MINUTES

Approved by the Committee Citizens' Committee on Legislative Compensation Wednesday, October 05, 2022 1:00 P.M. Room WW53, Idaho State Capitol

Boise, Idaho

Kristin Ford, Division Manager, Research & Legislation, Legislative Services Office (LSO), called the meeting to order at 1:05 p.m.; roll call was taken. Committee members Bryan Mooney, Reed Larsen, Dennis Johnson, Jill Twedt, and Eva Gay Yost attended in person. Committee member Mary L. Hasenoehrl attended via Zoom.

Others in attendance included: Terri Franks-Smith – House of Representatives staff; Chris Stratta – State Controller's Office.

LSO staff present were Kristin Ford, Christine Otto, Jennifer Kish, and Baylie Moore. Ms. Ford invited the committee members to put forward nominations for a member to serve as the committee chair. Mr. Johnson nominated Mr. Larsen to serve as chair for the Citizens' Committee on Legislative Compensation. Ms. Twedt seconded the motion. The motion passed unanimously by voice vote.

Change in Employee Compensation (CEC) Update

Chair Larsen called upon Christine Otto – Principal Budget & Policy Analyst, Budget & Policy Analysis Division, LSO - to present. Ms. Otto began presenting her <u>documents</u> by giving a ten-year history of compensation rates that have been approved by the Legislature and by this committee regarding both state employee, elected officials and state legislator compensation. Her presentation included the original appropriation from the General Fund for the last ten fiscal years. Ms. Otto stated in Fiscal Year 2023, there was a 9.5% change from the previous fiscal year in the General Fund original appropriation, averaging 5.5% total change.

Ms. Otto explained that CEC works for all state employees except for legislators. On December 1 of each year, the Department of Human Resources makes a recommendation on state employee change in compensation to both the Governor and the Legislature to review. In the state of the state address, the Governor gives his recommendation on state employee compensation. During session, a legislative CEC committee meets and makes a recommendation on state employee compensation to the Joint Finance-Appropriations Committee (JFAC). She said JFAC then makes a statewide decision, and this decision is put into every appropriations bill for each agency. Each of these recommendations is shown on the document that Ms. Otto prepared and is sharing with the committee. She stated that it includes all statewide agencies and elected officials.

Ms. Otto stated that for Fiscal Year 2023, the Legislature did something different from the past. This year the Legislature implemented a 3% pay line structure move, meaning all state employees received a 3% pay increase. In addition to the pay structure increase, the Legislature appropriated \$1.25 per hour per full time equivalent position. Agency directors were able to distribute the pay increases as they felt appropriate. The CEC funded for state agencies averaged to a 7.8% increase in Fiscal Year 2023. Ms. Otto stated there was a 9.5% salary increase for statewide elected officials for the next four-year term, except for the judges who did not receive a pay increase in Fiscal Year 2023.

• Mr. Johnson noted that, with regard to the lack of a pay increase for judges, it seemed to him it was not good policy to include judges' salaries in the same legislation with other policy issues. He stated it was the role of the members of this committee to set the appropriate compensation level for legislators based on what the jobs are worth, what the job requires, and what the expenses of the job are, and not based on policy issues. He hopes this principle applies to other branches of government as well, including the judicial branch.

- Mr. Larsen stated this was an appropriate comment and mentioned their duties should be constitutionally motivated, not politically motivated.
- Mr. Johnson asked for clarification on if statewide elected officials base salary increased 9.5%. Ms. Otto replied yes. Mr. Johnson then asked if state employees on average received a 5% or 7% increase. Ms. Otto clarified that what was funded was an average of 7.8%, but mentioned it is difficult to determine what the actual percentage increase was across the state because of the appropriated \$1.25 per hour per full time position. She stated all state employees received the 3% pay increase, but how the \$1.25 per hour per full time position is distributed is up to the agencies. Mr. Johnson asked for clarification on whether an agency's budget remains the same regardless of the inflow and outflow of employees. Ms. Otto replied yes that is correct, it is an increase in their personnel costs.

2022 Citizens' Committee on Legislative Compensation

As in the past, the Committee decided to discuss changes by reviewing the 2020 committee report.

1. SALARY

1.1 Mr. Johnson made a motion to increase the base salary 2.75% for the first year and add another non-compounded 2.75% to the second year for a total 5.5% increase over the 2022 salary amount. Ms. Hasenoehrl seconded the motion. A rollcall vote was taken; the motion passed with five affirmative votes.

No changes were made to section 1.2, 1.3, or 1.4 of the 2020 committee report.

2. UNVOUCHERED EXPENSE ALLOWANCE

- 2.1 The Committee debating tying the per diem to the federal rate, and approved the following language revision proposed by Chair Larsen: "Each member of the Legislature whose primary residence is over 50 miles from the Statehouse during a regular session shall be paid an unvouchered expense allowance equal to the federal per diem rate for lodging, meals, and incidentals then in effect for Boise, Idaho, for each day of that regular session."
- 2.2 Clarification was added to section 2.2 that this paragraph applies to meals and incidentals only.
- 2.3 (a) The Committee asked questions regarding the use made by legislators of the unvouchered constituent service allowance. Representative Blanksma, who was in attendance in the audience, took the podium to provide examples. Mr. Johnson made a motion to increase the unvouchered constituent service allowance from \$2,500 to \$2,625. Mr. Johnson clarified this would be a 5% increase. The motion failed for lack of a second. Mr. Johnson then made a motion for the unvouchered constituent service allowance to remain at \$2,500. Mr. Mooney seconded the motion. The motion passed unanimously.
- 2.3 (b) Mr. Mooney moved to keep section 2.3 (b) of the 2020 committee report the same. Ms. Twedt seconded the motion. The motion passed unanimously.
- 2.3 (c) The Committee discussed the letters from the Senate President Pro Tempore and the State Controller's Office requesting clarification on whether the extra mileage provided in paragraph (b) should be prorated in the event of a vacancy. The Committee agreed the proration was appropriate. Ms. Ford suggested the committee members change the language in section 2.3 (c) from "the \$2500 allowance" to "the allowance provided in 2.3 (a) and 2.3 (b)." Ms. Twedt moved to make this change. Ms. Yost seconded the motion. The motion

passed unanimously.

No changes were made to sections 2.4 or 2.5 of the 2020 committee report.

3. VOUCHERED EXPENSE ALLOWANCES

The Committee discussed the Senate Pro Tempore's request for clarification on what is meant by "actual travel expenses." The Committee agreed that the State Travel Policy should govern travel expenses, and asked Ms. Ford to make the necessary language changes throughout Section 3 as needed. The Committee also asked Ms. Ford to address the Senate Pro Tempore's request for clarification regarding mileage reimbursement for members residing within fifty miles of the statehouse for special sessions. [This benefit is addressed in 3.1 of the report.]

No changes were made to sections 3.6, 3.7, or 3.8 of the 2020 committee report.

4. REQUIREMENTS FOR PAYMENT

No changes were made to sections 4.1, 4.2, or 4.3 of the 2020 committee report.

5. ADDITIONAL BENEFITS: MEDICAL, DENTAL AND LIFE INSURANCE, RETIREMENT AND HONORARIA

No changes were made to sections 5.1, 5.2, or 5.3 of the 2020 committee report.

The Committee asked Ms. Ford to update the chart at the end of the report to reflect the newly redistricted legislative districts.

The Committee adjourned at 2:28 p.m.