

Comparison of Alternative Measures for Setting Legislative Salaries

Salary and Per Diem Minnesota House and Senate

- Current Level
 - Salary = \$31,141
 - Per Diem = \$7,686 (H), \$10,014 (S)
 - Total = \$38,827(H), \$41,155 (S)

Total Senate salary and per diem exceeds House salary and per diem by \$2,328 per year because Senate per diem rate is \$86 per day while House rate is \$66 per day

Per diem calculated using average number of days in regular session since 1999. No adjustment was made for special sessions or post session activities.

Other Benefits for Minnesota House and Senate Members

- Pension Contribution – Defined Contribution 6%
- Health Insurance
- Group Life Insurance
- Lodging expenses for members residing more than 50 miles from the Capitol
- Auto expenses

Assumptions for Comparisons

- Compare only total (salary plus per diem)
- Per diem rates continue at 2016 levels
- Comparisons based on House level -- Senate level can be estimated by adding \$2,328 per year
- Auto expenses and communications expenses reflect actual costs of services
- Lodging reimbursements reflect actual costs
- Health and life insurance benefits in Minnesota are similar to those in other states
- Pension benefits similar to those in other states

Adjust Only for Inflation

- Adjust for CPI inflation from 1999 levels
 - New Salary & Per Diem = \$54,257
 - New Salary = \$46,570
 - Salary Increase = \$15,429
 - Pct Change = 49.5%
- Adjust for PCE inflation from 1999 levels
 - New Salary & Per Diem = \$51,416
 - New Salary = \$43,779
 - Salary Increase = \$12,589
 - Pct Change = 40.4%

Problems With Inflation Adjustments

- Assumes base year level (1999) is correct
- Legislators' wages as a proportion of average wage in state decrease over time because there is no adjustment for productivity increases, only changes in cost-of-living

Hold the Percentage of Median Household Income Constant

- Median Household Income
 - 1999 \$47,035
 - 2015 \$68,730
 - 46.1% Change (1999-2015)
- Adjust for increase in Median Household Income from 1999
 - New Salary & Per Diem = \$55,030
 - New Salary = \$47,344
 - Salary Increase = \$16,203
 - Pct Change = 52.0%

Problems with Income Based Adjustments

- Assumes base year level (1999) is correct
- Assumes legislative productivity tracks average productivity

Adjust to Keep Same Percentage of U.S. Congressional Salaries

- U.S. Congressional Salaries
 - 1999 -- \$136,700
 - 2016 -- \$174,000
 - 27.29%
 - Last increase was in 2009
- Adjust for increase in Congressional Salaries
 - New Salary & Per Diem = \$47,938
 - New Salary = \$40,252
 - Salary Increase = \$9,111
 - Pct Change = 29.3%

One-third of Governor's Salary

- Current Governor's Salary = \$127,629
- New Legislative Salary & Per Diem = \$42,543
 - New Salary = \$34,857
 - Salary Increase = \$3,716
 - Pct Change = 11.9%

Set at Average for County Commissioners in Large Counties

5 TC Metro Counties (avg) = \$62,741

- New Legislative Salary & Per Diem = \$62,741
 - New Salary = \$55,095
 - Salary Increase = \$23,594
 - Pct Change = 76.9%

5 Regional Center Counties (avg) = \$40,972

- New Legislative Salary & Per Diem = \$40,972
 - New Salary = \$33,286
 - Salary Increase = \$2,145
 - Pct Change = 6.9%

Set at Average for County Commissioners in Large Counties

10 Counties (avg) = \$51,856

- New Legislative Salary & Per Diem = \$51,856
 - New Salary = \$44,170
 - Salary Increase = \$13,029
 - Pct Change = 41.8%

Set Salary and Per Diem at a Percentage of State Policy Managers

- Average Salary for 11 High Level Policy Managers was \$116,222 in 2015
- Salary & Per Diem at 70 percent of Managers' salary
 - New Salary and Per Diem = \$81,355
 - New Salary = \$73,669
 - Salary increase = \$42,528
 - Percent change = 136.6%

Set Salary and Per Diem at a Percentage of State Policy Managers

- Average Salary for 11 High Level Policy Managers was \$116,222 in 2015
- Salary & Per Diem at 60 percent of Managers' salary
 - New Salary and Per Diem = \$69,233
 - New Salary = \$62,047
 - Salary increase = \$30,906
 - Percent change = 99.2%

Set Salary and Per Diem at Level Paid in Other Similar States

Iowa

- Salary = \$25,000
- Per Diem = \$160 per day (\$120 per day for Polk County residents) for 105 days = \$12,600
 - Assume difference reflects lodging costs
- Salary and Per Diem = \$37,600
 - New Salary = \$29,914
 - Salary increase = (\$1,227)
 - Percent change = (3.9%)

Set Salary and Per Diem at Level Paid in other Similar States

Wisconsin

- Salary = \$50,950
- Per Diem = \$88/day Senate (\$44 Dane County residents) \$138/day Assembly if overnight (\$69 no overnight) limit 90 days
- Assume higher rates reflect actual lodging costs
- Non lodging per diem is \$3,960 Senate and \$6,210 House

Wisconsin (continued)

- Total Wisconsin Salary and Per Diem
- Senate = \$54,910
- New Salary and Per Diem = \$54,910
 - New Salary = \$47,224
 - Salary increase = \$16,083
 - Percent change = 51.6%

Wisconsin (continued)

- Total Wisconsin Salary and Per Diem
- Assembly = \$57,160
- New Salary and Per Diem = \$57,160
 - New Salary = \$49,474
 - Salary increase = \$18,333
 - Percent change = 58.9%

Set Salary and Per Diem at Level Paid in other Similar States

Washington

- Salary = \$46,839
- Per Diem \$120 per day, average \$9,900
- Total salary and per diem \$56,739
- No adjustment for lodging expenses

Washington (continued)

Assume lodging cost is \$44 per night

- Non lodging per diem is \$76 per day
- Salary + non lodging per diem = \$53,109
- New Minnesota Salary and per diem = \$53,109
- New Salary = \$45,423
- Salary increase = \$14,282
- Percent change = 45.9%

Washington (continued)

Assume lodging cost is \$60 per night

- Non lodging per diem is \$60 per day
- Salary + non lodging per diem = \$51,789
- New Minnesota Salary and per diem = \$51,789
- New Salary = \$44,103
- Salary increase = \$12,962
- Percent change = 41.6%

Summary

Item	Salary	Percent Change
Current	\$38,827	N.A.
CPI	\$46,750	49.5%
PCE	\$43,779	40.4%
Med Hhold Income	\$47,334	52.0%
Congress	\$40,252	29.3%
1/3 Governor (\$127k)	\$34,857	11.9%

Summary (continued)

Item	New Salary	Percent change
County Comm (Metro)	\$55,095	76.9%
County Comm (Reg'l Ctr)	\$33,286	6.9%
County Comm (Met & Reg'l)	\$44,170	41.8%
Iowa	\$29,914	(3.9)%
Wisconsin (A)	\$49,474	58.9%
Wisconsin (S)	\$47,224	51.6%
Washington (44)	\$45,423	45.9%
Washington (60)	\$44,103	41.6%