The Politically Perilous Pay Problem

Legislators in states with independent salary commissions have seen their pay stay on par with—or even ahead of—inflation.

BY JOHN MAHONEY

Whether it's debating a long-overdue budget bill, traveling to every corner of a district to raise money for ever-more expensive campaigns or holding impromptu town hall meetings with constituents in the local library, the job of a state legislator has changed significantly over the past 50 years.

A position that once required legislators to travel to the state capitol for just a few weeks a year before returning to their careers and families back home is increasingly becoming full time. Yet, as legislatures have evolved into significantly more professional, year-round institutions, most legislators' pay has not kept up.

In fact, when average legislator salaries are adjusted for inflation, pay has dropped about 11 percent since 1970, from $39,200 to $34,750.

The Saga of Sinking Salaries

The inability of legislators to garner public support for initiatives that increase their pay is a perennial problem. Some worry that if salaries fall too low, only the wealthy and the retired will fill our legislative chambers.

"This is a centuries-old dynamic," says Peverill Squire, political science professor at the University of Missouri and an expert on state legislatures. "Both Democrats and Republicans understand that, for people to run and be elected, they need to be fairly compensated." Salary increases also encourage a broader range of people to serve, which more accurately reflects the population as a whole, he says.

But the problem remains: It's just too hard to give yourself a raise when your income comes from taxpayers' wallets.

"On one hand, we are trying to attract qualified legislators, yet at the same time we have a public reluctant to pay their lawmakers," Squire says.

Cautionary tales from recent years high-

Effects of Commissions

By analyzing rates of biennial change, between 1992 and 2017, NCSL found that the presence of a commission, particularly one with the authority to set salaries directly, significantly correlates with higher raises for legislators.

Commission Type	Average Raise Over Biennium
None	3.2%
Advisory	4.6%
Sets pay unless vetoed	8.3%
Sets pay	8.6%

Note: Biennial rate of inflation is 4.6%.
Source: NCSL, 2017

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light the political risk of raising legislative pay. In Louisiana, in 2009, then-Governor Bobby Jindal (R) initially told lawmakers he would support a bill raising their annual salaries from $16,800 (set in 1980) to $37,500.

Angry constituents sent thousands of critical letters and emails to him and lawmakers, demanding they kill the bill. The press attacked the action, too. New Orleans Times-Picayune called the increases "greedy and shameless." The outcry forced Jindal to change course and veto the legislation.

In Pennsylvania, after the Legislature raised salaries 16 percent in 2005, voters ousted 17 incumbents in the next election.

Legislators in Colorado, Iowa and Texas (where legislative salaries have not changed since 1999, 2007 and 1972, respectively) have experienced similar public backlash in attempts to raise their outdated salaries.

What's the Solution?

Such incidents are not new to the American legislature. The pay problem has been a thorn in the side of legislative institutions for as long as they have existed. With an issue as difficult as this, and with voters unlikely to change their views in the foreseeable future, an increasing number of states are looking for objective solutions that remove lawmakers from the process yet ensure them fair and adequate compensation.

Nine states have tied legislative salaries to economic indices or state employee pay plans. In Alabama, Massachusetts, Pennsylvania, Ohio and Rhode Island, legislative pay is automatically adjusted as median household income or the consumer price index rises. In Florida, Montana and Wisconsin, legislative salaries are adjusted as part of a broad state employee pay plan. Indiana ties legislative salaries to those of state judges.

More states, however, have created compensation commissions to analyze legislative salaries and make recommendations or changes deemed necessary. Squire says forming such commissions allows legislators to avoid making unpopular decisions regarding their own pay, and aligns with a national effort to make salary decisions "more systematic and less capricious."

Compensation commissions take a variety of forms and roles. The oldest is Michigan's State Officers Compensation Commission, established in 1968. As an advisory body (the legislature is under no obligation to act on its recommendations), the commission has had mixed success in adjusting legislative pay. In 1968, Michigan lawmakers received an annual salary of $12,500; today, they're paid $71,685. When inflation is factored in, however, the real value of their salaries has fallen by about 18 percent. The legislature has not acted on the commission's recommendations since 2004.

Many states have made use of compensation commissions, but mostly on a temporary basis. Of the 19 active commissions, 11 were created between 1968 and 1986, three in the 1990s and five since 2000.

Representative Jason Metsa Minnesota

Minnesota Revamps

Minnesota is the latest state to give its compensation commission some teeth. After 18 years of salary stagnation, with legislative pay trailing far behind that of county commissioners and other state officials, Representative Jason Metsa (DFL) and Senator Kent Eken (DFL) co-authored a bill in 2014 to revamp the Legislative Salary Council, which at the time had a strictly advisory role. Metsa and Eken's measure amended the state constitution to give the council authority to set legislators' salaries. The bill was signed by the governor in that year, and passed

Senator Kent Eken Minnesota

BY THE NUMBERS
Legislator Compensation

1889
Year New Hampshire's salary was set

$100
New Hampshire legislators' annual pay

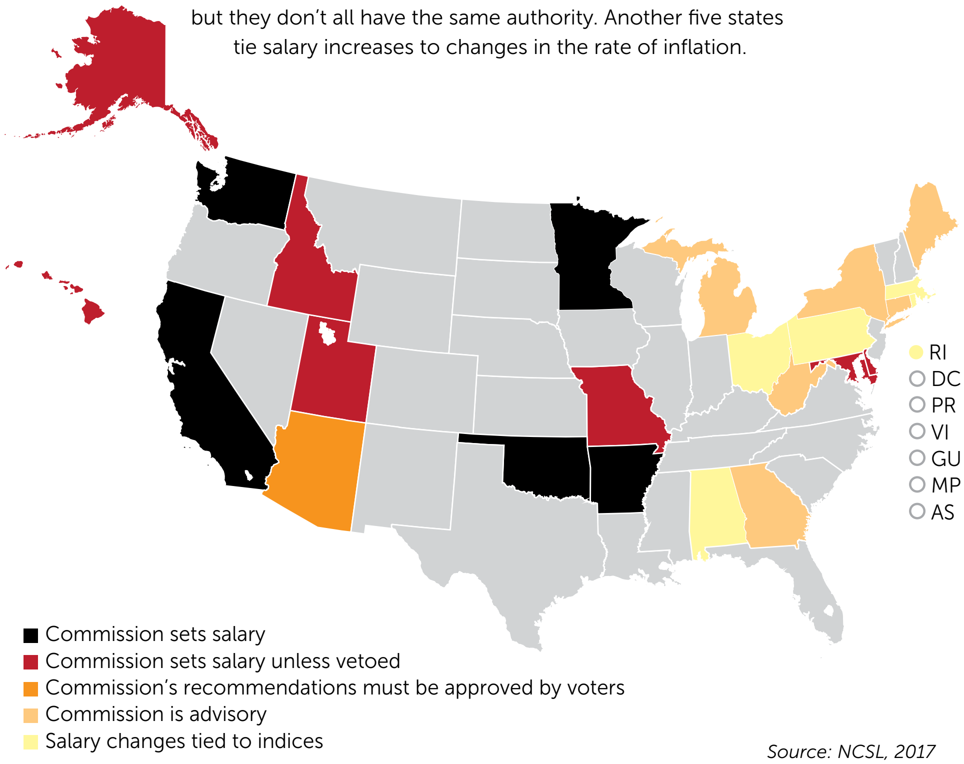
$104,118
California legislators' annual salary

$0
New Mexico legislators' salary

Source: NCSL

The Pay Issue

Since 1964, 19 states have established compensation commissions, but they don't all have the same authority. Another five states tie salary increases to changes in the rate of inflation.



Source: NCSL, 2017

by a public vote in November 2016.

Tom Stinson, Minnesota's state economist from 1987 to 2013, served as the revamped council's chairman during its inaugural meetings. The council decided to raise legislators' pay by 45 percent, increasing their annual salary of $31,140 (set in 1999) to $45,000, effective on July 1 this year.

"I came away from the process thinking that it worked extremely well," Stinson says. "You had 16 people—eight Democrats and eight Republicans—meet, develop a common set of knowledge and reach a near-unanimous conclusion. The final vote was 13-1, with two abstentions. I think that's pretty strong."

Representative
Kurt Daudt
Minnesota

House Speaker Kurt Daudt (R) didn't agree. He directed the House comptroller to continue paying representatives the old salary and, in a news conference in late July, insisted he would not implement the raises unless directed by a court to do so. He claimed that although the constitutional amendment authorized the council to set legislators' salary, it didn't appropriate the money to pay for the bonus.

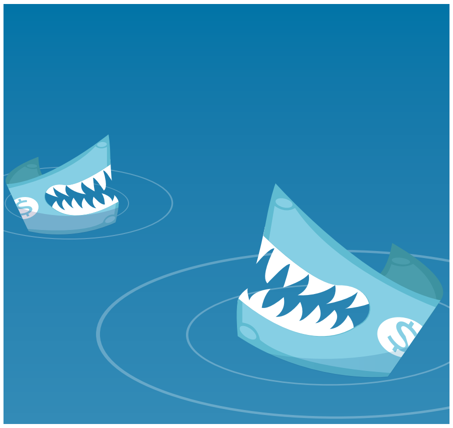
"It still requires legislators to vote for their own pay increase and unfortunately I can't ask my members to do that," Daudt said. "They didn't support the constitutional amendment and I can't ask them to do that."

The following day, Daudt was sued by two House colleagues, a Republican and a Democrat, who asked a judge to order Daudt to enact the approved raise and noted that the public vote and the council's decision were not negotiable.

Daudt then dropped his resistance.

"At this point, it's probably unwise for us to continue to use taxpayer dollars to get a clarification (from the courts)," he said on a local TV news program. "I am going to instruct our staff to begin paying these salaries beginning Aug. 1."

Daudt took the flak he received from some Republican colleagues in stride. "While none of us maybe wanted this outcome and didn't certainly ask for it, the independent panel chose this dollar amount," he said.



Commissions No Guarantee

Although salary commissions have been set up as objective boards, often largely comprising members of the public, they hardly guarantee that raising legislative pay will be easy. Commissions have been dragged into the same turbulent waters as the legislatures that attempted to go it alone.

In Washington state, for example, the recommendations of the Citizens' Commission on Salaries for Elected Officials have at times faced opposition from inside and outside the statehouse. In 2011, the commission decided to raise salaries by 12 percent, to put them "in line with national trends and to correlate with the level of professionalism in our Legislature," says Teri Wright, the commission's executive director. "And they stand by that decision."

As commission members expected, some lawmakers were not happy with the decision as they considered it politically dangerous.

"It's just an incredibly awkward situation," says Washington Representative Matt Manweller (R). "This is a situation where I did not ask for a raise, I have no control over it. And yet I am going to get beat up for it, regardless."

Representative
Matt Manweller
Washington

Dissatisfied lawmakers made no attempt to block the implementation of the commission's recommendation, but vocal opposition to salary increases continues.

Moving Away From the Legislature

Although commissions have existed for more than 50 years, their use and level of influence have greatly increased in recent years, and the lessons we're learning from that growth are valuable ones.

How successful are commissions? Half the 16 states that managed to raise legislative salaries to match inflation in the last five years used commissions, with four of the five biggest percentage pay raises coming from commission states as well.

Wright, from Washington's commission, believes better communication with the public would help the commission's efforts, which are currently hampered in her state by limited funding, she says. Without proper funding, it is difficult for commissioners to gather input from all corners of the state, hindering their ability to come to decisions that are both fair to legislators and supported by the public. "A stronger budget would provide the public with a more engaged and versatile commission," she says.

Beyond money, she suggests that commissioners:

- Receive in-person training before beginning the salary-setting process,
- Maintain regular contact with one another through the year and between salary-setting meetings and,
- Get involved with communities around the state.

We are likely to see more states adopt policies that either tie salaries to economic indices or create commissions with the power to set salaries. "Either way, more attention is certainly being paid to devising solutions that don't directly involve the legislature," says Squire, the political scientist. "While neither method is necessarily more effective than the other, generally, voters are more comfortable with commissions."

In states where salaries have stagnated for years, Stinson, with Minnesota's commission, says a dual-method model—with salary changes being determined annually by indices and commissions intervening on an intermittent basis—might be a more stable and politically appealing alternative.

Not matter how states choose to proceed, it's vital that legislators and the public alike consider how legislative pay not only affects our current hard-working lawmakers, but also determines who can afford to run in the future.

All Over the Map

From Alaska to Florida, legislators' jobs vary. And in some states, legislative work has increased significantly while the salaries have not. Here's a look at legislators' compensation and allowances for in-session expenses in 2017. For more detail, see this chart online at ncsl.org, or contact John Mahoney at john.mahoney@ncsl.org.

State	Salary	Per Diem
Alabama	$44,765/year	No per diem. Reimbursed for in-state travel at state employee rate; reimbursement for out-of-district travel must be approved by presiding officer.
Alaska	$50,400/year	Up to $247/day (depending on the time of year); tied to federal rate. Members living in Capitol area receive 75 percent of federal rate.
Arizona	$24,000/year	$35/day for first 120 days of regular session and for special sessions and $10/day thereafter. Members residing outside Maricopa County receive an additional $25/day for first 120 days of regular session and for special sessions and an additional $10/day thereafter (V).
Arkansas	$39,400/year	$153/day (V) plus mileage; tied to federal rate.
California	$104,118/year	$183/day while in session.
Colorado	$30,000/year	Up to 85 percent of federal rate for members living more than 50 miles from Capitol; $45/day for those inside 50-mile radius.
Connecticut	$28,000/year; $38,689/year for president and speaker.	No per diem.
Delaware	$45,291/year	No per diem.
Florida	$29,697/year	$152/day while in session. Travel vouchers are filed to substantiate.
Georgia	$17,342/year	$173/day (U).
Hawaii	$61,380/year; $68,880/year for speaker and president.	$225/day during session for members not living on Oahu; $10/day for members living on Oahu during mandatory five-day recess only.
Idaho	$17,017/year; $21,017/year for speaker and pro tem.	$129/day for members with second residence in Boise; $49/day if no second residence established and up to $25/day travel (V).
Illinois	$67,836/year	$111/day during session.
Indiana	$25,435.98/year	$161/day, rising to $175 during months of February-April 2017 (U); tied to federal rate.
Iowa	$25,000/year	$166/day (U); $124.50/day for Polk County legislators (U). Tied to federal rate.
Kansas	$88.66/day (C)	$142/day.
Kentucky	$188.22/day	$154/day.
Louisiana	$16,800/year plus $6,000 annual expense allowance (U)	$156/day (U); tied to federal rate.
Maine	$14,271/year for first regular session; $10,158/year for second regular session.	$38/day for lodging or mileage and tolls in lieu of housing plus $32/day for meals.
Maryland	$47,769/year; $62,044 for president and speaker.	$45/day for meals; $103/day for lodging.
Massachusetts	$62,547.97/year	No per diem.
Michigan	$71,685/year	$10,800/year allowance for session and interim (V).
Minnesota	$45,000/year	$86/day for senators; $66/day for representatives.
Mississippi	$10,000/year	$142/day (U); tied to federal rate.
Missouri	$35,915/year	$113.30/day (U); tied to federal rate. Verification by roll call.
Montana	$90.64/day (L)	$114.39/day (U).
Nebraska	$12,000/year	$142 for members living 50 miles or more from Capitol; $51 mileage allowance for those inside 50-mile radius.
Nevada	$150.71/day if elected in 2017; $146.29/day for mid-term members. Maximum of 60 days of session.	$142/day.
New Hampshire	$200/two-year term; $250/two-year term for president and speaker; $3/day for first 15 days of special session.	No per diem.
New Jersey	$49,000/year; additional 1/3 ($65,333) for Senate president and Assembly speaker.	No per diem.
New Mexico	None	$164/day (V); tied to federal rate.
New York	$79,500/year	$175/full day (including overnight).
North Carolina	$13,951/year; $17,048/year for majority and minority leaders; $21,739/year for deputy and speaker pro tem; $38,151/year for president pro tem and speaker.	$104/day (U). Monthly expense allowance: $559; $666 for majority and minority leaders; $836 for deputy pro tem and speaker pro tem; $1,413 for president pro tem and speaker.
North Dakota	$177/day during sessions (C)	Lodging up to $1,682/month (V).
Ohio	$60,584/year	No per diem.
Oklahoma	$38,400/year	$156/day (U); tied to federal rate.
Oregon	$24,216/year	$142/day (U); tied to federal rate.
Pennsylvania	$86,478.50/year	$179/day; tied to federal rate.
Rhode Island	$15,429.72/year; rate doubled for Senate president and House speaker.	No per diem.
South Carolina	$10,400/year	$195.53/day plus mileage during session, verified by roll call; $195.53, plus $35/day and mileage, for each committee meeting on a non-legislative day. Members also receive an in-district allowance of $1,000/month.
South Dakota	$6,000/session; $142/day for interim committees.	$142.00/day (U).
Tennessee	$22,667/year	$220/day (U) for members living more than 50 miles from Capitol; $59/day inside 50-mile radius.
Texas	$7,200/year	$190/day (U).
Utah	$273/day (C)	Up to $100 plus tax/calendar day (V) for lodging; up to $41/day for meals (V).
Vermont	$707.36/week in session	$115/day for lodging or $74/day for meals, mileage.
Virginia	$18,000/year for senators; $17,640/year for delegates.	$196/day.
Washington	47,776/year; $56,853 for House speaker and Senate majority leader; $52,314 for minority leaders.	$120/day.
West Virginia	$20,000/year	$131/day (U).
Wisconsin	$50,950/year	Up to $115/day (up to $57.50/day for senators living in Dane County). Up to $157/day for Assembly members staying overnight; up to $78.50/day when not staying overnight.
Wyoming	$150/day in session	$109/day (V), including travel for members living outside Cheyenne.

Notes: (L) = Legislative day; (C) = Calendar day; (V) = Vouchered; (U) = Unvouchered

Source: John Mahoney, NCSL, February 2017