

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2176

2001 SENATE APPROPRIATIONS

SB 2176

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2176

Senate Appropriations Committee

Conference Committee

Hearing Date January 22, 2001

Tape Number	Side A	Side B	Meter #
Tape #1		x	4.8 - 11.5
Committee Clerk Signature <i>Janice Peterson</i>			

Minutes:

Senator Nething opened the hearing on SB2176.

Joe Morrissette, Legislative Council Staff for the Legislative Compensation Commission, presented documentation (a copy of documentation is attached - same as SB2175). Bill states "are entitled" At the rate of \$100 (was \$75). Still leaves \$25 difference; but during interim sessions there is an allowance of \$20 for meals.

Senator Nething: Line 8: are entitled to (SB2176) and SB2175 -- same language -- regular session authorization --- if a person wants to vote no, this will say they don't have to take it?

Joe Morrissette: Housekeeping language.

John Olsrud, Director, North Dakota Legislative Council: The word "shall" is old usage and has been in many laws. However, proper English grammar states shall is as a command -- ethics issue: this is an entitlement, appropriate steps must be taken to secure reimbursement.

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Senate Appropriations Committee

Bill/Resolution Number SB2176

Hearing Date January 22, 2001

Senator Nething: Legislator can vote no -- and still get the pay same as those who vote for it?

Using the vehicle entitled, but they don't have to take additional dollars?

John Olsrud: Hope you don't go that route --- could be an accounting system nightmare. We have had some legislators who have not filled out the expense voucher -- requesting reimbursement -- by their own choice they do not complete the paperwork.

Senator Nething: Vehicle is available -- no pay raise forced on legislators; can vote no - tell their constituents that -- but get the pay raise anyway

John Olsrud: Policy issue; could be an employer/employee issue -- but this deals with elected officials. Implications could become accounting nightmare -- but we will do as the legislature deems best -- you make the final decision; we are staff.

Senator Nething requested that the records here indicate testimony given by Senator Gary Nelson on SB2175, also be noted here (with Senator Gary Nelson's permission).

SB2176 changes are that the members of the council and the members of any committee of the council are entitled to be compensated for the time spent in attendance at sessions of the council and of its committees at the rate of \$100 per day (was \$75). He stands in support of both SB2175 and SB2176.

No Additional testimony; hearing closed by Senator Nething.

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Senate Appropriations Committee
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February 15, 2001 Full Committee (Tape 1, Side A, Meter No. Third of four bill actions
0.0 - 54.1)

Senator Nething reopened the hearing on SB2176.

Discussion. Senator Solberg moved a DO PASS; seconded by Senator Grindberg. Discussion.

Call for the Roll Call Votes: 11 yes; 0 no; 3 absent and not voting.

Senator Nething will take the floor assignment.

FISCAL NOTE
 Requested by Legislative Council
 01/03/2001

Bill/Resolution No.: SB 2176

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$138,146		\$138,146	
Appropriations					\$138,146	

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill increases the compensation paid to legislators for attendance at Legislative Council and related committee meetings by \$25 per day, from \$75 to \$100 per day.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The amounts shown reflect the additional funding needed to pay per diem for legislators attending Legislative Council and related meetings based on the committee and meeting structure during the 1999-2000 interim.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

No appropriation amount is shown for the 2001-03 biennium because the \$138,146 is included in the

executive budget.

Name:	Jim W. Smith	Agency:	Legislative Council
Phone Number:	328-2916	Date Prepared:	01/08/2001

Date: 2-15-01

Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2176

Senate Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass

Motion Made By Sen Holmberg Seconded By Sen Grindberg

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger					
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac	✓				
Joel C. Heitkamp	✓				
Tony Grindberg	✓				
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman					
John M. Andrist	✓				

Total Yes 11 No 0

Absent 3

Floor Assignment Senator Nething

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 15, 2001 10:00 a.m.

Module No: SR-28-3469
Carrier: Nething
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2176: Appropriations Committee (Sen. Nething, Chairman) recommends DO PASS
(11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2176 was placed on the
Eleventh order on the calendar.

2001 HOUSE APPROPRIATIONS

SB 2176

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2176

House Appropriations Committee

Conference Committee

Hearing Date **March 13, 2001**

Tape Number	Side A	Side B	Meter #
1	x		783 - 1170
Committee Clerk Signature <i>Z J Janke</i>			

Minutes:

HOUSE APPROPRIATIONS COMMITTEE HEARING ON SB2176.

Rep. Timm: We will open the hearing on SB2176.

Joe Morrissette, Legislative Council: The memorandum that we just went through on SB2175 applies equally to SB2176, and I won't go through that information again. This bill it increases the interim compensation rate for attending legislative council committee meetings from \$75 to \$100 and there is not enacting clause and this bill would take effect on August 1.

Rep. Timm: Did the compensation commission discuss anything about increasing that daily interim compensation equal to what we as legislators get during the session?

Joe Morrissette: That was discussed and they had received comments I know, both from the legislative management committee and from legislators individually that the disparity between the session and the interim compensation needed to be reduced or eliminated and they felt that is was O.K. In statue to have some difference there because of the meals reimbursement that is

allowed during the interim. If you were traveling for the entire day of course you would receive and additional \$20.00 which would make that \$120 per day compared to the \$125 that SB2175 would provide for sessions, so there would still be some difference there but it would reduce it.

Rep. Timm: It wouldn't be correct if the legislators were compensated in an amount per day and not the meals, because all the state employees are compensated for meals, so we have to be compensated for meals too, is that correct?

Joe Morrisette: Current law provides that legislators are reimbursed as are state employees at those rates for mileage, lodging, and for meals reimbursement.

Rep. Kempenich: To come up with the \$138,000, is that based on an average number of interim meetings, or does that vary?

Joe Morrisette: That's correct, its based on the past history of the number of meetings and that is also how the budget for the next biennium was based, so its consistent on how the budget was built for the council.

Rep. Delzer: Is there any other boards or commissions now that are still tied to interim legislative compensation?

Joe Morrisette: Its possible that there are, I believe it was the 97 session when the legislative compensation commission recommended that the tie between what other boards or commission's are paid and what legislators are paid be eliminated so there is another large bill that went through each section of the code that had a reference to section 54-35-10 was that these board members are paid in accordance with 54-35-10 and those sections were eliminated and replaced with a fixed dollar amount. At that time it was \$62.50 per day and the thought there was that those boards and commissions can bring forth legislation to increase that on there own. At that time all those cross references were eliminated, and it is possible in the last couple of sessions

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House Appropriations Committee
Bill/Resolution Number SB2176
Hearing Date March 13, 2001

something may have been changed there, I don't believe that has been examined but if there are it would be a limited number.

Rep. Timm: Any other questions? Any other testimony in support of SB2176? Any opposition to SB2176? If not we will close the hearing on SB2176.

House Appropriations Committee closed hearing on SB2176.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2176A.

House Appropriations Committee

Conference Committee

Hearing Date **March 16, 2001**

Tape Number	Side A	Side B	Meter #
I	x		2230 - 2395
Committee Clerk Signature			

Minutes:

HOUSE APPROPRIATIONS COMMITTEE ACTION ON SB2176A.

Rep. Timm: This bill raises legislative pay and interim committee's from \$75.00 to \$100.00 a day. Rep. Wald moves for a DO PASS, Seconded by Rep. Heuther. Any discussion? Roll call vote was taken (20) YES (0) NO (1) absent and not voting. Motion passes. Rep. Timm will carry the bill to the floor.

END OF HOUSE APPROPRIATIONS ACTION ON SB2176A.

Date: 3/16/01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2176

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By WALD Seconded By HUETHER

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold	✓		Rep - Koppelman		
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer	✓		Rep - Svedjan	✓	
Rep - Glassheim	✓		Rep - Thoreson	✓	
Rep - Gulleeson	✓		Rep - Warner	✓	
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman	✓				
Rep - Kliniske	✓				

Total (Yes) 20 No 0

Absent 1

Floor Assignment Timm.

If the vote is on an amendment, briefly indicate intent:

2001 TESTIMONY

SB 2176

May 2000

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 ¹	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%	\$78.13	\$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	\$237.66
1990	\$62.50	\$90.00	\$180.00	5.4%	\$89.85	\$129.37	\$258.77	0.0% ⁸	\$82.52	\$118.83	\$237.66
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.