

September 2012

LEGISLATIVE COMPENSATION ADJUSTMENT PROCESS

The Legislative Assembly in 2011 House Bill No. 1001 required the Legislative Management prior to each regular legislative session to make recommendations and submit any necessary legislation to adjust legislative compensation amounts. Previously, the Legislative Compensation Commission made recommendations and submitted legislation to adjust legislative compensation; however, the Legislative Assembly in 2011 House Bill No. 1261 repealed the commission.

COMMITTEE RESPONSIBILITY

The Chairman of the Legislative Management has assigned the responsibility of providing input on any recommendations for legislative compensation adjustments to the Legislative Procedure and Arrangements Committee.

CURRENT COMPENSATION LEVELS

The following are the current levels of legislative compensation and expense reimbursement:

- Monthly pay - \$440.
- Leaders and the Chairman of the Legislative Management additional monthly pay - \$316.
- Daily session pay - \$157.
- Daily interim meeting pay - \$157.
- Session lodging expense - Actual expense up to 90 percent of the rate established by the federal General Services Administration for lodging reimbursement in the state plus tax per calendar day up to 30 times 65 percent of the state daily lodging expense reimbursement rate per month for legislators who reside outside Bismarck and Mandan (currently \$69.30 plus tax per calendar day up to \$1,351 per month).
- Interim lodging expense - Actual expense up to 90 percent of the rate established by the federal General Services Administration for lodging reimbursement in the state plus tax (currently \$69.30 plus tax). This reimbursement rate also applies to state employees.
- Mileage expense - Federal mileage reimbursement rate per mile by motor vehicle (currently 55.5 cents per mile), 18 cents per mile by motor vehicle 300 miles beyond the state border, and 1.5 times the in-state mileage reimbursement rate per mile by private airplane. These reimbursement rates also apply to state employees.
- Interim meals expense - Up to \$30 per day in state--the federal per diem meals rate for out of state. This reimbursement rate also applies to state employees.

- Additional daily compensation for leaders and committee chairmen.

PROPOSED FUNDING AND STATUTORY CHANGES

Changes to legislative compensation are proposed to be the same as the percentage change provided for state employee salary increases for the 2013-15 biennium. The Legislative Assembly in 2007, 2009, and 2011 changed legislative pay by the same percentage as it did for state employee general salary increases. Also, the Legislative Compensation Commission for the 2011 legislative session recommended that legislative pay be adjusted by the same percentage as recommended in the executive budget for state employee salary increases. Since the executive budget recommendation for the percentage change for state employees' salaries will not be known until the executive budget is released in December 2012, the plan is to include funding to allow for a 3 percent annual increase in legislative compensation amounts for monthly pay (currently \$440), session pay (currently \$157), interim pay (currently \$157), and leaders' additional monthly pay (currently \$316). Funding to provide for these increases will be included in the Legislative Assembly budget request that is submitted to the Office of Management and Budget in early November. The related statutory changes will be included in the legislative branch appropriation bill that will be submitted for introduction in early December. If the executive budget recommendation or subsequent legislative action relating to state employee salary increases differs from the percentages or amounts included in the Legislative Assembly budget and the appropriation bill, changes may be made by amendment during the session. No changes are being proposed for travel expense reimbursement levels that apply to legislators as well as state employees.

The following chart shows the proposed legislative compensation changes based on 3 percent annual increases and the estimated cost of these increases for the 2013-15 biennium:

	Current Rate	Rate Effective July 1, 2013	Rate Effective July 1, 2014	Estimated Cost 2013-15 Biennium
Monthly pay	\$440	\$453	\$467	\$72,858
Daily session pay	\$157	\$162	\$167	176,072
Interim meeting pay	\$157	\$162	\$167	37,245
Leaders' additional monthly pay	\$316	\$325	\$335	1,447
Total				\$287,622