

JAN 29 1974

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REPORT OF CITIZENS' COMMITTEE TO STUDY

THE QUESTION OF LEGISLATIVE PAY

January, 1974

## LEGISLATIVE LIBRARY

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Jean Lassiter  
Larry D. Nixon  
Helen Pratt  
E. Hughes Scott  
Conrad B. Wessell  
Jack E. Williams

The Citizens Committee to Study the Question of Legislative Pay was established by a Joint Resolution of the 1973 Session of the General Assembly of North Carolina. This Resolution provided that the Committee would be made up of twenty-two citizens of North Carolina who were to be appointed by organizations representing a broad spectrum of the economic and civic interests of the people of this state. The organizations which subsequently made an appointment and the organizations and their appointees were as follows:

1 farmer appointed by the North Carolina Farm Bureau Federation.

Mr. Elmer Burt, Fuquay-Varina, N. C.

1 farmer appointed by the North Carolina State Grange.

Mr. Thomas W. Allen, Jr., Creedmoor, N. C.

1 teacher appointed by the North Carolina Association of Educators.

Mrs. Mary Worth Ferguson, Winston-Salem, N. C.

1 labor union member appointed by the North Carolina State AFL/CIO.

Mr. Lloyd Byrd, Erwin, N. C.

1 banker appointed by the North Carolina Bankers' Association.

Mr. Lawrence R. Bowers, Whiteville, N. C.

1 merchant appointed by the North Carolina Merchants Association.

Mr. Russell Emerson, Salisbury, N. C.

1 medical doctor appointed by the North Carolina Medical Society.

Dr. H. D. Bruton, Southern Pines, N. C.

1 manufacturer appointed by the North Carolina Association of Chamber of Commerce Executives.

Mr. Edward Garland, Raleigh, N. C.

1 engineer appointed by the Professional Engineers of North Carolina.

Mr. Larry D. Nixon, Raleigh, N. C.

1 architect appointed by the North Carolina Chapter of the American Institute of Architects.

Mr. Conrad B. Wessell, Jr., Goldsboro, N. C.

1 accountant appointed by the North Carolina Society of Accountants.

Mr. Jack E. Williams, Boone, N. C.

1 lawyer appointed by the North Carolina State Bar.

Mr. H. P. Taylor, Jr., Wadesboro, N. C.

1 nurse appointed by the North Carolina State Nurses Association.

Mrs. Jean Lassiter, Elizabeth City, N. C.

1 person appointed by the League of Women Voters.

Mrs. Helen Pratt, Durham, N. C.

1 person appointed by the American Association of University Women.

Miss Louise Fleming, Raleigh, N. C.

1 person appointed by the North Carolina Secretaries' Association.

Mrs. Carolyn S. Summers, Greensboro, N. C.

1 person appointed by the North Carolina Citizens Association.

Mr. John T. Church, Henderson, N. C.

1 person appointed by the North Carolina Federation of Negro Women's Clubs.

Mrs. Esmeralda Rich Hawkins, Rocky Mount, N. C.

1 person appointed by the North Carolina Press Association.

Mr. Don Hall, Roanoke Rapids, N. C.

1 person appointed by the North Carolina Association of Insurance Agents, Inc.

Mr. E. Hughes Scott, Raleigh, N. C.

1 person appointed by the North Carolina Association of Broadcasters.

Mr. W. Jack Brown, Lincolnton, N. C.

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The Resolution charged the Committee with the responsibility of conducting a thorough study of all facets of legislative pay and to make its report to the Legislative Services Commission by January 15, 1974, for transmission to the 1974 General Assembly.

The Committee held its organizational meeting on October 5, 1973, and subsequently met on October 17, November 14, December 12, and January 18. The Committee requested assistance and information from the office of the Legislative Services Officer, invited certain legislators to appear before the Committee, and sent out questionnaires to some 337 legislators, both present and past members of the General Assembly. Committee members discussed the question of legislative pay with many members of the legislature, and with other groups such as their own professional organizations. It made a detailed study of the legislative retirement system. From the very beginning, the Committee in its deliberations became aware that a study of legislative pay was impractical without also taking into consideration the total structure of the General Assembly, its functions, and its purposes. The Committee felt that its reasons for making certain recommendations were as important as the recommendations themselves. The Committee spent much time in discussing the proposition of why we pay legislators and how the pay of a legislator influences and affects the composition of the General Assembly. The question of pay is related, among other things, to the number of legislators, the length of time that the Legislature meets, and the activities of members during the time that the General Assembly is not in actual session. The Committee decided

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that it should set forth certain conclusions upon which its recommendations were being made. Accordingly, the Committee concluded:

1. The General Assembly of North Carolina in past years has served the people of this State well and compared to other legislative bodies in this country, we can be proud of our General Assembly, both in the composition of its members and the results that it has accomplished in making North Carolina a progressive and responsive state. This is not to say that the Committee felt that our General Assembly was a model or that a structure which has served us well in the past would necessarily do so in the future. There was a feeling expressed by some members of the Committee that the General Assembly has been made up of a disproportionate number of members who represented the establishment and vested interests and was not sufficiently representative of certain large groups of citizens who needed representation therein. It was pointed out that very few blacks, women, or lower-income groups are members of the General Assembly and from a professional standpoint far more lawyers than any other profession were members of the General Assembly. The Committee was not critical of this but merely took note thereof. This situation, of course, is not unique to the General Assembly of North Carolina but is fairly typical of legislative bodies in America.

2. The Committee concluded that its recommendation on legislative pay would be designed to result in a legislature that would be the best in the United States. The Committee did decide, however, that you cannot buy a good legislature and that paying more money to a legislator does not necessarily result in a better legislator. As a matter of fact, it concluded that if you pay legislators too little you will not have an ideal legislature and if you pay them too much you will not have an ideal legislature.

3. The Committee was unanimous in its recommendation that what North Carolina needs is a citizen-type General Assembly and not a professional-type General Assembly. The Committee itself was not able to define exactly what it meant by this but its general feeling was that we do not want legislators who devote their full time to legislative work, and that being a legislator should always be a public service and an avocation -- not a full-time job and a profession. The Committee recognized that a person who serves in the General Assembly for only one term may not contribute his full potential because of his lack of experience and knowledge of both the legislative process and the needs of state government. The Committee by like token did not feel that the number of terms that a legislator served should be limited to a certain number of sessions, recognizing that many valuable members have served over a long period of time. The recommendations, however, have been based on the

assumption that a citizen-type legislator will generally not serve over three to four sessions. This has been the basic history of our General Assembly and the legislator who chooses to give service beyond this length of time might be penalized to some extent by a salary that is based upon the foregoing assumption.

4. The Committee was practically unanimous in its feeling that the General Assembly should not meet on an annual basis and that far more study should go into the total structure of the General Assembly, its functions, and its responsibilities before taking such a step. Just as more pay does not make a better legislator, the more time the Legislature meets does not mean that its accomplishments will be correspondingly greater. Based upon all of the information available to it, the Committee concluded that in four months every two years in actual session the General Assembly could make the decisions necessary to the full discharge of its responsibilities. Past experience has shown that the most efficient and effective sessions of the General Assembly have been special sessions where the necessary groundwork, study, and public hearings had been held prior to the session, and the Committee feels that a small number of interim study committees and legislative committees meeting between sessions offer far more potential for the preparation of legislation than either lengthy sessions or annual sessions. In the opinion of the Committee, annual sessions will not take the place of interim committee work.

The Committee gave serious consideration to the testimony of several present members of the General Assembly who say with the extensive number of committee meetings being held this year, added to the annual session concept, will make it prohibitive for them to continue their legislative service. The Committee sees in this a trend toward the professional legislator. The Committee further felt that legislative committees would be much more effective during the sessions if there were far fewer committees, and the legislator served on only one or two committees, thereby concentrating and developing expertise in specific areas of responsibility.

5. The Committee is of the opinion that the Legislative Services Officer has performed a most valuable service for the General Assembly, partly by the creation of the office and partly due to the capabilities of the person who holds the office. The Committee does see what it considers to be a dangerous trend toward bureaucracy in our General Assembly. The Committee was advised that plans were being made to expand the office of the Legislative Services Officer ultimately to a staff of 40.

There has been an indication that every member of the General Assembly would be furnished with a secretary. From its investigation, the Committee concluded that this would be both unnecessary, impractical, and wasteful. Most members of the General Assembly do not arrive in Raleigh each week during a session until the late afternoon on



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Monday and generally return home during the late morning on Friday. During Tuesday, Wednesday, and Thursday these legislators are generally busy with committee meetings, the legislative session itself, and in conference with a variety of persons who want to discuss legislative matters with them. While there may be a problem when visitors try to find their legislators and there is no secretary to take their message, to have 170 secretaries would not only be a waste of money, it would also cause serious space problems and would undoubtedly lead to a further expansion of the General Assembly to a full-time operation. The Committee feels a word-processing center would be more efficient. (See Exhibit II).

There has been an alarming trend in the opinion of the Committee toward an uncontrolled growth of the General Assembly without a demonstrated need for the expansion. It has been just a little over ten years since the General Assembly met in the upstairs of the Capitol Building and while there was some inconvenience to this, it did not appear to substantially affect the quality of the accomplishments of these sessions. The General Assembly then moved to a building having more than ten times the space of the old quarters and plans are now being made to expand this even further. It has not been but a few years since the Lieutenant Governor was paid a salary of \$2,000 a year with no assistants whereas today the Lieutenant Governor is paid \$34,000 a year and has two full-time assistants and a budget of over \$100,000. The Speaker of the House a short time ago was paid \$5 a day more than the other members

during an actual session and this would amount to approximately \$600 to \$800 more than the other legislators during a two-year period. Today the Speaker of the House is paid \$10,400 during a two-year period in addition to the compensation that he received before. The total budget of the General Assembly for the 1959-61 biennium was just over \$1 million. For this biennium, it will approximate \$7½ million.

6. The 1969 General Assembly enacted a Legislative Retirement System for the stated purpose of furthering the general welfare of the State, and in recognition of the public service rendered to the State and its citizens by the members of the General Assembly. From its own deliberations and from the information that it received from legislators themselves, the Committee did not feel that having a retirement fund had much, if anything, to do with the quality of people who seek election to the General Assembly. If pay has something to do with the obtaining of a good legislator, then it is more likely to attract good people who would like to run but feel that they cannot afford to do so unless they are paid more now instead of later. The present system is costing the State approximately \$90,000 per year with a possibility of reaching \$170,000 per year within a very few years, or \$1,000 a year for each legislator. In lieu of this, the salary could be raised by \$2,000 per term of office at no more cost to the State. Another facet of the retirement system that gave the Committee some concern was the cumulative benefits paid according to length of service. It would certainly encourage a legislator who has served three terms to seek a fourth because he would receive no

benefits for the three sessions, and for each session after four, the legislator would receive \$25 additional each month for each session. This would certainly tend to encourage long-time service in the General Assembly and is a trend in the direction of the professional legislator which the Committee felt was not desirable. The increased pay that is being recommended by this Committee is based upon a repeal of the retirement system. The retirement plan is designed for the professional legislator instead of the citizen legislator.

7. The Committee has concluded that except for official committee meetings no real attempt should be made to compensate legislators for their services between sessions. The Committee recognizes that most legislators are public-minded citizens and are called upon to attend many functions by virtue of their office. The Committee further recognizes that this will vary a great deal among members and to some extent where they reside. The evidence indicates that legislators in urban areas are probably called upon more frequently than those in rural areas. The Committee feels that we should never attempt to set a value upon legislative services and that political service is a patriotic responsibility of every citizen, and we will be in much better hands in this country if our citizens do things of this sort out of a feeling of responsibility rather than because they are being compensated for it. Mercenary soldiers have never been as good as patriotic soldiers. We do not pay jurors what they are worth, nor do we pay town commissioners,

nor county commissioners, nor trustees of hospitals for the value of their services. Up until two years ago we never paid a legislator for any time that he was not in actual session. The Constitution of North Carolina for a hundred years set the salary of legislators and the number of days for which they would be paid. Whether or not the present plan is for the better or for the worse, only time will tell; but our present trend of legislative activity is diametrically opposed to the philosophy of the people who wrote the Constitution of North Carolina. The framers of our Constitution obviously felt that it was a safeguard to our State to put a limit in the Constitution on the pay that the members of the General Assembly should receive and the present trend (since that restriction has been removed) may well be proof of the wisdom of that philosophy. As a matter of fact, the Committee received evidence that indicated that the payment of legislators for time that the General Assembly is not in session was not initiated for the purpose of paying out over a period of two years so that certain older members could take advantage of Social Security benefits and would not get all of their compensation in one year and thereby exceed Social Security limits. The Committee did feel that some monthly payments to help compensate for expenses that might be incurred during the off session would be defensible.

8. The Committee feels that during a legislative session the legislator should be compensated for his actual travel expenses from his home to the General Assembly and a return to his home and they further feel that actual expenses should be compensated for during the session in the nature of lodging and meals. There are other areas that cause a great deal of difficulty and these involve expenses such as telephone calls and postage. Some legislators make very few calls and write very few letters. Other legislators have a large volume of both. The committee feels that a legislator should be compensated for his actual expenses as a legislator; however, it also feels that it was desirable to put some limitations upon these expenses to prevent abuse and, accordingly, its recommendations are based upon what it considers to be a desirable level and what might be set in terms of the average legislator.

9. The Committee wrestled with another problem that appeared to involve an inequity. When it came to expenses, the Committee concluded that the ideal situation would be to reimburse for actual expenses by means of a voucher system. In other words, the legislator is paid for his actual expenses upon his submission of a voucher therefor. On the other hand, the Committee recognized the serious inconvenience that this presents to legislators and the amount of time and effort and staff that would be required to do the bookkeeping involved and decided that a daily allowance for each legislator would not do any violence to the conscience of the Committee. It should be pointed out that this is an exception to the general rule and that all state employees are required to

submit vouchers for their actual expenses.

10. The Committee recognized and discussed what seemed to it to be an inequity in pay between a legislator who might live close to Raleigh and one who lives in the extreme eastern or western part of the State. If you pay each legislator a per diem allowance, the legislator who lives in Wake County and resides at home certainly benefits over the legislator who rents a room in Raleigh. Another inequity arises from the legislator who lives a great distance from the State Capitol and spends much more time traveling to and from his home than those who live closer, and except for the fact that he is paid for his mileage, the additional time taken in traveling is not provided. It might be compared to some of the problems that have existed in what is known as "portal to portal" pay, and the Committee would recommend some consideration being given to the time that it takes a legislator who lives over 150 miles from Raleigh and to possibly providing some additional compensation based on this factor.

11. The Committee has looked at the compensation paid to legislators in other states but it did not feel that this should be taken into consideration in its recommendations. Just because some other state is paying certain salaries does not seem to be a reason to do so in North Carolina unless causes and reasons can be shown therefor.

Accordingly, the Committee makes the following recommendations:

1. That each legislator be paid \$1,500 per month for four months of the two years of his term, with this to begin on the first day of the first session after the legislator takes office and ending at the end of the fourth month thereafter. At the end of the fourth month, the legislator will be paid \$100 a month for each month thereafter until the end of his term, making a total salary of \$8,000 for the two-year term. This recommendation is made by the Committee with the thought and expectation that if adopted the General Assembly would return to its historic biennial sessions.

2. The Committee recommends the repeal of the legislative retirement system and the recommendations herein made are based upon this repeal being made.

3. The Committee recommends that legislators be paid the mileage allowance paid to other state employees from their homes to Raleigh and return while on official legislative business. This would be limited to one trip a week during a legislative session and would not be payable unless the legislator actually used his own vehicle for the traveling, or to apply to his fare if he uses a public conveyance.

4. The Committee feels that the total per-diem allowance now being paid for actual expenses is adequate to cover these expenses. While the \$25 per day might not be adequate for the days that the legislator is in Raleigh, and in session, it should be pointed out that the per-diem allowance is paid on a seven-day week and most of the legislators are home at least two or three days a week. The Committee recognizes that the cost of living varies from time to time and this should be adjusted to cover actual expenses.

5. The Committee recommends a continuation of either legislative committee meetings or the creation of interim commissions to study proposed legislation. It feels that this is the most effective and efficient method of preparing legislation; however, the committee does urge that such groups be assigned specific responsibilities and that the system not devolve into large numbers of committees meeting often and considering generalized problems. Legislators should be paid between \$25-\$50 per day for each day they serve between sessions. Because it takes so much longer for those who live long distances to travel to the committee meetings, the recommendation would be that those driving the greatest distance would be eligible for more per diem for the additional time spent in travel.



At the conclusion of its deliberations, the Committee was impressed by the consensus it reached on the basic principles of the report on legislative pay. The Committee feels that its recommendations not only will result in economy but more importantly will bring about a more effective General Assembly that will better serve the needs of the people of North Carolina, not only in the present time but in the years to come.

Respectfully submitted,

Thomas W. Allen, Jr.  
Lawrence R. Bowers  
W. Jack Brown  
H. D. Bruton  
Elmer Burt  
Lloyd Byrd  
John T. Church  
Russell Emerson  
Mary Worth Ferguson  
Louise Fleming  
Edward Garland  
Don Hall  
Esmeralda Rich Hawkins  
Jean Lassiter  
Larry D. Nixon  
Helen Pratt  
E. Hughes Scott  
Carolyn S. Summers  
H. Patrick Taylor  
Conrad B. Wessell  
Jack E. Williams

EXHIBIT I

LEGISLATIVE PAY AS  
NOW CONSTITUTED

AS RECOMMENDED BY  
LEGISLATIVE PAY COMMITTEE

Salary:

\$2,400 per year  
(\$4,800 per biennium)

\$1,500 first four months in  
session  
\$100 per month for 20 months  
(\$8,000 per biennium)

Expense Allowance:

\$50 per month

None

\$25 per month for telephone  
while in session

None

Mileage:

11 cents per mile (one round  
trip per week during session  
plus travel to committee  
meetings)

Same paid other state  
employees. (One round  
trip per week while in  
session plus travel to  
committee meetings)

Subsistence:

\$25 per day when in session  
and when attending committee  
meetings

\$25 per day when in session

\$25-\$50 per day for interim  
committee meetings depending  
on time spent in travel to  
attend meetings.

Retirement:

Benefits begin at age 65 of \$100  
per month if legislator has served  
at least four terms and is not  
presently serving plus \$25 per  
month additional for each term  
over four served

None

## EXHIBIT II

### Word-Processing Center

A word-processing center is designed to make maximum utilization of the personnel available to an organization or company. In its simplest format, all secretaries are separated into two categories -- corresponding secretaries and administrative secretaries.

The corresponding secretaries are in a center using the latest equipment available, such as magnetic card typewriters, etc. A legislator would pick up his phone, dial the center, and dictate. One obvious advantage is that a legislator could dictate from wherever he might be at that time; he need not be in his office. The corresponding secretary would transcribe the dictation and return for signature. In this manner, with a minimum of corresponding secretaries, all dictation could be handled for all of the legislators.

At the same time, an administrative secretary would be assigned to handle all administrative details for two, three, or more legislators. This secretary would be assigned specific responsibilities desired by the legislators, plus other administrative duties normally handled by a secretary including research, budget, reports, etc.

While each member of the legislature would not have a private secretary, each legislator would receive individual attention to the efficient operation of the office.