

LEGISLATIVE RESEARCH UNIT

PATRICK D. O'GRADY, EXECUTIVE DIRECTOR

September 4, 2008

HOW STATES SET LEGISLATORS' PAY

asked
for a comparison of methods used by states surrounding Illinois to set legislators' pay. The National Conference of State Legislatures has a list of state provisions on setting legislator pay, which we checked and supplemented with our own research. We describe below the provisions of the states in our 18-state survey list (the 10 most populous states other than Illinois; neighboring states; and regional representatives).¹ Among those 18 states, we found that legislator pay is set by the legislature in 7 states; by commissions in 3 states; by voters in 2 states; and based on changes in either state employee pay or price indexes in the remaining 6 states. Appendix A to this letter lists which method each of the 18 states use.

Set by Legislature (7 states)

Five surveyed states set legislator pay by law with no commission or other body involved in the process: Indiana,² Iowa,³ Missouri,⁴ New York,⁵ and Virginia.⁶

In New Jersey, the Public Officers Salary Review Commission makes recommendations, but the legislature is not bound by them.⁷

Wisconsin's legislative salaries are set as part of the state's compensation plan for nonunion employees, and are approved by vote of the Joint Committee on Employee Relations, consisting of eight legislators.⁸ The Director of the Office of State Employee Relations submits proposed changes in the

LRU

compensation plan for elected officials to the Joint Committee. If the Committee approves, legislators receive the new salary at the start of the next legislative session. The Committee can also modify the proposed changes. The Governor can disapprove any changes, but the Committee by vote of six members can override such disapproval.⁹

Set by Commission (3 states)

In California, 1990 Proposition 112 created the California Citizens Compensation Commission, which decides each year whether to make changes in salaries and group insurance benefits of legislators and other elected state officials. The seven Commission members are appointed by the Governor for overlapping 6-year terms.¹⁰

The Michigan State Officers Compensation Commission proposes salaries and expense allowances for legislators, executive officers, and Supreme Court justices, which take effect if the legislature by majority vote in each house adopts a concurrent resolution approving them. The legislature can reduce the salary and expense amounts by the same proportion for legislators, executive officers, and Supreme Court justices, but not below the levels in effect when the determinations were made. The Commission consists of seven members appointed by the Governor.¹¹

The Washington Citizens' Commission on Salaries sets salaries for elected officials including legislators.¹² Nine of its 16 members are chosen by lot by the Secretary of State from among registered voters—one from each Congressional district.¹³ The remaining seven members are selected jointly by the House Speaker and Senate President. One of those seven must be selected from each of five of the following sectors: private institutions of higher education; business; professional personnel management; legal profession; and organized labor. One of the seven members must be a person recommended to the Speaker and President by the chairperson of the Washington Personnel Resources Board, and one must be recommended by a majority of presidents of the state's public universities.¹⁴

Set by Voters (2 states)

Arizona's voters decide whether legislators will get pay raises. Recommendations for legislative pay from the Commission on Salaries for Elective State Officers go on the ballot at each regular general election. If voters approve the recommendations, they take effect at the start of the next regular legislative session.¹⁵ The Commission has five members—two appointed by the Governor and one each appointed by the Senate President, Speaker of the House, and Chief Justice of

the Supreme Court. Members are appointed biennially and serve until they submit their recommendations.¹⁶

In Texas, legislative salary was initially set by a constitutional provision. The Texas Ethics Commission can recommend raises, which take effect if voters approve them.¹⁷

Based on Changes in State Employee Salaries (4 states)

In Florida, legislative pay raises depend on increases in state employee salaries. In 1985, legislative pay was set at \$18,000 for all members except the Senate President and House Speaker (who got \$25,000 each). Each July 1, the annual salaries of legislators are increased by the average percentage increase in state employee salaries in the preceding fiscal year.¹⁸

Massachusetts' legislative salaries are increased or decreased by the percentage change in the median household income of all state residents in the preceding 2-year period.¹⁹

In North Carolina, salaries were set by law for the 1997 session of the legislature. Annual increases are to equal the average increases received by state employees.²⁰

In Georgia, legislative salaries are set by law.²¹ But legislators can get an inflation adjustment up to the percentage general increase in salaries of state employees, if approved by the Legislative Services Committee.²²

Based on Changes in Price Indexes (2 states)

In Ohio, salaries were set by law for the 2001 legislative session, with increases from 2002 through 2008 to be the lesser of 3% or the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers.²³

In Pennsylvania, salaries were set by law for the 1995 legislative session. They are adjusted each year by the percentage change in the Consumer Price Index for All Urban Consumers for the Pennsylvania, New Jersey, Delaware, and Maryland areas.²⁴

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,

Melissa S. Cate

Melissa S. Cate
Senior Research Associate

MSC:ag

Notes

1. Those states are Arizona, California, Florida, Georgia, Indiana, Iowa, Massachusetts, Michigan, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and Wisconsin.
2. Ind. Code, sec. 2-3-1-1.
3. Iowa Code, sec. 2.10.
4. Mo. Rev. Stat., sec. 21.140.
5. N.Y. Const., Art. 3, sec. 6; N.Y. Leg. Law, sec. 2-5.
6. Va. Const., Art. 4, sec. 5; Va. Code, sec. 30-19.12.
7. N.J. Stat., secs. 52:10A-1 and 52:14-15.115.
8. Wis. Stat., sec. 20.923.
9. Wisconsin Legislative Reference Bureau, "Compensation of Wisconsin Legislature" (Jan. 2005, downloaded from Wisconsin LRB Internet site).
10. "California Citizens Compensation Commission Fact Sheet" (downloaded Aug. 28, 2008 from California Department of Personnel Administration Internet site).
11. Mich. Const., Art. 4, sec. 12.
12. Wash. Const., Art. 28, sec. 1; Wash. Rev. Code, sec. 43.03.010.
13. Wash. Rev. Code, subsec. 43.03.305(1).
14. Wash. Rev. Code, subsec. 43.03.305(2).
15. Ariz. Rev. Stat., sec. 41-1904.
16. Ariz. Rev. Stat., sec. 41-1902.
17. Texas Const., Art. 3, sec. 24.
18. Fla. Rev. Stat., sec. 11.13.
19. Mass. Const., Amendment 118.
20. N.C. Gen. Stat., sec. 120-3.
21. Ga. Code, sec. 45-7-4.
22. Ga. Code, subsec. 45-7-4(b).
23. Ohio Const., Art. 2, sec. 31; Ohio Rev. Code, sec. 101.27.
24. Pa. Cons. Stat., tit. 65, sec. 366.4.

Appendix A: How Legislators' Pay is Set in 18 States

State	<i>Method for setting pay</i>				
	<i>Legislature</i>	<i>Commission</i>	<i>Voters</i>	<i>Changes in state employee salaries</i>	<i>Changes in price indexes</i>
Indiana	<input type="checkbox"/>	-	-	-	-
Iowa	<input type="checkbox"/>	-	-	-	-
Missouri	<input type="checkbox"/>	-	-	-	-
New York	<input type="checkbox"/>	-	-	-	-
Virginia	<input type="checkbox"/>	-	-	-	-
New Jersey	<input type="checkbox"/>	-	-	-	-
Wisconsin	<input type="checkbox"/>	-	-	-	-
California	-	<input type="checkbox"/>	-	-	-
Michigan	-	<input type="checkbox"/>	-	-	-
Washington	-	<input type="checkbox"/>	-	-	-
Arizona	-	-	<input type="checkbox"/>	-	-
Texas	-	-	<input type="checkbox"/>	-	-
Florida	-	-	-	<input type="checkbox"/>	-
Massachusetts	-	-	-	<input type="checkbox"/>	-
North Carolina	-	-	-	<input type="checkbox"/>	-
Georgia	-	-	-	<input type="checkbox"/>	-
Ohio	-	-	-	-	<input type="checkbox"/>
Pennsylvania	-	-	-	-	<input type="checkbox"/>

Sources: Ind. Code, sec. 2-3-1-1; Iowa Code, sec. 2.10; Mo. Rev. Stat., sec. 21.140; N.Y. Const., Art. 3, sec. 6; N.Y. Leg. Law, sec. 2-5; Va. Const., Art. 4, sec. 5; Va. Code, sec. 30-19.12; N.J. Stat., secs. 52:10A-1 and 52:14-15.115; Wis. Stat., sec. 20.923; "California Citizens Compensation Commission Fact Sheet" (downloaded Aug. 28, 2008 from California Department of Personnel Administration Internet site); Mich. Const., Art. 4, sec. 12; Wash. Const., Art. 28, sec. 1; Wash. Rev. Code, sec. 43.03.010; Ariz. Rev. Stat., sec. 41-1904; Ariz. Rev. Stat., sec. 41-1902; Texas Const., Art. 3, sec. 24; Fla. Rev. Stat., sec. 11.13; Mass. Const., Amendment 118; N.C. Gen. Stat., sec. 120-3; Ga. Code, sec. 45-7-4; Ga. Code, subsec. 45-7-4(b); Ohio Const., Art. 2, sec. 31; Ohio Rev. Code, sec. 101.27; and Pa. Cons. Stat., tit. 65, sec. 366.4.