate of interim pay.

Mr. Gorman said the bill draft continues to provide for a lower rate of pay for legislators during the interim than during legislative sessions. He said, however, considering the maximum daily meals reimbursement rate of \$20, the rate of interim compensation will be only \$5 less than the rate of compensation provided during legislative sessions if the bill drafts are approved by the 2001 Legislative Assembly. He said the Legislative Compensation Commission's approval of the bill draft will indicate the commission's desire to reduce the disparity between legislative session and interim compensation rates.

In response to a question from Ms. Kelly, the Legislative Council staff said as a result of the 1997 Legislative Assembly's passage of Senate Bill No. 2052, which was recommended by the Legislative Compensation Commission, the rate of pay for members of various state boards and commissions is

no longer tied to the rate of pay provided to legislators pursuant to NDCC Section 54-35-10.

**It was moved by Ms. Kelly, seconded by Mr. Gorman, and carried on a roll call vote that the bill draft relating to increasing interim legislative compensation from \$75 to \$100 per day be approved and submitted to the 2001 Legislative Assembly.** Mr. Axtman, Ms. Black, Mr. Gerl, Mr. Gorman, and Ms. Kelly voted "aye." No negative votes were cast.

**STAFF DIRECTIVES**

**It was moved by Ms. Kelly, seconded by Ms. Black, 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 present the report and the recommended bill drafts to the 2001 Legislative Assembly.**

**It was moved by Ms. Kelly, seconded by Mr. Gorman, and carried on a voice vote that the meeting be adjourned sine die.**

The meeting adjourned sine die at 10:50 a.m.

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Joe R. Morrisette  
Senior Fiscal Analyst

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Jim W. Smith  
Legislative Budget Analyst and Auditor