## How are legislative salaries set?

Legislatures take several different approaches to set legislator salary. Three methods are most frequently used: pay set by legislative measures, pay tied to external factors like rate scales or pay indexes, or pay set by compensation commissions.

In 2024, eighteen states and three territories set legislator salaries via legislation or legislatively referred ballot measures put before voters. However, there are nuances in how pay is set via this method. Some states, such as Nebraska, require any legislative salary changes to go before voters. In other states, like North Dakota, Virginia, and Nevada, legislators directly set their salaries using legislation. Kentucky, North Carolina, and Ohio stipulate salary changes will not take effect until the next legislative term. When legislators set their own salaries, they might run into what NCSL has called the <u>pay problem</u>, or the idea that there are inherent, political risks to raising one's own salary.

In 10 states, Washington D.C. and the U.S. Virgin Islands, legislator salaries are tied to external factors such as other state employee's salaries, median income, or cost of living. This can allow for automatic increases and decreases without legislation. For example, in Alabama, Massachusetts, Pennsylvania and South Dakota, legislator compensation is tied to median household income and adjusted accordingly every two years. In Florida, legislative salaries are adjusted by average percentage increase in the salaries of career service employees. These methods for setting legislator salary are ways to address the pay problem.

Finally, in 22 states and the Northern Mariana Islands commissions are used to study, recommend, and in some cases, directly set legislator compensation. The responsibilities and powers of commissions vary across states, as illustrated by the following examples. In California, the commission directly sets the salary. In Connecticut, the commission offers recommendations, but the General Assembly votes to enact the recommendations. In West Virginia the legislature is required to vote to approve commission's recommendations. Similarly, in other states, like Alaska and Washington, state legislatures retain the right to vote on commission recommendations, or they can choose not to and after 90 days the commission recommendation has the force of law. Finally, in Texas, an Ethics Commission can give salary recommendations but changes to legislative salary must be approved by a ballot initiative.

Methods for setting compensation also may overlap. For example, the legislature may have authority to change the external factors linked to legislator pay via legislation. For example, Colorado sets legislator pay to 25% of a county judge's salary via a <u>statute</u>, which the legislature has the power to amend or change. As mentioned, in some states with compensation commissions, legislatures still must vote to approve the commission's recommendation.

## **Comparing Different Methods for Setting Legislator Salary**

There are potential benefits and disadvantages to each compensation setting method. When legislators set their own salary, one potential benefit is that the power to set salaries stays within the legislative branch even if the pay problem impacts decision making. Independent commissions can help offset the pay problem but must be carefully constructed so that no separation of powers issues arise. When legislators' salaries are tied to external factors, it protects legislators from the pay problem because salary increases and decreases are automatic. However, raises can still result in negative perceptions. For example, if legislator pay is tied to median pay in a prior year it may lead to an increase during a recession or tight budget year.

## **Methods for Setting Legislator Salary Across the States**

Below is a table indicating the method each state uses to set legislator salary. However, as mentioned earlier, the methods and protocols used by states can differ even when states use similar systems. For example, in states that use commissions, the division of power between the commission and legislature differs across states.

State	Legislature or Citizens Vote	Commission	External Factor
Alabama			X
Alaska		X	
American Samoa	X		
Arizona		X	
Arkansas		X	
California		X	
Colorado			X
Connecticut		X	
Delaware		X	
Florida			X
Georgia	X		

State	Legislature or Citizens Vote	Commission	External Factor
Guam	X		
Hawaii		X	
Idaho		X	
Illinois	X		
Indiana			X
Iowa	X		
Kansas		X	
Kentucky	X		
Louisiana	X		
Maine		X	
Maryland		X	
Massachusetts			X
Michigan		X	
Minnesota		X	
Mississippi	X		
Missouri		X	
Montana	X		
Nebraska	X		
Nevada	X		
New Hampshire	X		

State	Legislature or Citizens Vote	Commission	External Factor
New Jersey		X	
New Mexico	X		
New York		X	
North Carolina	X		
North Dakota	X		
Northern Mariana Islands		X	
Ohio	X		
Oklahoma		X	
Oregon			X
Pennsylvania			X
Puerto Rico	X		
Rhode Island			X
South Carolina	X		
South Dakota			X
Tennessee	X		
Texas		X	
U.S. Virgin Islands			X
Utah		X	
Vermont			X
Virginia	X		

State	Legislature or Citizens Vote	Commission	External Factor
Washington		X	
Washington, D.C.			X
West Virginia		X	
Wisconsin		X	
Wyoming	X		
Total	21	23	12

## A Final Note: Putting Legislator Salaries Into Perspective

There are 56 different legislative institutions with different demands on their members in terms of resources required to serve. NCSL categorizes states into part time, full time, and hybrid legislatures based on various factors, including time spent on legislative work, staff size and salary. NCSL also collects information about legislative compensation. Part time legislatures, like New Hampshire and Wyoming, tend to pay lower salaries than full-time legislators, like California and New York. Hybrid legislatures, like Oregon, tend to fall in the middle.

Finally, legislator compensation can refer to more than just a salary. Many states offer per diems. These vary even within state legislatures and can be based on factors like days in session, distance from capital, whether an overnight stay was required, etc. Legislators also can receive compensation in the form of benefits, retirement plans, allocations for staffing, and for serving in legislative leadership roles.

Source: NCSL Legislative Compensation Setting