

**MINUTES  
CITIZENS' COMMITTEE ON LEGISLATIVE COMPENSATION  
IDAHO STATE CAPITOL, ROOM 110  
BOISE, IDAHO  
JUNE 25, 2012**

In attendance were Committee members Debora Kristensen, William "Bud" Yost, Reed Larsen, Bill Daniels, Don Burtenshaw and Eva Gay Yost. Also in attendance were Brooke Murdoch, Legislative Services Office; President Pro Tempore Brent Hill; Mary Sue Jones, President Pro Tempore's Chief of Staff; Terri Franks-Smith, Chief Financial Officer for the House of Representatives; and Brandon Woolf, State Controller's Office.

Don Burtenshaw opened the meeting at 10:30 a.m. Mr. Burtenshaw stated that the first order of business is to elect a chairperson.

**Bud Yost made a motion to elect Debora Kristensen as chairperson. The motion was seconded by Eva Gay Yost. By voice vote, the motion passed with one abstention (Ms. Kristensen).**

Chairwoman Kristensen asked whether the Committee members had an opportunity to review the Committee meeting minutes dated September 15, 2010. The members responded in the affirmative. **Bud Yost moved to approve the minutes. The motion was seconded by Bill Daniels and was unanimously approved by voice vote.**

Chairwoman Kristensen suggested using the Committee's previous report dated September 16, 2010 ("2010 Committee report"), as a guide for the Committee's discussion. Chairwoman Kristensen further noted that two years ago, the issue of whether the Legislature serves on a full-time or part-time basis arose during the discussion about medical and other types of benefits. She stated that the Committee recently requested guidance from the Attorney General's Office, which issued an opinion stating that the full-time versus part-time status need not be considered in establishing compensation.

Beginning with legislator salary, Chairwoman Kristensen noted that in 2010, the Committee recommended a base salary of \$16,116 per year; a figure that has been in place for several years. She further noted that the Committee recommended a salary increase for the 2009 and 2010 legislative years, but the recommendation was rejected by House Concurrent Resolution No. 6. As a result, the \$16,116 per year base salary amount has been in place since 2007.

Eva Gay Yost asked whether it would be appropriate to discuss unvouchered expense allowances before making a salary determination. Chairwoman Kristensen agreed and reviewed the 2010 recommendations for unvouchered expense allowances contained in the 2010 Committee report.

Eva Gay Yost commented about the recent questions in the press regarding the 50-mile residency requirement and suggested clarifying the residency stipulations to avoid future issues. President Pro Tempore Brent Hill stated that there were two separate incidences that occurred last year relating to the second residency requirement. He suggested that it would be helpful to consider the following: (1) better defining what it means to "maintain" a second residence for purposes of the per diem allowance; and (2) addressing the 50-mile residency requirement with respect to per diem

allowances. President Pro Tempore Hill noted that with regard to the 50-mile residency requirement, there is nothing in the 2010 Committee report that requires a legislator's primary residence to be more than 50 miles away from the Statehouse in order to maintain a second residence in Ada County during the session. President Pro Tempore Hill noted that the State has generally been consistent with the standard IRS per diem rate, which is currently \$123 per day. He further stated that in order for the rate to not be taxable, it cannot be more than 110 percent of the federal rate.

Mr. Burtenshaw asked President Pro Tempore Hill's opinion about the unvouchered constituent service allowance of \$1,875. President Pro Tempore Hill responded that the figure is on the low side, but any amount is appreciated. He noted that there are two legislative districts in Idaho that are larger than nine of the original thirteen colonies, requiring a huge amount of travel by some legislators. He added that this allowance also covers items such as paper and iPads. He concluded that the amount is sufficient and there is no reason to reduce it.

Eva Gay Yost asked whether travel to a specific event within a legislator's district could be treated as a vouchered expense as well. President Pro Tempore Hill responded generally not because constituent services are not reimbursed. In order to be reimbursed, it must be a legitimate nonpartisan event in which the legislator contributes, such as serving on a committee.

Chairwoman Kristensen asked President Pro Tempore Hill if he knew of any hardship caused by the per diem rate or the constituent services allowance. President Pro Tempore Hill stated that he did not know of any hardships and noted that the financial sacrifice that legislators make is taking time off from their jobs.

Eva Gay Yost noted that in 2009, the recommendation was to increase the unvouchered expense allowance to \$134 per day, yet it was mentioned that the IRS limit is \$123 per day, and asked whether the difference would have been taxable. President Pro Tempore Hill responded that the rate can be 110 percent of the federal rate without being taxable.

Bud Yost commented that defining "second residence" would be difficult. He further noted that although parts of the economy were beginning to turn, the unemployment rate is largely the same. Bud Yost suggested that the Committee leave the unvouchered expense allowances at the current rates.

Mr. Larsen stated that he would prefer the transparency of salary increases with the appropriate tax consequences rather than increasing the nontaxable expense allowances. He recommended that the unvouchered expense allowances stay at the IRS rates.

Eva Gay Yost asked about the days for which legislators are paid. Mary Sue Jones responded that legislators are paid for every session day, including weekends. Eva Gay Yost stated that she recently attended the Republican Convention where she visited with legislators who opined that an increase in the per diem rates would be most beneficial. She noted that legislators expressed concerns about the outcome of redistricting, which created some larger districts, requiring costlier travel expenses.

Mr. Burtenshaw stated that he does not have a problem if legislators get some benefit from the \$122 per day rate considering the time spent away from their families for which they are not compensated. He suggested keeping the rates at status quo. Mr. Daniels agreed with Mr. Burtenshaw and stated that legislators seem to be doing fine at the current rates.

Chairwoman Kristensen asked the Committee to discuss the meaning of “maintain” a second residence. It was suggested that there be a choice of words other than “maintain.” Mr. Larsen opined that the Committee may not be able to craft more explicit language without creating additional unintended consequences. President Pro Tempore Hill agreed and noted that he has not thought of a definition that does not hurt someone else in a legitimate situation.

Chairwoman Kristensen posed the question of whether members should be required to live more than 50 miles from the Capitol in order to maintain a second residence or whether the language should be left in its current form. Bud Yost commented that he has always interpreted the language to mean that those living within 50 miles of the Capitol would not maintain a second residence and stated that he favors language requiring legislators to live more than 50 miles from Statehouse in order to maintain a second residence. Chairwoman Kristensen asked Bud Yost if his recommendation was that each member of the Legislature who maintains a second residence in Ada County during the regular session be required to have a primary residence more than 50 miles from the Statehouse. Bud Yost confirmed that was accurate. Eva Gay Yost asked whether the 50 miles was an IRS stipulation. President Pro Tempore Hill responded that it is an IRS stipulation on whether the reimbursement is taxable or not. Eva Gay Yost suggested allowing members who live outside of Ada County to maintain a second residence in Ada County and commented that using county lines provides clarity.

**Mr. Daniels moved that the Committee recommend an unvouchered expense allowance of \$122 per day for each member of the Legislature whose primary residence is outside Ada County and who maintains a second residence in Ada County during a regular session. Eva Gay Yost seconded the motion. By voice vote, the Committee approved the motion without objection.**

**Mr. Larsen moved that the Committee recommend an unvouchered expense allowance of \$49 per day for legislators who do not maintain a second residence within 50 miles of the Statehouse during a regular session. Mr. Burtenshaw seconded the motion. By voice vote, the Committee approved the motion without objection.**

Mr. Larsen asked whether the constituent service allowance rate has changed for IRS purposes. President Pro Tempore Hill responded that it is not an IRS issue and that it is taxable. Eva Gay Yost noted that in 2009, the Committee recommended that the rate be increased from \$2,200 to \$2,500, which was rejected by house concurrent resolution. Chairwoman Kristensen commented that during the last Committee meeting, the rate was decreased to the current rate of \$1,875.

**Mr. Burtenshaw moved that the Committee recommend maintaining the current rate of \$1,875 per year for constituent service. Bud Yost seconded the motion. By voice vote, the Committee approved the motion without objection.**

Chairwoman Kristensen reviewed each of the five vouchered expense allowances contained in the 2010 Committee report.

**Mr. Larsen moved that the Committee recommend maintaining the same vouchered expense allowance as provided in section III.1 of the 2010 Committee report. Mr. Daniels seconded the motion. By voice vote, the motion passed without objection.**

**Mr. Daniels moved that the Committee recommend maintaining the same vouchered expense allowance as provided in section III.2 of the 2010 Committee report, with the exception that the language be altered to provide that such expense reimbursement be available only to each member of the Legislature whose primary residence is outside Ada County and who maintains a second residence in Ada County during a regular session. Mr. Larsen seconded the motion. By voice vote, the motion passed without objection.**

**Mr. Burtenshaw moved that the Committee recommend maintaining the same vouchered expense allowance as provided in section III.3 of the 2010 Committee report. Mr. Larsen seconded the motion. By voice vote, the motion passed without objection.**

**Mr. Larsen moved that the Committee recommend maintaining the same vouchered expense allowance as provided in section III.4 of the 2010 Committee report, with the exception that the language be altered to provide that such expense reimbursement be available only to each member of the Legislature whose primary residence is outside Ada County and who maintains a second residence in Ada County during a regular session. Eva Gay Yost seconded the motion. By voice vote, the motion passed without objection.**

**Bud Yost moved that the Committee recommend maintaining the same vouchered expense allowance as provided in section III.5 of the 2010 Committee report. Mr. Daniels seconded the motion. By voice vote, the motion passed without objection.**

The Committee proceeded to discuss the three salary recommendations contained in the 2010 Committee report. Eva Gay Yost asked about the salary changes for state employees in 2012. President Pro Tempore Hill responded that state employees received a two percent salary increase. Eva Gay Yost, noting the salary increase for state employees and the fact that legislators have not received a salary increase in five years, recommended some type of salary increase for legislators. Mr. Burtenshaw agreed that some type of increase may be appropriate.

Bud Yost asked whether the constitutional officers voluntarily reduced their wages. Brandon Woolf, Chief of Staff for the State Controller's Office, responded that the constitutional officers' salaries are set by statute every four years. By agreement with the House and Senate, the decision was to reduce the salary but have set incremental increases over time. Mr. Burtenshaw asked President Pro Tempore Hill his opinion about a salary increase. President Pro Tempore Hill opined that a two percent salary increase would not be rejected by the Legislature.

**Eva Gay Yost moved that the Committee recommend a salary increase of two percent from the current \$16,116 per year for the Sixty-Second Legislative Session. Mr. Daniels seconded the motion. By voice vote, the motion passed without objection.**

Chairwoman Kristensen then discussed the second salary recommendation contained in the 2010 Committee report relating to the compensation of persons appointed as temporary replacements. Eva Gay Yost asked whether legislators who are absent during the session continue to receive pay. President Pro Tempore Hill responded in the affirmative and noted that legislators generally give their pay to the substitutes.

**Eva Gay Yost moved that the Committee recommend maintaining the same salary recommendation as provided in section I.2. of the 2010 Committee report. Mr. Burtenshaw seconded the motion. By voice vote, the motion passed without objection.**

The Committee discussed the third and final salary item, which is the additional salary for the President Pro Tempore of the Senate and the Speaker of the House of Representatives. Mr. Larsen suggested a two percent increase. Eva Gay Yost commented that the Pro Tem and the Speaker will get the two percent base salary increase. President Pro Tempore Hill, responding to a question, stated that the additional salary has generally been a flat amount and that he preferred it be kept at the current rate.

**Eva Gay Yost moved that the Committee recommend maintaining the current additional salary of \$4,000 per year for each the President Pro Tempore and the Speaker. Mr. Daniels seconded the motion. By voice vote, the motion passed without objection.**

Chairwoman Kristensen briefly discussed the requirements for payment contained in the 2010 Committee report. **Mr. Burtenshaw moved that the Committee recommend maintaining the same requirements for payment as provided in section IV of the 2010 Committee report. The motion was seconded by Eva Gay Yost. By voice vote, the motion passed without objection.**

Chairwoman Kristensen reviewed the Committee's final item for consideration; additional benefits, including retirement, medical, dental and life insurance provisions. Eva Gay Yost stated that she was inclined to leave the language as is.

**Mr. Daniels moved that the Committee recommend maintaining the same additional benefits as provided in section V of the 2010 Committee report. Mr. Burtenshaw seconded the motion. By voice vote, the motion passed without objection.**

Chairwoman Kristensen asked Ms. Murdoch to prepare the report for the Committee's review and approval prior to submission to the Secretary of State and State Controller's Office.

The meeting adjourned at 11:45 a.m.