

LEGISLATIVE COMPENSATION AND EXPENSES

This memorandum provides information on:

- 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.
- 2007-09 biennium expenditures for the Legislative Assembly.
- 2009-11 biennium appropriations for the Legislative Assembly.

HISTORY OF LEGISLATIVE COMPENSATION AND EXPENSE REIMBURSEMENT

As originally adopted in 1889, the North Dakota Constitution 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 North Dakota Century Code 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 legislative 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 1983 Legislative Assembly also added a provision that each legislator was entitled to reimbursement during the legislative session for one round trip per week between the legislator's residence and the Capitol at the rate provided for state employee travel.

The 1985 Legislative Assembly amended Section 54-03-20 to provide that legislators receive compensation of \$90 per calendar day during the legislative session. In addition, legislative expense reimbursement was changed to a maximum of \$600 per month for lodging or mileage. 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 1997 Legislative Assembly 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 and mileage expense reimbursement allowed during legislative sessions was increased from \$600 to \$650 per month.

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

The 2003 Legislative Assembly did not make any legislative compensation and expense reimbursement changes; however, the Legislative Assembly considered 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 increased reimbursement for lodging during any month of a regular session was not to exceed \$100 over the maximum allowed for lodging per month during the last regular session. During the 2003 legislative session, 50 percent of the daily federal per diem lodging rate for North Dakota of \$55 for 30 days would have totaled \$825. Due to the provision that the increased reimbursement for lodging was not to exceed \$100 over the maximum allowed during the last regular session, the maximum lodging reimbursement allowed would have been \$750 per month.

The 2005 Legislative Assembly 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 2007 Legislative Assembly 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 2009 Legislative Assembly 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.

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 1945 Legislative Assembly 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 1949 Legislative Assembly 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 2007 Legislative Assembly 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 2007 Legislative Assembly also increased the compensation rate to \$135 per day beginning July 1, 2009. The 2009 Legislative Assembly 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 following table summarizes increases in legislative compensation and expense reimbursement 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 |
| 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.

ADDITIONAL COMPENSATION - 1989 TO 2010 CHANGES

The 1989 Legislative Assembly 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 1999 Legislative Assembly 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 2001 Legislative Assembly 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 2001 Legislative Assembly 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 2005 Legislative Assembly provided for a study of the appropriateness of increasing the daily compensation for chairmen of substantive standing committee divisions established by rule of the House or Senate. The 2005-06 Legislative Management Committee was assigned the responsibility to study this issue. Committee members discussed whether division chairmen had the same workload as full committee chairmen, whether a category in addition to the \$10 and \$5 per day should be created, whether the additional compensation should be raised and thus allow a greater "spread" between the categories, and the impact of providing additional compensation to chairmen of divisions but not to chairmen of informally created subcommittees. The committee made no recommendation as a result of the study.

The 2007 Legislative Assembly amended Section 54-03-20 to increase the additional monthly compensation for majority and minority leaders of the House and Senate and 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 will increase to \$270, effective July 1, 2008.

The 2009 Legislative Assembly amended Section 54-03-20 to increase the additional monthly compensation for majority and minority leaders of the House and Senate and 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 will increase to \$298, effective July 1, 2010.

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:

| | |
|--|--|
| 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 |

2007-09 BIENNIUM EXPENDITURES FOR THE LEGISLATIVE ASSEMBLY

The amounts spent by the 2009 Legislative Assembly for the 2009 regular legislative session and the 2007-09 interim are shown on the following schedule:

| | 2009 Regular Legislative Session Costs | Other Costs | Total |
|--|--|--------------------------|---------------------|
| Costs paid during 2007-09 biennium | | | |
| Legislators' salaries and wages | | | |
| Salaries and wages | \$2,415,975 | \$1,281,067 | \$3,697,042 |
| Fringe benefits | 230,797 | 104,795 | 335,592 |
| Health insurance | 0 | 2,010,491 | 2,010,491 |
| Total legislators' salaries and wages | \$2,646,772 | \$3,396,353 ¹ | \$6,043,125 |
| Mileage and lodging | | | |
| Lodging during session | \$492,046 | \$0 | \$492,046 |
| Mileage during session | 336,153 | 0 | 336,153 |
| Total mileage and lodging | \$828,199 | \$0 | \$828,199 |
| Total legislators' salaries and wages, mileage, and lodging | \$3,474,971 | \$3,396,353 | \$6,871,324 |
| Session employees' salaries and wages | \$1,004,021 | \$0 | \$1,004,021 |
| Other expenses | 605,859 | 3,661,725 | 4,267,584 |
| 2007 legislative session costs | 0 | 10,990 ² | 10,990 |
| Total costs paid during 2007-09 biennium | \$5,084,851 | \$7,069,068 | \$12,153,919 |
| Costs paid during 2009-11 biennium | | | |
| Lodging during session | \$1,523 | | |
| Mileage during session | 1,265 | | |
| Other expenses | 12,128 | | |
| Total costs paid during 2009-11 biennium | \$14,916 | | |
| Total 2009 legislative session costs | \$5,099,767 ³ | | |
| | | | Cost Per Day |
| 82 legislative days (including the three-day organizational session) | | | \$62,192 |
| 121 calendar days (including the three-day organizational session and travel days to and from the organizational and regular sessions) | | | \$42,147 |

¹Other costs - Legislators' salaries and wages - Includes legislators' monthly compensation and health insurance.

²Represents \$10,990 of other expenses for the 2007 legislative session paid in the 2007-09 biennium.

³2009 regular legislative session costs per day.

The amounts appropriated and spent for the Legislative Assembly for the 2007-09 biennium are shown on the following schedule:

| | |
|--|---------------------------|
| 2007-09 biennium Legislative Assembly appropriation (2007 HB 1001 and 2007 HB 1014) | \$14,177,129 |
| Add 1997-99 biennium carryover, pursuant to 1999 SB 2015 | 149,076 |
| 2007-09 biennium adjusted Legislative Assembly appropriation | \$14,326,205 |
| Less unexpended appropriation authority | 2,172,286 ¹ |
| Total 2007-09 biennium expenditures for the Legislative Assembly | \$12,153,919 ² |
| ¹ The \$2,172,286 unexpended appropriation authority is available for use during the 2009-11 biennium, including \$147,416 pursuant to 1999 Senate Bill No. 2015 and \$2,024,870 pursuant to 2009 Senate Bill No. 2001. | |
| ² Includes \$10,990 of 2007 legislative session costs paid during the 2007-09 biennium. | |

2009-11 BIENNIUM APPROPRIATIONS FOR THE LEGISLATIVE ASSEMBLY

The following schedule shows the amount appropriated for the Legislative Assembly for the 2009-11 biennium:

| | |
|--|--------------------------|
| Estimated cost of legislators' session compensation | \$2,645,208 ¹ |
| Estimated cost of legislators' monthly compensation | 1,516,816 |
| Estimated cost of legislators' health insurance (\$826 per month premium for 126 legislators) | 2,497,736 |
| Estimated cost of lodging during session | 512,000 |
| Estimated cost of mileage during session | 428,922 |
| Estimated cost of session employees' compensation | 1,123,348 |
| Estimated cost of computer equipment replacement (one-time funding) | 92,500 |
| Estimated cost of legislative wing equipment and improvements (one-time funding) | 1,000,000 |
| Estimated cost of legislative applications replacement system project (one-time funding) | 3,910,827 |
| Estimated other expenses | 2,287,197 |
| Total 2009-11 biennium appropriation for the Legislative Assembly (2009 SB 2001) | \$16,014,554 |
| ¹ Provides funding for a 77-legislative-day 2011 legislative session and a 3-legislative-day 2010 organizational session. | |