



Legislative Salary Council

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March 23, 2021

Representative Melissa Hortman
Speaker of the House

Senator Jeremy Miller
President of the Senate

Representative Ryan Winkler
House Majority Leader

Senator Paul Gazelka
Senate Majority Leader

Representative Kurt Daudt
House Minority Leader

Senator Susan Kent
Senate Minority Leader

Representative Michael Nelson
Chair, State Government Finance Division

Senator Mary Kiffmeyer
Chair, State Government Finance and Policy
and Elections Committee

Representative Rena Moran
Chair, Ways and Means Committee

Senator Julie Rosen
Chair, Finance Committee

Governor Tim Walz

Chief Justice Lorie S. Gildea

Dear Governor Walz, Chief Justice Gildea, Representatives and Senators,

I am writing to you on behalf of the Legislative Salary Council. The Minnesota Constitution, Article IV, section 9, and Minnesota Statutes 2020, section 15A.0825 establishes the Legislative Salary Council (Council) whose responsibility is to prescribe the salaries of Minnesota state legislators by March 31st of each odd-numbered year. The Council has held three meetings and considered all forms of legislative compensation, the budget forecast, and an extensive amount of other data and analysis, as reflected in the attached report.

Based on our consideration of these materials and our extended discussion, the Legislative Salary Council prescribes that salaries of Minnesota senators and representatives be set at \$48,250, effective July 1, 2021.

Our report provides detail regarding our process, the data and reports that we considered, and the testimony that we received in the course of our work.

I want to thank staff who presented invaluable information to the Council from the House of Representatives, the Department of Administration, Minnesota Management and Budget, and the Legislative Reference Library. We also appreciate the staff support we received from the Office of the Attorney General and the Legislative Coordinating Commission.

A list of the members of the Council is included in our report's Appendix. Each of the members worked diligently and thoughtfully as we executed our responsibility to prescribe legislative salaries. We are honored to serve on the Legislative Salary Council and carry out this duty adopted by Minnesota's citizens through the Constitutional amendment.

Respectfully submitted,

A handwritten signature in blue ink that reads "Deborah Olson". The signature is written in a cursive style with a large initial "D" and "O".

Deborah Olson, Chair
Legislative Salary Council



Report of the Legislative Salary Council

March 23, 2021

This report is submitted by the Legislative Salary Council (Council), established under the Minnesota Constitution, Article IV, section 9, and Minnesota Statutes 2020, section 15A.0825.

Prescribed salaries

As provided in the Minnesota Constitution, Article IV, section 9, and Minnesota Statutes 2020, section 15A.0825, the Legislative Salary Council prescribes the salary of legislators at \$48,250, effective July 1, 2021.

Background

The citizens of Minnesota voted on November 8, 2016, to amend their Constitution by establishing a Legislative Salary Council to prescribe salaries of Minnesota's legislators. The duties and other terms are specified in state statute, section 15A.0825.

The Chief Justice of the Supreme Court and the Governor appointed members to fill their respective vacancies in early 2021. A list of the members is included in the Appendix.

The Council met three times between mid-February and March 31, 2021, the deadline for the Council to submit its determination. Because of the current COVID-19 pandemic, and pursuant to Minn. Stat. § 13D.021, Subd. 1(3), the Council met remotely through Zoom and broadcasted its meetings live on YouTube. The Council voted on its prescribed salary for Minnesota's 67 senators and 134 representatives at its meeting on March 12, 2021.

Process

The Council was organized by electing Ms. Deborah Olson to serve as Chair, and Dr. David Metzen as Vice-Chair. It heard a presentation by the Data Practices Office of the Department of Administration on the State's Open Meeting Law and Minnesota Government Data Practices Act, and adopted data practices policies recommended by the Department.

The Council requested and received substantial data regarding compensation of legislators. The Council received background on compensation policies for members, and data reflecting rates, costs, payments, and expenditures of the various components of legislative compensation.

The statute establishing the Council proscribes members of the legislature from communicating with Council members between the Council's first meeting and the submission of this report. To improve Council members' understanding of compensation issues, former legislators were invited to speak to the Council. Their presentations were very informative and instructive. A list of those former members is included in the Appendix.

As required by statute, the Council considered the financial status of the State, as indicated in the State's budget forecast. The Director of Budget Planning at Minnesota Management and Budget provided an in-depth explanation of the budget based on the November 2020 forecast.

An update, based on the February 2021 forecast, was provided by the Director of the Legislative Budget Office at the Council's February 26, 2021 meeting.

The Council considered other data: National Conference of State Legislatures' data on salary and compensation for legislatures in other states, salaries of county board members, and a variety of indicators of inflation.

The Council continues to consider per diem payments primarily as a form of compensation that amounts to additional salary. The issue of per diem is discussed separately in this report.

Comparable salaries

The Council reviewed other comparable positions and salaries. The jobs of legislators are unique, especially in their time demands. The Council clearly heard that legislators work more than full time when they are in regular session, with committee hearings being held from early morning until well into the evening. Members attend meetings in their districts, and engage with constituents on weekends as well.

Regular session varies: In odd-numbered years, session begins on the first Monday after the first Tuesday in January, and adjourns the third week of May. This longer session is when the legislature enacts the biennial budget, funding state government for two years.

In even-numbered years, the Legislature typically convenes (based on agreement between legislative leaders) the end of January or early February, and then adjourns the third week of May. Between regular sessions, the Governor may call legislators back into special session.

Presentations by former legislators indicated consistent themes on serving in the Minnesota Legislature:

- Serving in the Legislature reflects a commitment to public service. Legislative salaries are not a determining factor in deciding to run for office.
- The level of salary does not reflect the work involved, which is more than full time during legislative session, and includes substantial obligations during the interim as well.
- Salary levels are such that they are generally adequate for those who are at the beginning or at the end of their careers, but are inadequate for those in the middle who have families to support.
- There was consensus that current salaries should be increased. However, there were differing perspectives whether salaries should be high enough to support a legislator and their family, versus that of salaries not being at a level that is seen as a way to make a living.

Other themes were similar to those presented to previous councils, and included in their 2017 and 2019 reports.

In 2020, the onset of the COVID-19 Pandemic, as with every other aspect of Minnesota’s society and economy, had a significant impact on the work of the Legislature. In Spring 2020, legislators quickly began working remotely, relying on Zoom for committee and floor sessions. Those working arrangements have extended into 2021. In addition, because of statutory requirements regarding the Governor’s emergency powers, the Legislature met in monthly special sessions throughout the 2020-2021 interim.

County commissioners

The Council again examined the salaries of county commissioners, who hold elected office, and serve in parallel functions, but at the county level. As with legislators, there is also a variation in the time demands for county commissioners. Some counties consider their commissioners to be full-time, while others clearly serve in a more time-limited capacity.

A sampling of current commissioner salaries shows:

Sampling of county commissioner salaries			
County	Annual salary	County	Annual salary
Hennepin	\$113,566	Olmsted	\$41,007
Ramsey	\$97,102	Stearns	\$36,565
Anoka	\$71,593	Scott	\$72,306
Dakota	\$85,869	Washington	\$70,720
Carver	\$72,294		

Between 2018 and 2020, the salaries of the Metropolitan Area county commissioners, excluding Hennepin and Ramsey Counties, increased an average of 14.6%. Hennepin County Commissioner pay increased 2.5%, and Ramsey County Commissioner pay increased 5.1% over the two-year period.

Other State Legislatures

The National Conference of State Legislatures publishes survey data on compensation paid to legislators across the country. A report for 2020 is included in the Appendix. A review of that data indicates a wide variance in salary, per diem rates, and the number of days legislatures are in session.

This permits comparisons with similar assumptions with other states:

Comparison of salaries and per diem with other selected Legislatures			
State	Salary	Percent increase from 2018	Per diem
Minnesota	\$46,500		Senate: \$86 House: \$66
Iowa	\$25,000	0.0%	\$169
Wisconsin	\$52,999	4.0%	Senate: Up to \$115 Assembly: Up to \$162
North Dakota	\$515/month	N.A.	\$186
South Dakota	\$11,892	98.2%	\$151
Washington	\$56,881	16.7%	\$120

Rationale

During its deliberations, members generally concluded that the 2017 determination to increase legislator salaries to \$45,000 was appropriate. The Council also agreed that the 3.3% increase to \$46,500 determined by the 2019 Council was appropriate, reflecting a reasonable cost of living adjustment.

The Council considered numerous points of information in determining the salary to be effective July 2021. These include, but are not limited to the following:

- Inflation, as measured by CPI-U, increased by 2.29% in 2019 and 1.75% in 2020.
- State employee collective bargaining agreements provided 2.25% and 2.5% across the board increases effective July 1, 2019 and July 1, 2020, respectively.
- Social security benefits increased 1.6% and 1.3% effective December 2019 and December 2020.
- Private sector pay increased 3.0% and 2.6% effective December 2019 and December 2020.
- The five non-urban Metropolitan County (7 county Metro Area excluding Ramsey and Hennepin counties) commissioner salaries increased 14.6% since the Salary Council's last determination.
- The Salary Council makes a single salary determination effective July of the odd-numbered year. Many of the salary comparisons that the Council considered consisted of two adjustments over a two-year period. The adjustment made by this Council explicitly takes into account this two-year period in order to keep Legislator salaries whole in real economic terms.
- MMB's budget forecast references estimates of inflation for the next three years: 2.1% for FY 22, 2.0% for FY 23, and 2.0% for FY 24.

- The Council notes the significant changes in the State's budget forecasts over the last twelve months. Minnesota Management and Budget's forecasts have swung from substantial deficits to significant surpluses, both for the current and the next biennium. The COVID-19 Pandemic and the recession that followed indicate a volatile economy. The Department's updated forecast, released in February, projects a surplus of \$1.571 billion for the FY 22-23 biennium.

As it did in 2017 and 2019, the Council considered what it had heard and the materials it had reviewed during their meetings. This information included:

- Presentations and comments by former legislators.
- National survey data published by the National Conference of State Legislatures.
- All of the elements of legislators' compensation, with a particular focus on those components that are treated as income.
- The budget forecasts issued by Minnesota Management and Budget.
- Salaries of county commissioners and other government employees.

The Council understands that it is setting the salary not just for those presently serving in the Legislature, but also for those who may desire to serve in the future. Unless Minnesota's Legislature has a reasonable salary level, we will not be able to attract and retain legislators with the best skills and experience to represent us.

As required in the Council's statute, the Council considered the state's most recent budget forecast. Minnesota Management and Budget reported that the agency anticipates a surplus of \$1.571 billion for the FY 22-23 biennium. The Council's salary determination is estimated as having a cost of \$405,000 per year, which includes the salary increase of \$1,750 and the impact of the increased salary on Social Security and retirement contributions.

The Council's extended discussions resulted in a salary determination of \$48,250, adopted on a vote of 11 to 4, with one member absent.

Per diem

The second significant point of discussion was the continuing payment of per diems by the Senate and the House of Representatives. Consistent with previous Councils, the Legislative Salary Council contends that members need to be made whole for their costs of coming to St. Paul for five months each odd-numbered year and four months each even-numbered year to carry out the people's business. However, payments of flat dollar amounts do not reflect members' actual expenses that are incurred. That these flat dollar amounts are significantly and inexplicably different between the House and the Senate (\$66 vs. \$86) supports the concern that these amounts have little to do with expenses. This point is highlighted by the IRS, which treats these payments as income for members who live within 50 miles of the Capitol, and by the State of Minnesota which pays retirement on per diem, thus recognizing per diem as compensation. Legislative Salary Council members strongly believe that, for most legislators,

per diems are a non-transparent form of additional salary. Many Council members have indicated they would support an increase in salary if per diem were eliminated.

As a result, the majority of the Council continues to encourage the Minnesota Senate and the House of Representatives to consider eliminating per diems and replacing them with reimbursement for actual expenses. The Council is sympathetic to the challenges of the paperwork involved, but most Council members, with experience in both the public and private sectors, recognize this as a standard business practice.

The Council's 2017 report provides an in-depth examination of the issue of per diem. Our appendix includes an updated report on expenditures for per diem by the House and Senate.

Other benefits

Insurance. By law, Minnesota Statutes 43A.24, Subd. 2, legislators participate in the health insurance program provided to all state employees. The insurance program includes health, dental, and life insurance.

Premiums vary based on whether the legislator elects single or family coverage. Other costs, such as co-pays, co-insurance and deductibles depend on which tier of services the member elects. Members participate in the same manner as state employees.

Annual premiums for 2021 are:

Annual insurance premiums			
		Legislator contribution	State contribution
Health	Single coverage	\$440	\$8,356
	Family coverage	\$3,000	\$22,865
Dental	Single coverage	\$162	\$327
	Family coverage	\$641	\$806
Life insurance			\$60

Council members note:

- The State health and dental insurance plan represents a significant benefit paid to legislators.
- Given that legislators typically work full time for the Legislature four or five months a year, but substantially less the remaining part of the year, it would be difficult to obtain other insurance while they serve. Some Council members noted that part-time employment is a challenge for many Minnesotans, who are not offered the opportunity to participate in this comprehensive insurance program.

Retirement. Under state law, members participate in a state retirement program, Minnesota Statutes 2020, section 352D. This is a defined contribution program where the State contributes 6.25%, while the legislator contributes 6.0% (effective July 1, 2019). Participation is mandatory. The member’s salary and per diem payments for regular and special sessions are included when calculating the contributions. The legislator, like other state employees who participate in the State’s defined contribution programs, can direct the investment in a variety of investment funds selected by the State Board of Investment.

At any time after employment ends, the legislator may withdraw the value of his or her account, including both employee and employer contributions, in a lump sum, which may be rolled, to continue the tax deferral, into an individual retirement account (“IRA”). A withdrawal forfeits the right to elect a retirement annuity at age 55. At age 55 or later, provided legislative service has ended, the legislator may elect a distribution in the form of a lump sum or an annuity. The annuity, which is a monthly benefit paid for the life of the legislator, is calculated based on the account balance and the age of the legislator at the annuity starting date. In exchange for a lower monthly amount, the legislator may elect a joint and survivor annuity that pays a survivor benefit to a beneficiary after the death of the legislator. These options are also available if a legislator becomes totally and permanently disabled. Annuities are eligible for post-retirement adjustments (sometimes called “COLAs”).

Retirement contributions based on average per diem payments paid in 2020 are:

State retirement contribution (6.25%)		
	House	Senate
Salary: \$46,500	\$2,906	\$2,906
Average per diem (2020)		
House: \$6,618	\$414	
Senate: \$9,189		\$574

Expense reimbursements and allowances

Members of the legislature receive other payments for certain expenses they incur to carry-out the duties of their office. They are also reimbursed for expenses they incur for attending approved conferences or trips.

Mileage. Representatives who live more than 50 miles from the Capitol are reimbursed for their mileage from their homes to the Capitol, limited to one round trip per week during session and 15 trips during interim unless related to interim committee work. Representatives are also reimbursed for mileage for travel in their legislative districts, with a maximum of \$850 per month. (There are exceptions for districts with greater than 1,000 square miles.)

During session, senators who live more than 50 miles from the Capitol are reimbursed for their mileage to and from the Capitol. Senators are also reimbursed for their mileage for constituent and district meetings. Senators must present documentation to receive the constituent and district mileage.

All mileage reimbursement is based on the federal mileage rate.

Lodging. Members who live more than 50 miles from the Capitol may be reimbursed for lodging expenses. All reimbursements must be documented by receipts or lease agreements.

Representatives may be reimbursed for rent, and related lodging expenses such as furniture rental, local telephone, internet access service, basic media service, utilities, renter's insurance, non-refundable fees, and parking. The maximum amount is \$1,800 per month. The House of Representatives limits the total of these reimbursements to a maximum of \$32,400 over the two-year length of their terms.

Senators may be reimbursed for rent, utilities, and furniture rental. The maximum reimbursement is \$2,000 per month.

Communications. Members may receive reimbursement for communications expenses. Representatives may request a communications expense allowance of up to \$125 per month for internet service, an additional phone line, optional telephone services, wireless services, or other communication services needed to maintain frequent and reliable communication with constituents, house staff, and other government officials.

Senators may receive reimbursement for communications expenses up to \$200 per month for such items as telephone, fax, cell phone pager, and Internet services.

For both senators and representatives, if receipts are provided, these will be treated as an expense. If there is no receipt, it will be treated as income and taxed.

Leadership pay. Under Minnesota Statutes section 3.099, Subdivision 3, the Senate and the House Rules Committees may designate additional pay of up to 140% for leadership positions in each body.

“Subd. 3. **Leaders.** The senate Committee on Rules and Administration for the senate and the house of representatives Committee on Rules and Legislative Administration for the house of representatives may each designate for their respective body up to three leadership positions to receive up to 140 percent of the compensation of other members.”

Budget forecast

The Council's statute, section 15A.0825, Subdivision 7, requires it to take into account the most recent budget forecast. At its February 12 meeting, the Council received a presentation on the state budget from Bryan Dahl, the Budget Planning Director, based on the November 2020

forecast. The November forecast showed a projected surplus of \$641 million in the current FY 20-21 biennium, and a deficit of \$1.3 billion for the FY 2022-2023 biennium

At its meeting on February 26, Krista Carsner, Director of the Legislative Budget Office, provided an update based on the just-released February forecast. The updated forecast shows a projected surplus of \$1.571 billion for the FY 2022-2023 biennium.

Conclusion

The Council adopted its salary determination at its meeting on March 12, 2021, and decided its report should follow the Council's previous reports with updates for the information the Council reviewed this year. It directed the chair to work with staff to prepare the report, distribute it for review by the Council and then submit the report as provided in statute. These actions were approved on a 15-0 vote, with one member absent.

We include a minority report, reflecting the perspective that per diem is outside the purview of the Legislative Salary Council, and as such there should not be any recommendations to modify or eliminate it. The author of the minority report was clear that he separately supported the salary determination. That minority report is included in the Appendix.

An appendix of key documents is attached.

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Appendix A

Constitutional Amendment

CONSTITUTION OF THE STATE OF MINNESOTA

Adopted October 13, 1857

Generally Revised November 5, 1974

Article 1.	Bill of rights.	Article 8.	Impeachment and removal from office.
Article 2.	Name and boundaries.	Article 9.	Amendments to the constitution.
Article 3.	Distribution of the powers of government.	Article 10.	Taxation.
Article 4.	Legislative department.	Article 11.	Appropriations and finances.
Article 5.	Executive department.	Article 12.	Special legislation; local government.
Article 6.	Judiciary.	Article 13.	Miscellaneous subjects.
Article 7.	Elective franchise.	Article 14.	Public highway system.

ARTICLE IV LEGISLATIVE DEPARTMENT

Sec. 9. Compensation. The salary of senators and representatives shall be prescribed by a council consisting of the following members: one person who is not a judge from each congressional district appointed by the chief justice of the Supreme Court, and one member from each congressional district appointed by the governor. If Minnesota has an odd number of congressional districts, the governor and the chief justice must each appoint an at-large member in addition to a member from each congressional district. One-half of the members appointed by the governor and one-half of the members appointed by the chief justice must belong to the political party that has the most members in the legislature. One-half of the members appointed by the governor and one-half of the members appointed by the chief justice must belong to the political party that has the second-most members in the legislature. None of the members of the council may be current or former legislators, or the spouse of a current legislator. None of the members of the council may be current or former lobbyists registered under Minnesota law. None of the members of the council may be a current employee of the legislature. None of the members of the council may be a current or former judge. None of the members of the council may be a current or former governor, lieutenant governor, attorney general, secretary of state, or state auditor. None of the members of the council may be a current employee of an entity in the executive or judicial branch. Membership terms, removal, and compensation of members shall be as provided by law. The council must prescribe salaries by March 31 of each odd-numbered year, taking into account any other legislative compensation provided to legislators by the state of Minnesota, with any changes in salary to take effect on July 1 of that year. Any salary increase for legislators authorized in law by the legislature after January 5, 2015, is repealed.

[Amended, November 8, 2016]

Appendix B

Statute

15A.0825 LEGISLATIVE SALARY COUNCIL.

Subdivision 1. **Membership.** (a) The Legislative Salary Council consists of the following members:

(1) one person, who is not a judge, from each congressional district, appointed by the chief justice of the supreme court; and

(2) one person from each congressional district, appointed by the governor.

(b) If Minnesota has an odd number of congressional districts, the governor and the chief justice must each appoint an at-large member, in addition to a member from each congressional district.

(c) One-half of the members appointed by the governor and one-half of the members appointed by the chief justice must belong to the political party that has the most members in the legislature. One-half of the members appointed by the governor and one-half of the members appointed by the chief justice must belong to the political party that has the second most members in the legislature.

(d) None of the members of the council may be:

(1) a current or former legislator, or the spouse of a current legislator;

(2) a current or former lobbyist registered under Minnesota law;

(3) a current employee of the legislature;

(4) a current or former judge; or

(5) a current or former governor, lieutenant governor, attorney general, secretary of state, or state auditor.

Subd. 2. **Initial appointment; convening authority; first meeting.** Appointing authorities must make their initial appointments by January 2, 2017. The governor shall designate one member to convene and chair the first meeting of the council. The first meeting must be before January 15, 2017. At its first meeting, the council must elect a chair from among its members. Members that reside in an even-numbered congressional district serve a first term ending January 15, 2019. Members residing in an odd-numbered congressional district serve a first term ending January 15, 2021.

Subd. 3. **Terms.** (a) Except for initial terms and for the first term following redistricting, a term is four years or until new appointments are made after congressional redistricting as provided in subdivision 4. Members may serve no more than two full terms or portions of two consecutive terms.

(b) If a member ceases to reside in the congressional district that the member resided in at the time of appointment as a result of moving or redistricting, the appointing authority who appointed the member must appoint a replacement who resides in the congressional district to serve the unexpired term.

Subd. 4. **Appointments following redistricting.** Appointing authorities shall make appointments within three months after a congressional redistricting plan is adopted. Members that reside in an even-numbered district shall be appointed to a term of two years following redistricting. Members that reside in an odd-numbered district shall be appointed to a term of four years following redistricting.

Subd. 5. **Removal; vacancies.** Members may be removed only for cause, after notice and a hearing, for missing three consecutive meetings, or as a result of redistricting. The chair of the council or a designee shall inform the appointing authority of a member missing three consecutive meetings. After the second consecutively missed meeting and before the next meeting, the chair or a designee shall notify the member in writing that the member may be removed for missing the next meeting. In the case of a vacancy on the

council, the appointing authority shall appoint a person to fill the vacancy for the remainder of the unexpired term.

Subd. 6. **Compensation.** Members shall be compensated under section 15.059, subdivision 3.

Subd. 7. **Duties.** By March 31 of each odd-numbered year, the council must prescribe salaries for legislators to take effect July 1 of that year. In setting salaries, the council must take into account any other legislative compensation provided to the legislators by the state and the most recent budget forecast. The council must submit a report by March 31 of each odd-numbered year with the prescribed salaries to the governor, the majority and minority leaders of the senate and the house of representatives, the chairs of the committees in the senate and the house of representatives with jurisdiction over the legislature's budget, and the chairs of the committees in the senate and house of representatives with jurisdiction over finance. The report must describe the council's rationale for selecting the prescribed salaries.

Subd. 8. **Chair.** The council shall elect a chair from among its members.

Subd. 9. **Staffing.** The Legislative Coordinating Commission shall provide administrative and support services for the council.

Subd. 10. **No ex parte communications.** Members may not have any communication with a member of the legislature during the period after the first meeting is convened under subdivision 2 and the date the legislator salaries are submitted under subdivision 7.

History: 2014 c 282 s 1; 2017 c 40 art 1 s 3

Appendix C

Council Member Roster

Legislative Salary Council Members

Per [Minnesota Statutes 15A.0825](#), the Legislative Salary Council consists of 16 members: one person, who is not a judge, from each congressional district, appointed by the chief justice of the Supreme Court; and one person from each congressional district, appointed by the governor. One-half of the members appointed by the governor and one-half of the members appointed by the chief justice must belong to the political party that has the most members in the legislature. The remaining half must belong to a political party that has the second most members in the legislature.

Members	Term Expires	Appointed By	Congressional District
Joseph Boyle	January 15, 2023	Governor	Eighth District
Diana Burlison	January 15, 2023	Chief Justice	Sixth District
William P. Donohue	January 15, 2023	Chief Justice	Fourth District
Gregory R. Fox	January 15, 2023	Chief Justice	Eighth District
Brent Frazier	January 15, 2025	Governor	Seventh District
James Joy	January 15, 2025	Chief Justice	Seventh District
Thomas Kuntz	January 15, 2025	Governor	First District
Charles J. McElroy	January 15, 2025	Chief Justice	Fifth District
Dr. David Metzen	January 15, 2023	Governor	Second District
Gloria S. Myre	January 15, 2023	Chief Justice	Second District
Deborah Olson	January 15, 2025	Chief Justice	Third District
James Patterson	January 15, 2025	Governor	Fifth District
Sherrie Pugh	January 15, 2025	Governor	Third District
Dr. Thomas Stinson	January 15, 2023	Governor	Fourth District
Marsha VanDenburgh	January 15, 2023	Governor	Sixth District
Kenneth A. Wilmes	January 15, 2025	Chief Justice	First District

Appendix D

Former Members Testifying

Legislative Salary Council
March 17, 2021

Former members of the Minnesota Legislature that provided testimony:

- Carolyn Laine, former member of the Minnesota Senate
- Sandy Layman, former member of the Minnesota House of Representatives
- Bob Vogel, former member of the Minnesota House of Representatives

Appendix E

Minority Report

Minority Report

I, Joseph Boyle, believe the recommendation to the legislature to eliminate per diem is beyond the authority of the Legislative Salary Council. I support the Council's salaries prescribed in 2017, in 2019, and the recent increase prescribed as to the year 2021.

However, the Authority of the Legislative Salary Council is solely to prescribe the salary for legislators.

AUTHORITY

Article IV of the Minnesota Constitution, LEGISLATIVE DEPARTMENT, Sec. 9.

Compensation declares:

The salary of senators and representatives shall be prescribed by a council....The council must prescribe salaries by March 31 of each odd-numbered year taking into account any other legislative compensation provided to legislators by the state of Minnesota....

Minnesota Statute §15A.0825 LEGISLATIVE SALARY COUNCIL, states:

Duties: By March 31 of each odd-numbered year, the council must prescribe salaries for legislators....In setting salaries, the council must take into account any other legislative compensation provided to the legislators by the state and the most recent budget forecast. The council must submit a report by March 31 of each odd-numbered year with the prescribed salaries....The report must describe the council's rationale for selecting the prescribed salaries.

Thus, the Constitutional Amendment states in part:

The salary of senators and representatives shall be prescribed by a council....taking into account any other legislative compensation provided to legislators by the State of Minnesota.

The enabling legislation states in part:

...the council must prescribe salaries for legislators....In setting salaries, the council must take into account any other legislative compensation....The report must describe the council's rationale for selecting the prescribed salaries.

As our original report of 2017 stated:

Minnesota is not alone in the use of per diem to supplement legislative salaries. A National Conference of State Legislature's survey shows per diem is part of the compensation package in 42 states.

The termination of per diem will eliminate rural legislators' ability to take legal tax deductions, and be paid for incidental expenses incurred due to living and maintaining two residences. The

majority's recommendation to terminate per diem is unauthorized as to the powers of the Salary as established by the voters in the Minnesota Constitution.

Respectfully Submitted:

Joseph M. Boyle
Council Member

Appendix F

MMB February Budget Forecast

BUDGET AND ***ECONOMIC FORECAST***



FEBRUARY 2021

Produced by Minnesota Management and Budget

Federal Actions Improve State Outlook

- Budget outlook significantly improved in all years; positive balance of \$1.6 billion now projected in FY 2022-23.
- Improved U.S. economic outlook, supported by federal pandemic relief legislation not in November forecast, raises the revenue forecast.
- State spending estimates adjusted downward due to continued federal support in Medical Assistance and lower E-12 estimates.
- Unemployment continues to disproportionately impact lower-wage workers.

\$1.6 Billion Balance Projected for FY 22-23

(\$ in millions)	FY 2022-23		Forecast Change
	End of December Special Session	FY 2022-23 Feb. Forecast	
Beginning Balance	\$3,202	\$3,748	\$546
Revenues	49,494	50,917	1,423
Spending	51,113	50,657	(456)
Budget Reserve	1,886	1,886	-
Cash Flow Account	350	350	-
Stadium Reserve	230	201	(29)
Budgetary Balance	\$(883)	\$1,571	\$2,454

FY 22-23 Budget Balance

Required Budget
Reserve Use
\$491M

Carry Forward from Previous Budget
\$940M

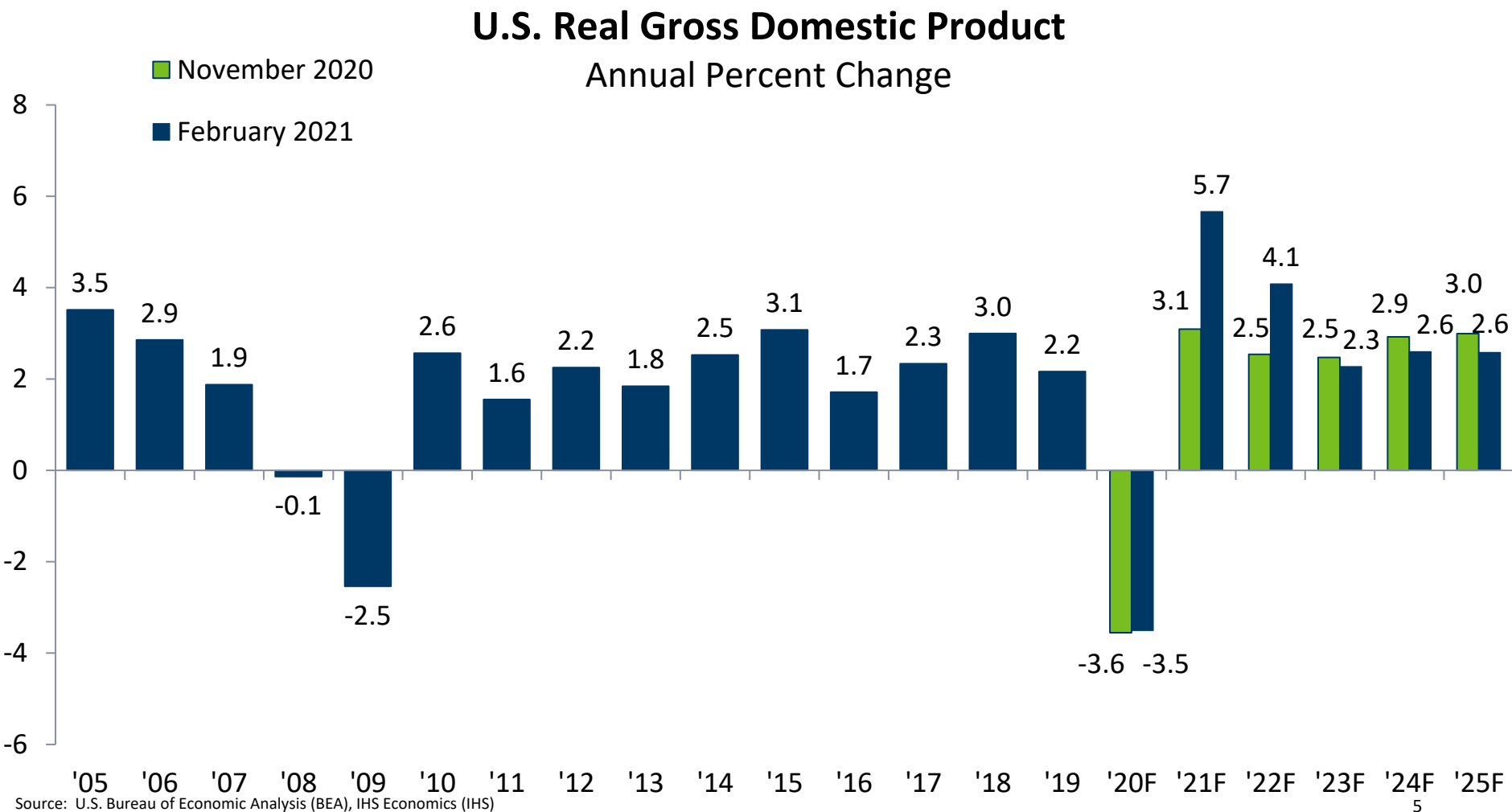
Structural Balance
(Revenue - Spending)
\$260M

\$120M

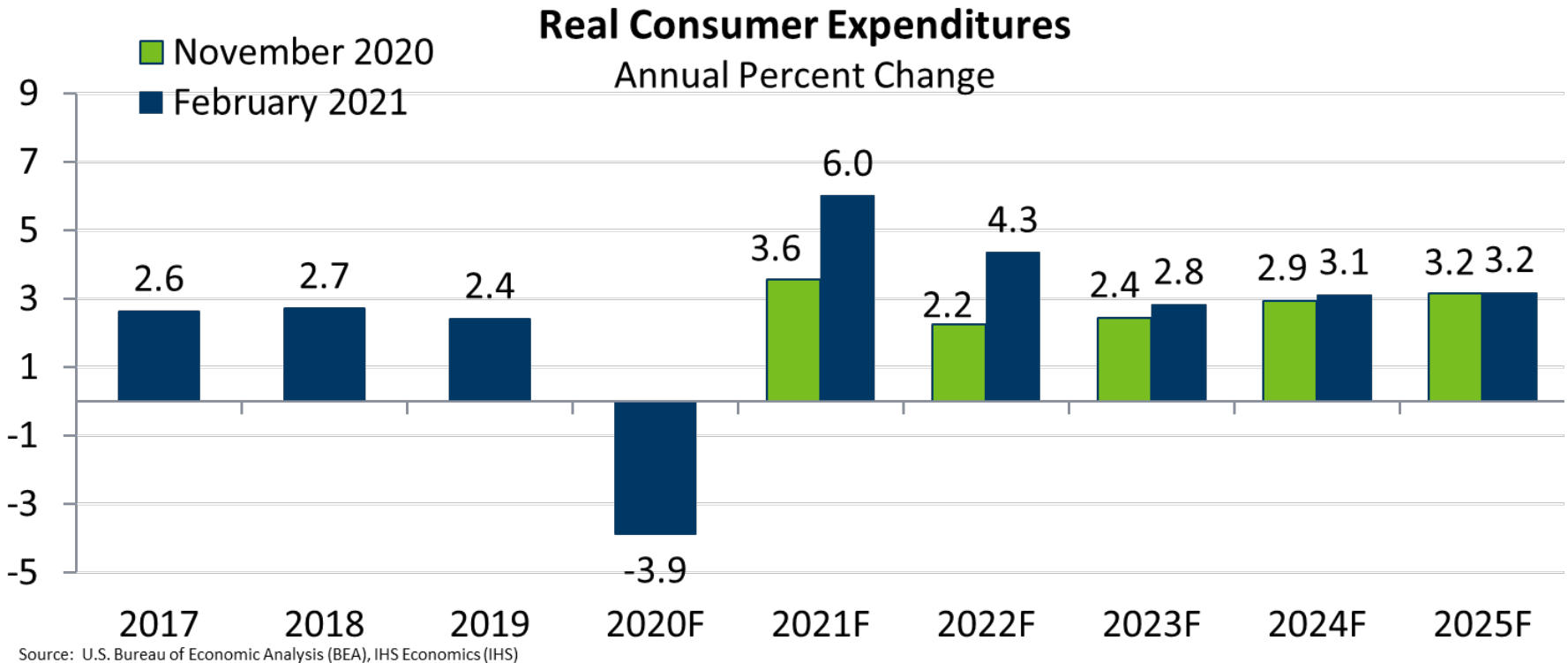
Stadium Reserve Growth

\$1.57 Billion Available for FY 22-23

U.S. Outlook Improved Since November

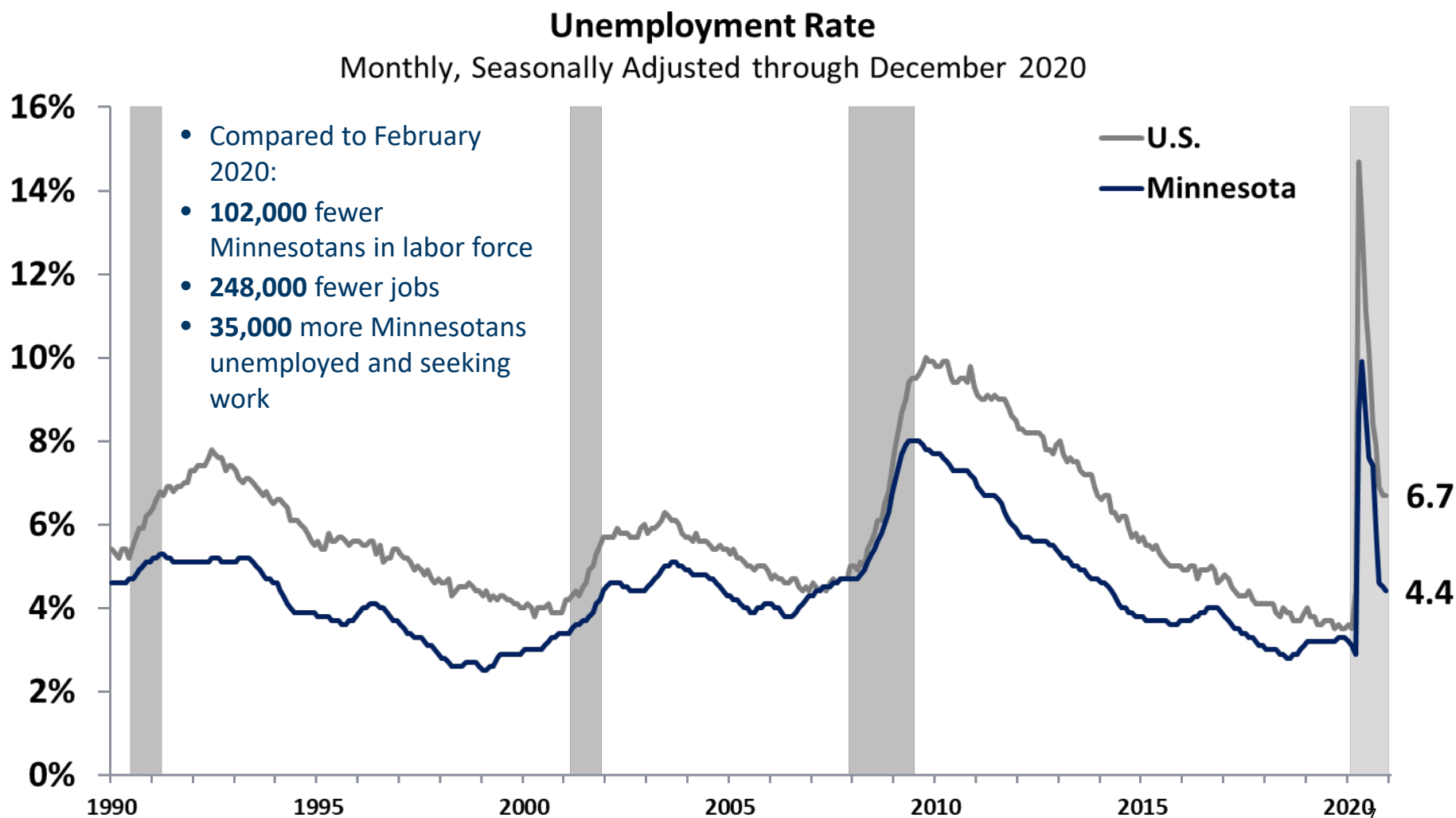


Consumer Spending Supports Recovery

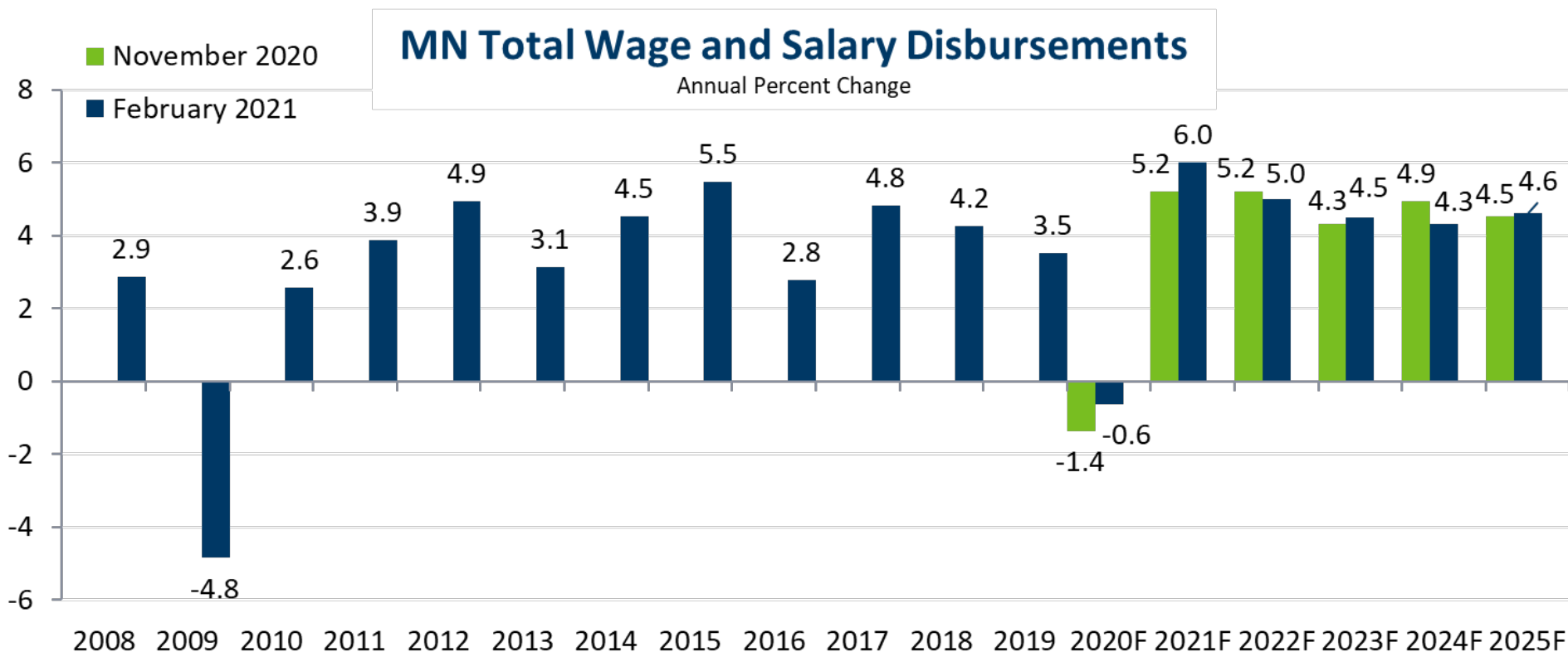


Additional stimulus and an improving COVID-19 situation prompted IHS to raise the forecast for real consumer spending.

Minnesota Labor Market



Minnesota Total Wage and Salary Income Expected to Increase this Year



Source: MN Management and Budget (MMB), U.S. Bureau of Economic Analysis (BEA)

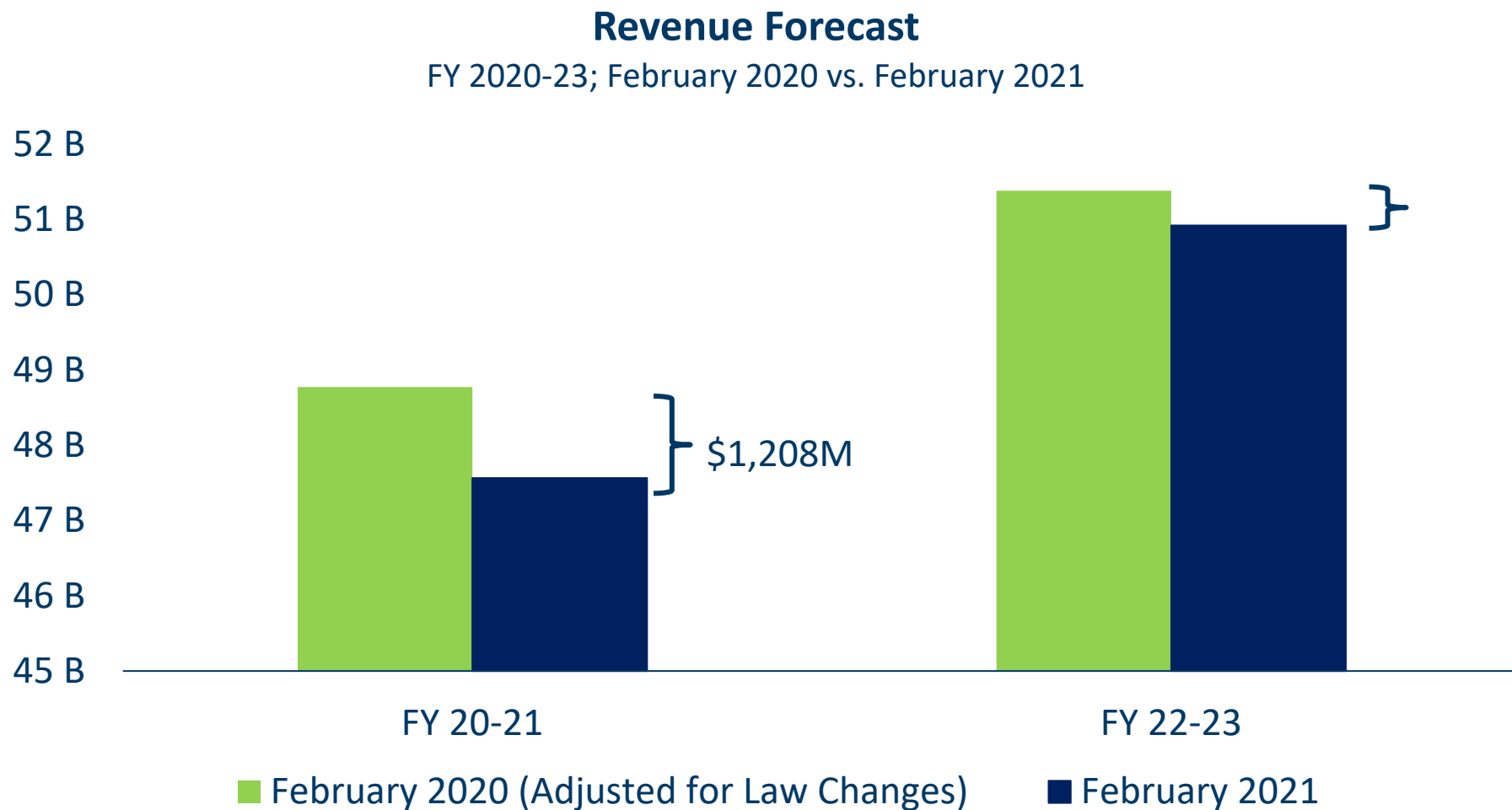
Revenue Forecast Improved from November in FY 2020-21 and FY 2022-23

33

(\$ in millions)

	FY 2020-21		FY 2022-23	
	Feb. 2021 Forecast	Forecast Change	Feb. 2021 Forecast	Forecast Change
Individual Income Tax	\$24,664	\$(100)	\$27,233	\$661
General Sales Tax	11,578	77	12,813	335
Corporate Franchise Tax	3,312	238	3,303	358
All Other Revenue	8,009	248	7,568	68
Total Revenues	\$47,563	\$463	\$50,917	\$1,423

Revenue Forecast Below February 2020 Levels



Forecast Risks



- Path of pandemic, timing of widespread vaccination



- Federal support



- Consumer behavior



- Business confidence



- Financial market volatility



- 28 months until the end of FY 22-23

Spending Forecast Reduced

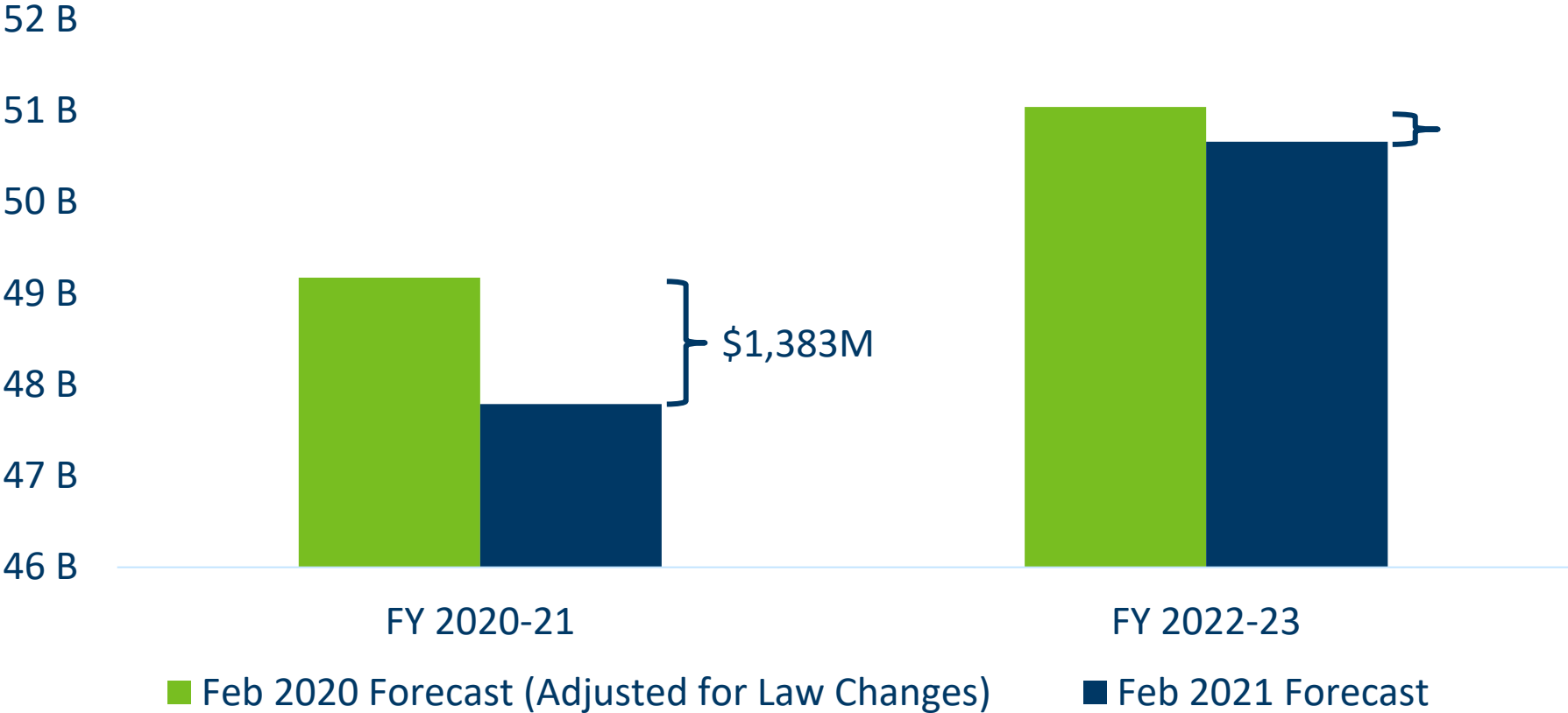
(\$ in millions)

	FY 2020-21		FY 2022-23	
	Feb. 2021 Forecast	Forecast Change	Feb. 2021 Forecast	Forecast Change
E-12 Education	\$19,842	\$(39)	\$20,429	\$(165)
Health and Human Services	13,718	(54)	16,250	(257)
All Other	14,226	9	13,978	(34)
Total Spending	\$47,786	\$(83)	\$50,657	\$(456)

\$1.8 Billion in Forecast Savings Since Feb 2020

Expenditure Forecast

FY 2020-23; February 2020 vs. February 2021



Long Term Budget Outlook

(\$ in millions)	FY 2022-23	FY 2024-25	Biennial Growth	Annualized % Growth
Forecast Revenues	\$50,917	\$54,287	\$3,370	3.3%
Projected Spending	50,657	53,442	2,785	2.7%
Structural Balance	\$260	\$845		
<i>Estimated Inflation</i>	<i>\$1,042</i>	<i>\$2,554</i>		

BUDGET AND *ECONOMIC FORECAST*



FEBRUARY 2021

Produced by Minnesota Management and Budget

Appendix G
Legislator Per Diem and Expenses
2013-2020

Legislator Per Diems and Expenses (2013-2020)
Legislative Salary Council
2/4/2021

Senate Members - Average Payments

Year Paid	Per Diems								Insurance & Retirement			Reimbursed Expenses				
	Maximum Per Diem	Session Per Diem	Interim Per Diem	Special Session	Per Diem Total	Total Amount Paid in Per Diem	Number of Regular Session Days	Number of Special Session Days	Single: 95% by state	Family: 85% by state	Retirement by state 6.25%	Lodging	Mileage	Other Travel	District Travel	Other Expenses
2013	\$86	\$10,976	\$868	\$69	\$11,913	\$798,142	62	1	\$5,734	\$15,096	\$1,868	\$5,227	\$2,798	\$264	N/A	\$1,293
2014	\$86	\$6,670	\$1,234	\$0	\$7,904	\$529,562	44		\$5,985	\$15,759	\$1,868	\$5,730	\$2,431	\$257	N/A	\$2,113
2015	\$86	\$10,965	\$1,034	\$96	\$12,095	\$810,340	65	1	\$5,985	\$15,759	\$1,868	\$6,315	\$2,699	\$609	N/A	\$2,008
2016	\$86	\$6,361	\$1,318	\$0	\$7,679	\$514,505	42		\$6,430	\$16,922	\$1,868	\$6,456	\$1,880	\$258	N/A	\$1,966
2017	\$86	\$11,751	\$479	\$0	\$12,230	\$819,373	62	4	\$6,992	\$18,396	\$2,284	\$7,187	\$1,861	\$237	N/A	\$1,709
2018	\$86	\$5,854	\$2,420	\$0	\$8,274	\$554,379	40		\$7,191	\$18,920	\$2,700	\$7,269	\$2,149	\$248	N/A	\$1,764
2019	\$86	\$10,947	\$1,160		\$1,160	\$794,398	59	1	\$7,797	\$22,927	\$3,272	\$7,379	\$2,612	\$828	N/A	\$551
2020	\$86	\$8,038	\$616	\$535	\$9,189	\$615,688	38	17	\$8,409	\$24,727	\$3,671	\$7,917	\$1,611	\$151	N/A	\$36

House Members - Average Payments

Year Paid	Per Diems								Insurance & Retirement			Reimbursed Expenses				
	Maximum Per Diem	Session Per Diem	Interim Per Diem	Special Session	Per Diem Total	Total Amount Paid in Per Diem	Number of Regular Session Days	Number of Special Session Days	Single: 95% by State	Family: 85% by state	Retirement by state 6.25%	Lodging	Mileage	Other Travel	District Travel	Other Expenses
2013	\$66	\$7,325	\$490	\$65	\$7,880	\$1,103,255	62	1	\$5,734	\$15,096	\$2,017	\$3,628	\$1,576	\$135	\$709	\$702
2014	\$66	\$4,768	\$644	\$0	\$5,413	\$725,280	44		\$5,985	\$15,759	\$1,912	\$3,212	\$1,257	\$73	\$824	\$764
2015	\$66	\$7,297	\$503	\$25	\$7,826	\$1,142,567	65	1	\$5,985	\$15,759	\$2,087	\$4,111	\$1,576	\$148	\$642	\$1,067
2016	\$66	\$4,524	\$571	\$0	\$5,096	\$682,820	41		\$6,430	\$16,922	\$1,905	\$3,247	\$1,125	\$26	\$593	\$1,085
2017	\$66	\$8,239	\$455	\$118	\$8,813	\$1,180,895	62	4	\$6,992	\$19,132	\$2,147	\$12,589	\$1,503	\$145	\$549	\$914
2018	\$66	\$5,253	\$558	\$0	\$5,812	\$778,780	40		\$7,191	\$19,678	\$2,759	\$9,740	\$1,254	\$68	\$705	\$1,263
2019	\$66	\$6,836	\$625	\$36	\$7,497	\$1,117,032	59	1	\$7,797	\$22,927	\$2,891	\$5,268	\$1,629	\$242	\$575	\$1,083
2020	\$66	\$5,182	\$461	\$975	\$6,618	\$893,453	38	16	\$8,409	\$24,727	\$2,997	\$4,073	\$1,149	\$39	\$405	\$1,280

Appendix H

NCSL 2020 Legislator Compensation Data

**National Conference of State Legislatures
2020 Legislative Compensation and Living Expense Allowances During Regular Sessions**

State	Salaries		Mileage Reimbursement Rate (cents per mile)	Session Per Diem Rate
	Per Diem Salary	Annual Salary		
Alabama	n/a	\$49,861	57.5/mile.	For overnight stays: \$85/day. For two or more days with overnight stays: \$100/day.
Alaska	n/a	\$50,400	57.5/mile.	\$287/day.
Arizona	n/a	\$24,000	57.5/mile.	For legislators residing within Maricopa County: \$35/day for the first 120 days of regular and special sessions and \$10/day for all following days. For legislators residing outside of Maricopa County: \$60/day for the first 120 days of regular and special sessions and \$20/day for all following days. <i>Set by statute.</i>
Arkansas	n/a	\$42,428	57.5/mile.	For legislators residing within 50 miles of the capitol: \$55/day. For legislators residing more than 50 miles from the capitol: \$151/day.
California	n/a	\$114,877	53/mile.	\$206/day.
Colorado	n/a	\$40,242 for legislators whose terms commence in or after January 2019; \$30,000 for those whose terms began before January 2019.	52/mile.	For legislators residing within 50 miles of the capitol: \$45/day. For legislators living more than 50 miles from the capitol: \$219/day. <i>Set by the legislature. Vouchered.</i>
Connecticut	n/a	\$28,000	57.5/mile.	No per diem is paid.
Delaware	n/a	\$47,291	40/mile.	No per diem is paid.
Florida	n/a	\$29,697	44.5/mile.	\$152/day for up to 50 days for senators and up to 60 days for representatives. <i>Vouchered.</i>
Georgia	n/a	\$17,342	57.5/mile. <i>Tied to federal rate.</i>	\$173/day. <i>Set by the Legislative Services Committee. Unvouchered.</i>
Hawaii	n/a	\$62,604	57.5/mile.	For legislators who do not reside on Oahu: \$225/day. For legislators living on Oahu during the mandatory five-day recess only: \$10/day.
Idaho	n/a	\$18,415	57.5/mile.	For legislators residing within 50 miles of the capitol: \$71/day. For legislators residing more than 50 miles from the capitol: \$139/day.
Illinois	n/a	\$69,464	57.5/mile.	\$151/day.
Indiana	n/a	\$27,204	57.5/mile. <i>Tied to federal rate.</i>	\$184/day. <i>Unvouchered.</i>
Iowa	n/a	\$25,000	39/mile.	\$169/day. <i>Unvouchered.</i>
Kansas	\$88.66/calendar day.	n/a	57.5/mile. <i>One round trip per week.</i>	\$151/day.
Kentucky	\$188/day.	n/a	57.5/mile. <i>Tied to federal rate.</i>	\$166/day.
Louisiana	n/a	\$16,800	57.5/mile. <i>Tied to federal rate.</i>	\$161/day. <i>Tied to federal rate. Unvouchered.</i>
Maine	n/a	\$14,862 for the first regular session. \$10,582 for the second regular session.	44/mile.	\$38/day for lodging (or mileage and tolls up to \$38/day in lieu of lodging). \$32/day for meals. <i>Set by statute.</i>
Maryland	n/a	\$50,330	57.5/mile. <i>Legislators receive \$750/year as taxable income for in-district travel, but they may decline the allowance.</i>	\$109/day for lodging. \$56/day for meals.
Massachusetts	n/a	\$66,256	No mileage reimbursement. <i>Legislators residing within 50 miles of the statehouse receive an office expense stipend of \$16,248 that can be used for travel expenses. Legislators residing more than 50 miles from the state house receive \$21,664.</i>	No per diem is paid. <i>Legislators residing within 50 miles of the statehouse receive an office expense stipend of \$16,248 that can be used for travel expenses. Legislators residing more than 50 miles from the statehouse receive \$21,664.</i>
Michigan	n/a	\$71,685	57.5/mile.	No per diem is paid. <i>Legislators receive an expense allowance of \$10,800/year for session and interim. Set by the compensation commission. Vouchered.</i>
Minnesota	n/a	\$46,500	57.5/mile. <i>One round trip per week. Tied to federal rate.</i>	For senators: \$86/day. For representatives: \$66/day.
Mississippi	n/a	\$23,500	57.5/mile.	\$151/day. <i>Tied to federal rate. Unvouchered.</i>
Missouri	n/a	\$35,915	43/mile.	\$121/day. <i>Tied to federal rate. Unvouchered.</i>
Montana	\$92.46/legislative day.	n/a	57.5/mile. <i>Tied to federal rate.</i>	\$120.11/day.
Nebraska	n/a	\$12,000	57.5/mile. <i>Tied to federal rate.</i>	For legislators residing within 50 miles of the capitol: \$55/day. For legislators residing more than 50 miles from the capitol: \$151/day.
Nevada	\$164.69/calendar day up to 60 days. <i>Senators who are not up for reelection until 2022 receive \$159.89/calendar day.</i>	n/a	57.5/mile. <i>Tied to federal rate.</i>	\$151/day.
New Hampshire	n/a	\$100	57.5/mile. <i>Tied to federal rate. Legislators can instead choose the state mileage reimbursement option, which is 38/mile for the first 45 miles, and 19/mile thereafter. With this alternative method, the reimbursement is taxed as income, and legislators do not need to drive their personal vehicle.</i>	No per diem is paid.
New Jersey	n/a	\$49,000	No mileage reimbursement.	No per diem is paid.
New Mexico	n/a	\$0	57.5/mile. <i>Tied to federal rate.</i>	\$192/day. <i>Tied to federal rate. Vouchered.</i>
New York	n/a	\$110,000	57.5/mile. <i>Tied to federal rate.</i>	For non-overnight travel: \$61/day. For overnight stays: \$176/day.
North Carolina	n/a	\$13,951	29/mile. <i>One round trip per week.</i>	\$104/day. <i>Set by statute. Unvouchered.</i>
North Dakota	n/a	\$505/month until July 1, 2020. \$515/month after July 1, 2020.	57.5/mile. <i>Tied to federal rate.</i>	\$181/day until July 1, 2020. \$186/day after July 1, 2020.

Ohio	n/a	\$65,528	52/mile for legislators living outside Franklin County.	No per diem is paid.
Oklahoma	n/a	\$35,021	57.5/mile. Tied to federal rate.	\$166/day. Tied to federal rate. Unvouchered.
Oregon	n/a	\$31,200	57.5/mile.	\$151/day.
Pennsylvania	n/a	\$90,335	57.5/mile.	\$178/day.
Rhode Island	n/a	\$15,959	57.5/mile.	No per diem is paid.
South Carolina	n/a	\$10,400	58/mile. Tied to federal rate.	\$140/day.
South Dakota	n/a	\$11,892	One trip is paid at 5/mile, and the remaining are paid at 42/mile. One round trip per week.	\$151/day. Legislative days only. Unvouchered.
Tennessee	n/a	\$24,316	47/mile.	For legislators residing within 50 miles of the capitol: \$61/day. For legislators residing more than 50 miles from the capitol: \$284/day. Tied to federal rate. Unvouchered.
Texas	n/a	\$7,200	50/mile. \$1.21/mile for single, twin and turbo engine airplanes. Set by general appropriations bill.	\$221/day. Set by ethics commission. Unvouchered.
Utah	\$393/calendar day.	n/a	57/mile.	No per diem is paid. Legislators residing more than 100 miles from the capitol can receive expense reimbursement for meals and lodging.
Vermont	n/a	\$742.92/week during session.	57.5/mile. Tied to federal rate.	\$132/day for lodging. \$66/day for meals.
Virginia	n/a	\$18,000 for senators. \$17,640 for delegates.	57.5/mile.	\$210/day.
Washington	n/a	\$52,766 (goes up to \$56,881 on July 1)	57.5/mile.	\$120/day.
West Virginia	n/a	\$20,000	48.5/mile.	\$131/day. Set by compensation commission. Unvouchered.
Wisconsin	n/a	\$52,999	51/mile. One round trip per week.	\$115/day for senators. \$162 (with overnight) or \$81/day (no overnight) for representatives. Per diem can be claimed up to 90 days per year.
Wyoming	\$150/day.	n/a	57.5/mile.	\$109/day. Set by legislature. Vouchered.

Appendix I

Salary Comparisons

**Salary increase comparisons
Legislative Salary Council
3/19/2021**

State of Minnesota % change	7/1/2017	7/1/2018	7/1/2019	7/1/2020	2019+2020 incr
Constitutional officers	0.00%	0.00%	0.00%	0.00%	0.00%
Minnesota judges	2.50%	2.50%	2.50%	2.50%	5.00%
Agency heads	0.00%	0.00%	0.00%	0.00%	0.00%
State employees ¹	2.00%	2.25%	2.25%	2.50%	4.75%

Legislator salaries (NCSL)	2016	2018	2019	2020	% change 2020/2018
Iowa	\$25,000	\$25,000	\$25,000	\$25,000	0.0%
Wisconsin	\$50,950	\$50,950	\$52,999	\$52,999	4.0%
North Dakota	\$172/day	\$177/day	\$495/month	\$515/month	
South Dakota	\$6,000	\$6,000	\$11,379	\$11,892	98.2%
Minnesota	\$31,140	\$45,000	\$46,500	\$46,500	3.3%
Washington		\$48,731	\$52,766	\$56,881	16.7%

County commissioner salaries	2016	2018	2020	
Anoka	\$64,000	\$67,488	\$71,593	6.1%
Carver	\$62,064	NA	\$72,294	NA
Dakota	\$75,000	\$77,450	\$85,869	10.9%
Scott	\$59,930	\$62,627	\$72,306	15.5%
Washington	\$52,713	\$52,713	\$70,720	34.2%
5 County average ²	\$62,741	\$65,070	\$74,556	14.6%
Hennepin	\$108,000	\$110,796	\$113,566	2.5%
Ramsey	\$90,000	\$92,423	\$97,102	5.1%

Inflation	December 2017	December 2018	December 2019	December 2020	Dec 2020/ Dec/2018
CPI for All Urban Consumers (CPI-U), 1967 base	738.477	752.584	769.781	783.263	
Inflation(CPI-U)		1.91%	2.29%	1.75%	4.08%
	12/1/17	12/1/18	12/1/19	12/1/20	
Social Security rate increase	2.00%	2.80%	1.60%	1.30%	
Private sector ³	2.80%	3.10%	3.00%	2.60%	

State employees received across the board increases in these amounts.
 In addition, employees not at the top of their salary ranges are eligible for merit increases
 These annual increases generally vary from 2.75% to 3.5%, depending on the contract.
 About 50% if state employees are eligible for these increases.
 Does not include Hennepin and Ramsey counties.
 Bureau of Labor Statistics: Economic News Release: Employment Cost Index Sum.
 US. Private industry, Table 1
https://www.bls.gov/regions/midwest/news-release/pdf/employmentcostindex_minneapolis.pdf