

MINUTES
Approved by the Committee
Citizens' Committee on Legislative Compensation
Thursday, October 24, 2024
11:00 A.M.
Room EW42
Boise, Idaho

Matt Drake, Research and Legislation Division Manager, Legislative Services Office (LSO), called the meeting to order at 11:00 a.m.; a silent roll call was taken. In attendance were committee members Mary Hasenoehrl (via teleconference), Dennis Johnson, Bryan Mooney, Neil Nelson, JoAnne Stringfield, and Jill Twedt.

Others in attendance: LSO staff: Janet Jessup, Jennifer Kish, Linda Jensen, Frances Lippitt; Idaho Senate: Rellie Wisdom, President Pro Tempore Chuck Winder, and Senator Phil Hart (D2); Idaho House of Representatives: Jason Hancock, Terri Franks, and Speaker Mike Moyle; Tim O'Donnel - self.

WELCOME / INTRODUCTIONS / ELECT CHAIR

Mr. Drake welcomed the committee members and explained that his role was to assist the committee in its efforts to establish the rate of compensation for services and related expenses by members of the Idaho Legislature for the two-year period commencing December 1, 2024, and concluding November 30, 2026. The committee's directive and authority to convene are set forth in Section 23, Article III of the Constitution of the State of Idaho and Section 67-406(b), Idaho Code. The committee must come to a decision on these issues before the end of November. The committee's final report to the Legislature has the authority to establish the compensation for services and expenses for that time period. The Legislature is permitted to reduce or reject the amount put forth in the committee's report with a concurrent resolution but may not increase it.

Mr. Drake invited the committee members to put forward nominations for a committee chair.

Ms. Twedt nominated Mr. Johnson to serve as the committee chair; Ms. Stringfield seconded the motion. The motion passed unanimously.

CHANGE IN EMPLOYEE COMPENSATION (CEC) UPDATE

Frances Lippitt, LSO Budget and Policy Analyst, provided a summary of the [Change in Employee Compensation \(CEC\) report](#) and a salary comparison of legislators and other elected officials.

- Chair Johnson asked for clarification that the recommended percentage pay increase for state employees in 2024 was 4% and in 2025 was 4.5% with adjustments based on professional categories. Ms. Lippitt agreed.
- Ms. Stringfield asked whether the general fund appropriation was only the cash-based compensation and did not include benefits nor per diem. Ms. Lippitt responded that the general fund appropriation was the entire appropriation within the state budget: capital outlay, expenditures, personnel costs, etc.

PRESENTATION OF LETTER FROM LEGISLATIVE LEADERSHIP

Chuck Winder, President Pro Tempore, spoke to the committee on the [letter](#) submitted by legislative leadership regarding recommendations for a salary increase to state legislators and legislators who take on additional duties within the organization. Pro Tem Winder explained that he would not be returning to serve in the Legislature the next term and, as such, could speak to the issue without it being a conflict of interest.

- Mr. Nelson asked for clarification about the per diem changes for legislators. Pro Tem Winder noted that the lodging per diem for those living 50+ miles away would not be affected (those living within 50 miles already do not receive the lodging per diem); however, the meal and incidental expenses per diem would no longer be in effect for any legislators.
- Mr. Mooney asked about the data that showed individuals who left office due to the compensation and whether other states had made such large pay increases at one time and how that played out. Pro Tem Winder explained that many legislative members took time from their full-time jobs to serve. He noted the difficulty comparing pay information of other states considering how differently other state legislatures operate: some meet every other year, some yearly, some only when there is business to be conducted.
- Ms. Hasenoehrl inquired whether the per diem increase affected only those living 50+ miles away. Pro Tem Winder explained that the increase would be for all legislators.
- Chair Johnson asked how many members lived within the 50-mile radius. Pro Tem Winder deferred that actual number to LSO Director Terri Kondeff, but estimated it to be approximately 50%.
- Ms. Stringfield summarized the earlier statement that the committee did not have the authority to increase staffing for the legislators. Pro Tem Winder agreed. Chair Johnson agreed that was not the committee's scope.

Director Kondeff provided an overview of the letter and an explanation of the facts that lead to the proposal to the committee. She echoed the Pro Tem's earlier response regarding comparing the information of other legislatures and noted that Utah members were paid by the day and at different rates for session and interim work. She also reported that three other states had made large pay increases for legislators: Alaska went from \$50,000 to \$80,000; Kansas doubled the salary; and New Jersey's increase was 67%.

- Chair Johnson inquired whether South Dakota had recently made a similar increase based on the average household income. Director Kondeff recalled that it had.
- Ms. Stringfield asked about the total increase to the budget, the amount to taxpayers, and about the cost increase for PERSI (Public Employee Retirement System of Idaho), benefits, and life insurance. Director Kondeff responded that the total cost, including benefits, would be approximately \$1.5 million per year.
- Chair Johnson asked for clarity about the per diem data. Director Kondeff reported that all legislators received \$74/day during session for meals and expenses; those living outside the 50-mile radius also received \$165/day for lodging. Chair Johnson asked whether those values were taxed. Director Kondeff explained that those living within the 50-mile radius were taxed on the amount according to federal tax guidelines. Chair Johnson asked whether those outside the 50-mile radius were concerned about the changes. Director Kondeff referenced the table on page 4 of the letter, which showed the differences. Chair Johnson asked whether the new method would have varying tax effects. Director Kondeff explained that the proposal would actually remove the tax differential between those in or out of the 50-mile radius.
- Chair Johnson asked about using the median household income rather than the average. Director Kondeff noted that the average best reflected Idaho families. Chair Johnson inquired about the decision to use 40% of the AIHI. Director Kondeff explained that it was an estimate of the amount of time a legislator spent on legislative issues in addition to the time of session. Chair Johnson asked for clarification that the new method was requested by leadership but developed by LSO. Director Kondeff agreed.
- Mr. Nelson asked whether the lodging per diem was adjusted annually based on the GSA (General Services Administration, an independent agency of the United States government). Director Kondeff responded that it was.

- Ms. Twedt inquired about responses to this proposal from members outside the 50-mile radius. Director Kondeff responded that members initially were concerned about the lodging per diem being removed, but once it was explained, most were not. She also noted that some legislators expressed a desire to keep the per diem and raise the salary. Ms. Twedt inquired whether the committee should consider the 34% increase over two years rather than all at once, especially considering the legislators will probably field the brunt of any public reaction. Director Kondeff deferred the answer to the Speaker or Pro Tem. Pro Tem Winder noted that the legislative membership will consider the impact and will respond by how they act upon the committee's decision/recommendation. He also noted that the decision on how to compensate was at the committee's discretion. Speaker of the House of Representatives, Mike Moyle, commented that the committee's disadvantage was that its action affected two years, rather than being able to revisit the pay every year.
- Chair Johnson restated that the decision on compensation would come from the committee and the Legislature would affirm or reject the recommendation. Director Kondeff explained that the legislature would take no action on the committee's recommendation/decision for it to take effect; they did not actually need to approve it. However, the legislature could reduce the amount in the committee's decision or reject the decision entirely and thereby the compensation would remain at the current arrangement.
- Mr. Mooney inquired whether the committee's decision needed to be completed that day. Director Kondeff explained that the only constraint was that the committee needed to make/submit a decision by the end of November. Mr. Mooney asked whether the meeting could be held by teleconference. Chair Johnson commented that it would need to meet all open meetings laws and requirements. Mr. Drake noted that LSO could conduct a meeting via teleconference.
- Ms. Stringfield inquired about the average Idaho individual salary. Director Kondeff did not have that information but offered to provide it to the committee.

PUBLIC TESTIMONY

Chair Johnson invited public testimony to the committee.

Jason Hancock, Chief of Staff to the Speaker of the House, provided his comments to the committee. Mr. Hancock reported that he served as the Legislative Research Counsel Director for the South Dakota Legislature (2014-2020) and it had adopted a similar method of compensation in 2018. He noted that the Legislature established its own compensation, which was often a contentious issue, and as a result it took approximately 20 years to propose an increase. The 2018 proposal was set at 20% of the South Dakota average household income and actually passed with very little adversity.

Phil Hart, Idaho State Senator (D2), provided his comments to the committee. Sen. Hart supported the proposal put forth by leadership. He felt the increase fairly compensated members for the amount of work they completed; in fact, his own survey found that members spent about 20 hours a week on legislative issues. Additionally, he suggested that legislators further from Boise be permitted a set number of visits to the Capitol to accomplish legislative work without the requirement of approval for travel reimbursement; that a day be set aside every other week during the legislative session for in-office hours to meet with constituents and work on issues; and that postal privileges be uncensored and the letter limit increased to better serve legislative districts.

- Chair Johnson reminded Sen. Hart that the committee's authority only dealt with the compensation of the legislative members. Sen. Hart acknowledged that fact and commented that any compensation that allowed members to spend more time on their legislative duties would be empowering.

Tim O'Donnel, representing himself, provided his comments to the committee. Mr. O'Donnel's experience was in information technology and he explained that his concern was about the

bandwidth capacity of legislative members. He supported any effort to provide more resources for legislative members to perform their jobs, including allowing volunteers who assist members to be provided free parking and office space to work.

Upon the completion of the public testimony, the committee recessed for a break.

COMMITTEE DISCUSSION / ACTION

Chair Johnson provided a summary of the morning's events. He invited committee members to engage in discussion of the morning's information before making any motions.

- Ms. Twedt requested that LSO staff provide data to explain the effects of the "break even" rate and a range of values from 30-40% of the average Idaho household income. Director Kondeff reported that a 32% rate of the AIHI was the break even rate.
- Mr. Mooney inquired about the net increase for 2023. Director Kondeff reported the value would be 2.7% of \$19,913.00 (\$537.65) per legislator. Mr. Mooney inquired about the overall increase plus the per diem increase from the state to federal value. Chair Johnson commented that it would be the per diem difference (\$221.00 - \$139.00) x 88 (number of session days). Mr. Mooney noted that the value applied only to those 61 individuals outside of the 50-mile radius (\$440,000.00). Mr. Mooney requested a spreadsheet that would detail the dollar and percentage increases to better understand the data. Director Kondeff reported that the per diem difference was approximately a 59% increase (from \$139.00 to \$221.00) in 2023 for those individuals outside the 50-mile radius.
- Chair Johnson inquired whether a recommendation to increase pay to 36% of the AIHI in the first year and then to 40% in the second year could be made. Director Kondeff assented that the committee could make that decision.
- Mr. Mooney suggested that the committee take additional time to evaluate the information and reconvene at another time to make a decision.
- Mr. Nelson preferred to conclude business at this meeting. He commented that the overall monetary increase was not that significant and the increase percentage was misleading. He noted that the proposal that tied the compensation to the AIHI could make future decisions by the committee much simpler.
- Ms. Hasenoehrl preferred more time to digest the data and to reconvene at another time.
- Chair Johnson inquired whether committee members would be in favor of taking a long recess to review the information or whether another date was preferred. With a mixed response from members, Chair Johnson instructed the committee to take a one-hour recess and review the information provided or speak with staff to seek answers to their questions.

At 2:00 p.m., Chair Johnson reconvened the committee and inquired whether any member, having been provided additional time to review the morning's information, would like to make a motion.

- **Mr. Nelson moved to approve the compensation as proposed by Pro Tem Winder (leadership); Ms. Twedt seconded the motion.** Mr. Mooney expressed his discomfort in approving such a large increase in compensation. Ms. Hasenoehrl requested that the motion be stated more clearly on the points of compensation. Ms. Twedt suggested that the committee use the outline of the previous committee's report to the State Controller's Office to clarify the changes. Mr. Drake proffered an outline of motions that would match the proposal section by section to identify the changes and non-changes; he further offered that the committee could address the proposal section by section in separate motions or within one motion. Ms. Hasenoehrl commented that the letter from leadership was not actually a motion in its format. **Mr. Nelson clarified his motion to read:**
Regarding SALARY: Section 1.1 - move to tie legislative compensation to 40% of the Average Idaho Household Income as identified by the U.S. Census Bureau, using the most current

data available on December 1 of each year; Section 1.2 - no change; Section 1.3 - move to strike "\$5,000 per year" and change to "10% of the Average Idaho Household Income as identified by the U.S. Census Bureau, using the most current data available on December 1 of each year"; Section 1.4 - move to strike "\$2,000 per year" and change to "4% of the Average Idaho Household Income as identified by the U.S. Census Bureau, using the most current data available on December 1 of each year";

Regarding UNVOUCHERED EXPENSE ALLOWANCES: Section 2.1 - move to delete "meals, and incidentals", with lodging to remain as is; Section 2.2 - move to delete Section 2.2; Section 2.3 - no change; Section 2.4 - no change; Section 2.5 - no change;

Regarding VOUCHERED EXPENSE ALLOWANCES: no change;

Regarding REQUIREMENTS FOR PAYMENT: no change;

Regarding ADDITIONAL BENEFITS...: no change.

Ms. Stringfield, acknowledging that Idaho legislators have been under-compensated for some time, expressed concern using the AIHI because that accounted for two individuals rather than one person; she felt that 40% of the AIHI erred on the high end for such an arbitrary number, and, while supporting the method, was concerned that the one-time increase of 34% compensation would be difficult to defend. Mr. Nelson invited committee members to amend his motion (to spread the increase over two years or to adjust the percentage of the AIHI to be applied) but he reiterated that the proposed compensatory value seemed fair in comparison to others' increases over the last 20 years. With no other motions made, Chair Johnson requested the roll be called on the motion. **The motion failed for lack of a majority.**

- **Mr. Mooney motioned that the committee reconvene at a future date to determine the compensation; Ms. Stringfield seconded the motion.** Chair Johnson requested the roll be called on the motion. **The motion passed by a majority vote.** The committee agreed upon November 6, 2024, for the future meeting date.

With no further business, the committee was adjourned at 2:27 p.m.

NOTE: Presentations and handouts provided by the presenters/speakers are posted to the Idaho Legislature's website <https://legislature.idaho.gov/sessioninfo/2024/interim> and copies of those items are on file at the Legislative Services Office in the State Capitol. Recordings of the meeting may be available under the committee's listing on the website.