REPORT OF THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMISSION

# Compensation: Virginia Senators and Delegates (SJR 17, 2024)

TO THE GOVERNOR AND THE GENERAL ASSEMBLY OF VIRGINIA



# **SENATE DOCUMENT NO. 4**

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Report to the Governor and the General Assembly of Virginia

# **Compensation:** Virginia Senators and Delegates





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## Compensation: Virginia Senators and Delegates

Senate Joint Resolution 17 (2024) directs the Joint Legislative Audit and Review Commission to review the compensation provided to General Assembly members. The resolution directs staff to:

- examine the history of legislative compensation;
- review the compensation, expenses, and benefits for legislators in other states;
- assess the methodologies for determining reasonable legislative compensation, including tying salaries to certain indexes or economic indicators; and
- obtain the input of legislators by conducting surveys.

To address the study resolution, staff used quantitative and qualitative research methods. JLARC staff interviewed staff with the House and Senate clerk's offices and the National Conference of State Legislatures (NCSL) and legislative staff in other states. Staff obtained and analyzed legislative compensation policies and data from the House and Senate clerks. In addition, staff surveyed members of the Virginia General Assembly.

## Legislators receive several types of compensation and reimbursement and a district office allowance

The Virginia Constitution stipulates that members of the General Assembly "shall receive such salary and allowances as may be prescribed by law" (Article IV, Section 5). The Code of Virginia and Appropriation Act set the specific types, amounts, and frequency of the compensation legislators are eligible to receive.

Senators and delegates are eligible to receive several types of compensation and reimbursements (Table 1). Each senator is paid a salary of \$18,000 annually, and each delegate is paid a salary of \$17,640 (the House reduced its base salary during a prior recession).

In addition to their annual salary, senators and delegates receive reimbursements that vary depending on the time of year. During the legislative session, members are reimbursed for their mileage to and from the General Assembly Building and receive \$213 per diem (scheduled to increase to \$237 for 2025). During the rest of the year, members are reimbursed for their mileage to and from meetings and receive \$300 if they attend a legislative meeting (or other official engagement), or \$400 if they attend two meetings in the same day, subject to specific requirements (e.g., members receive \$400 only if at least one meeting is in the morning and another meeting is in the afternoon).

Funding for legislative support staff is allocated separately and typically includes staff salaries and other expenses of employing staff. For example, in 2024: the House (\$52,102 salary, \$19,538 allowance) and Senate (\$58,614 salary, \$13,025 allowance) include a salary and staff expense allowance funding category. Salary and allowance amounts are higher for leadership positions in each chamber.

Members also receive an allowance to fund district office expenses. The district office allowance is for operating a district office and is separate from the funds provided for General Assembly Building office and support staff on the members' behalf (sidebar).

### TABLE 1

## Delegates and Senators receive slightly different base salaries, but the same amounts in other compensation, reimbursement, and office allowance

	House of Delegates	Senate
Base salary	\$17,640/year <sup>a</sup>	\$18,000/year
Interim meeting compensation	\$300 or \$400/day of meeting(s)	
Session per diem	\$213/day (\$237/day beginning in 2025)	
Mileage reimbursement	\$0.67/mile	
District office allowance <sup>b</sup>	\$1,250/	month

SOURCE: Offices of the Clerks of the House of Delegates, and Senate; Appropriation Act.

NOTE: <sup>a</sup> Speaker of the House base salary=\$36,321. Speaker of the House also receives additional allocation of \$16,200 annually for additional leadership responsibilities. <sup>b</sup> Leadership receives \$21,000 annual district office allowance, rather than \$15,000. Policy defines leadership as the majority and minority leaders of the House and Senate, president pro tempore of the Senate, chair(s) of the Senate Finance and Appropriations Committee, and chair of the House Appropriations Committee.

Members' total compensation and reimbursements during the interim period depend on the level of their participation in meetings, which can vary substantially by member. For example, a member who is on a relatively high number of commissions or committees that meet outside of the legislative session will receive more reimbursements than a member on relatively few. Appendix B includes several examples of how this can vary.

Though legislators are not technically "full-time" state employees, the Code of Virginia includes members of the General Assembly in its definition of "state employees" to determine eligibility for health insurance and retirement. As a result, all members of the legislature are offered health and retirement benefits that are similar to those available to other state employees (sidebar). It is also common for other states to provide access to some type of health insurance (41 states) or retirement (35) plans.

## Virginia legislators' workloads

Many factors determine how much time a Virginia legislator spends on the job. However, during the legislative session, the daily committee and floor calendar dictate a substantial time commitment and require members to be in Richmond for most or all of the week. There is far less structure during the interim each year, but legislators still have substantial responsibilities, which include serving on legislative commissions or other bodies and serving constituents, among other tasks.

Virginia legislators participate in Virginia Retirement System plans. Legislators are in Plans 1 or 2, or the hybrid plan (unless they have prior service in Plans 1 or 2). In contrast with state employees, legislators are not required to contribute the 5 percent employee contribution. Legislators can also serve in the General Assembly while receiving retirement payments from other service.

# Virginia legislators report spending substantial time on their job throughout the year

To help review legislative compensation relative to workload, JLARC staff surveyed Virginia senators and delegates to determine the amount of time they spend on their legislative responsibilities (sidebar). Legislative activities were grouped into four categories of activity that constitute legislative service, which are shown below. Legislators were asked to exclude time spent on campaign activities or other solely political activities.

- Constituent services and other stakeholder engagement: phone calls or meetings with constituents, time spent addressing constituent issues, attendance at town halls or community events, and phone calls or meetings with stakeholders (e.g., lobbyists, advocates, etc.).
- Legislative business: committee/commission meeting attendance, time spent on the floor, review of meeting materials prior to attendance, and meetings with peers regarding legislative issues.
- Legislation preparation: discussions with experts or practitioners, relevant report reading, legislation drafting, and proposed legislation review.
- Logistics: scheduling, staff communications, and travel for official legislative business.

During a typical legislative session, Virginia legislators estimated they worked a median of 60 hours per week. (Legislative sessions in Virginia are scheduled to last either 30 or 60 days, but typically the 30-day sessions are extended to 45 days.) Moreover, 40 percent estimated working more than 60 hours, including some reporting upwards of 70 hours per week during the session (Figure 1). Activities during the session include attending committee meetings and daily floor sessions, meeting with constituents and other stakeholders, and discussing or reviewing proposed legislation.

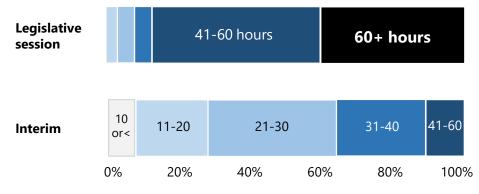
The rest of the year, Virginia legislators estimated they worked a median of 30 hours per week. Legislative work during the interim is less structured than during the legislative session, so estimated hours varied more (Figure 1). Legislators meet with constituents and other stakeholder groups, attend community events, and attend meetings of legislative commissions and committees, and other bodies.

A majority of legislators reported having some degree of difficulty balancing their legislative responsibilities with other commitments (typically another job). Less than one-third of legislators agreed they were able to balance their legislative activities with other commitments, including other employment. The remaining majority either somewhat disagreed (34 percent) or strongly disagreed (27 percent) they can balance legislative activities with their other commitments. One legislator noted: "Most legislators are drowning trying to do the job. It is not part time; it is full time and very consuming."

In November 2024, JLARC surveyed senators and delegates. JLARC worked with the House and Senate clerk's offices to distribute an online survey to each legislator. Legislators were asked to use their prior schedules and calendars to estimate how much they worked on a weekly basis and several other questions about compensation and workload. Out of 140 legislators, 120 responded, an 86 percent response rate.

### FIGURE 1

Vast majority of legislators report working far more than 40 hours during the legislative session



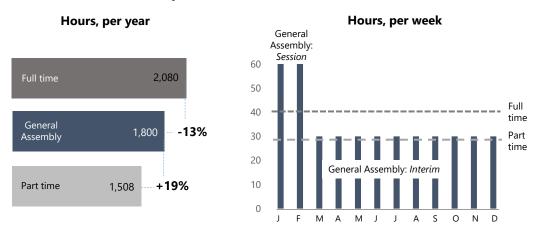
SOURCE: JLARC survey of Virginia senators and delegates, November 2024. NOTE: 120 responses from 140 legislators = 86% response rate.

# When considered on an annual basis, legislative responsibilities equate to almost a traditional full-time job

Throughout the year, Virginia legislators reported spending a median of about 1,800 hours on their legislative responsibilities (Figure 2). This is less (13 percent) than what a traditional full-time employee may work throughout the year, but more (19 percent) than a part-time employee (working just below the 30-hour threshold used by the IRS to define the low-end of full-time employment).

### FIGURE 2

## Median hours reported by Virginia legislators are more than a part-time job, but less than a full-time job



SOURCE: JLARC survey of Virginia senators and delegates, November 2024. NOTE: For ease of illustration, 52-week work year is assumed. Forty hours per week assumed for full-time employee. Twenty-nine hours per week assumed for part-time employee (per IRS definition of a full-time employee). Many jobs have "busy seasons," and this is the case with Virginia legislators. During the legislative session, the median 60 hours reported by Virginia legislators is 50 percent more than a traditional full-time, 40-hour work week.

## Virginia legislative salaries

There is no authoritative benchmark against which to determine an appropriate salary for Virginia legislators. There are, though, benchmarks for comparison that provide insight into whether Virginia legislators are adequately compensated. Virginia legislative salaries can be compared to those of legislators in other states and to salaries paid to members of local boards of supervisors in Virginia. Virginia legislative salaries can also be compared to inflation over time to assess their value relative to rising costs.

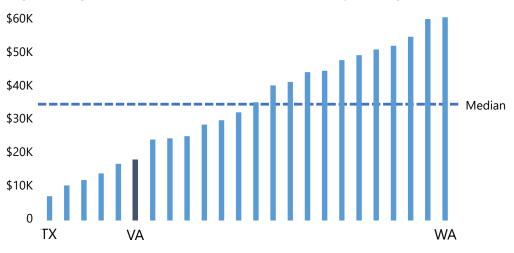
# Virginia legislative salaries tend to be less than legislative salaries in other states

Legislative salaries vary substantially across states, ranging from less than \$10,000 in several states to more than \$100,000 in Pennsylvania, New York, and California (where legislators work full time). Salaries are typically higher in legislatures with longer legislative sessions. For example, the median salary of a member of a full-time state legislature is just less than \$80,000 annually. The median salary of a member of a part-time state legislature is about \$25,000 annually.

Comparing Virginia's legislative salaries to the salaries of other state legislatures with certain similar characteristics provides a more meaningful benchmark for comparison. NCSL classifies legislatures as either full-time, hybrid, or part-time based on three factors: the amount of time they are in session, the administrative support legislators receive, and their level of compensation. NCSL classifies Virginia as one of 26 hybrid state legislatures based on these three factors.

Virginia legislative salaries are substantially less than the median of other hybrid legislatures (Figure 3). Twenty-four hybrid state legislatures pay salaries (two pay a set amount per day in legislative session). The median salary for these hybrid legislatures is about \$33,500, which is 86 percent more than the salaries of Virginia senators and 90 percent more than the salaries of Virginia delegates.

Virginia's legislative salaries are also below the median salaries of legislators in the region, but there is wide variation. The median legislative salary in the region is about \$22,000, which is 19 percent more than in Virginia. This difference, though, is heavily driven by Delaware (\$50,678) and Maryland (\$54,437). Virginia's salary is more in line with states to the south and west, but much higher than South Carolina (\$10,400).



### FIGURE 3 Virginia's legislative salaries are less than 18 other hybrid legislatures

SOURCE: JLARC analysis of NCSL data on legislative compensation, 2024.

# Virginia legislative salaries are less than salaries of boards of supervisors in large Virginia counties

The salaries of local boards of supervisors' members in large localities provide a useful point of comparison given the similar nature of their job responsibilities. (Centralized information was not available for salaries of city or town council members.) Board of supervisor members in Virginia's five most populous counties are paid a substantially higher salary than Virginia's senators and delegates (Table 2). Fairfax County, the state's most populous locality by far, pays its board of supervisor members about \$123,000 annually. Less populous localities tend to pay less (sidebar).

### TABLE 2

Board of supervisors in Virginia's largest counties are paid higher salaries than General Assembly members

Board of Supervisor salary	
\$64,796	
\$47,867	
\$75,916	
\$74,282	
\$123,283	
	\$64,796 \$47,867 \$75,916 \$74,282

SOURCE: Virginia Association of Counties.

NOTE: <sup>a</sup> Localities listed in ascending order of population size.

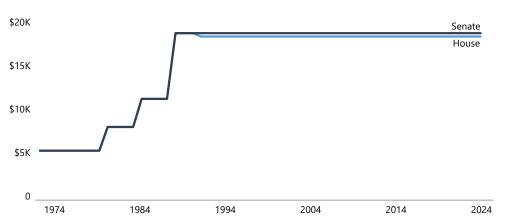
### Virginia's legislative salaries have not increased since 1988

Virginia legislative salaries have increased only three times over the last 50 years. In 1974, Virginia senators and delegates were paid \$5,475 in salary. In 1980, their salaries were increased 46 percent to \$8,000. In 1984, their salaries were increased another 38

Counties with lower populations tend to pay less. Board of supervisors in 57 localities are paid \$10,000 or less in annual salary; another 28 localities pay between \$10,000 and \$20,000. None of these localities are among the state's largest in terms of population. percent to \$11,000, likely in response to the relatively high inflation of the late 1970s and early 1980s. In 1988, salaries were increased an additional 64 percent to \$18,000 (Figure 4).

Since the 1988 increase, salaries have remained unchanged except when the House of Delegates reduced its salary by 2 percent in 1991. (State revenues dropped during a recession that lasted from July 1990 to March 1991.) Since that time, the delegates' salaries have been \$17,640, while senators' have remained at \$18,000.

### FIGURE 4



Legislative salaries in Virginia have not increased for more than 35 years

The 1998 Citizens' Advisory Commission on Legislative Compensation recommended **increasing salaries based on inflation**. Recommendation B was to increase legislative salaries to account for inflation since the last salary increase.

SOURCE: Offices of the clerks of the House of Delegates and Senate; Appropriation Act.

The Appropriation Act expressly precludes Virginia legislators from across-the-board salary increases granted to state employees. Consequently, though state employees have received 13 across-the-board salary increases during the last 20 years, legislative salaries have remained unchanged during this time period.

The lack of a salary increase in more than three decades has resulted in a substantial erosion in the value of Virginia's legislative salaries. The simplest measure of this erosion is comparing Virginia legislative salaries to inflation over time. Since salaries were last increased in 1988, inflation has risen about 169 percent. In today's inflation-adjusted dollars, the equivalent salary would be nearly \$50,000.

# Legislators express concern about salaries in context of time and effort required

The vast majority of Virginia legislators reported that the amount provided does not fairly compensate them when considering the time and effort they put forth. Less than 10 percent somewhat agreed (5 percent) or strongly agreed (4 percent) their compensation was fair. In contrast, more than two-thirds of legislators strongly disagreed that

legislative compensation was fair. Another 18 percent somewhat disagreed. Many legislators provided comments about the job in relation to the salaries they receive. For example:

- "This is not a part time position and with the pay we receive it is really only viable for the rich and retired. The inability to support my family will be a deciding factor on my ability to run for reelection."
- "At the current compensation levels, we almost have to be rich, retired, or have a spouse to support our service."
- "I didn't run for the office to advance my wealth however I didn't assume the responsibility to not be fairly compensated. I give this responsibility 100% of the time it requires which is a great deal of my time. If we expect to recruit good legislators and people who will commit, we are going to have to increase the compensation."

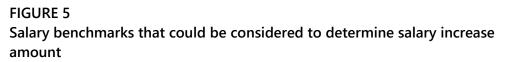
In addition to viewing their compensation as inadequate relative to their workload, many legislators must balance the demands of elected office with other jobs. In recent years, the vast majority of legislators report some form of other employment. While they earn income from both their legislative and non-legislative jobs, legislators tend to be of relatively modest means. For example, the majority of Virginia legislators report less than \$100,000 in stocks and other non-real estate investments; about 30 percent of legislators report less than \$10,000 in these assets. In addition, just less than half report no real estate holdings other than their primary residence.

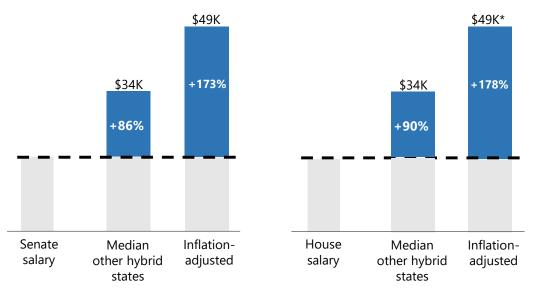
### Salaries of Virginia senators and delegates should be increased

While no authoritative benchmark exists for Virginia legislators' salaries, current salaries are below several benchmarks. Some academic research concludes that higher salaries of elected officials are associated with several positive outcomes (sidebar). Because Virginia legislative salaries are less than multiple benchmarks, and the median legislator is spending close to a traditional full-time job on legislative responsibilities, Virginia's legislative salaries should be increased.

There is a relatively wide range that could be used to consider the amount by which to increase legislators' salaries. The low end of a range could be the median legislative salary of other states with hybrid state legislatures: \$33,561. The upper end of the range could be salary adjusted for inflation since the last increase in 1988: \$49,109. (Inflation-adjusting the House salary since its 1991 reduction would be \$48,127.) A salary increase selected within this range would amount to an increase of between 86 percent and 173 percent for senators and 90 percent and 178 percent for delegates, depending on the amount selected. (Figure 5).

"A growing body of empirical research suggests that politicians' salaries are associated with a wide range of important outcomes. When politicians in the United States are paid more, they are less likely to pursue outside employment while serving in office (Maddox 2004), they introduce more legislation and miss fewer votes (Hoffman and Lyons 2015), they are more in-step with their constituents ideologically (Besley 2004), they are more likely to run for reelection (Diermeier, Keane, and Merlo 2005), ... and they face more competition from qualified challengers (Hoffman and Lyons 2015)" Carnes, Nicholas, and Eric R. Hansen, 2016.





SOURCE: JLARC analysis of data from the U.S. Bureau of Labor Statistics and NCSL. NOTE: Inflation-adjusted House salary, if adjusted starting from the 2 percent reduction made in 1991, would be \$48,127 in 2024 dollars.

### **RECOMMENDATION 1**

The General Assembly may wish to consider amending the Appropriation Act to increase legislative salaries.

Other benchmarks could be used as well, such as one based on the median income of a single person in Virginia. According to the most recent data available, the Virginia median income is about \$50,400, which could be pro-rated or adjusted downward to reflect the proportion of hours worked in a traditional full-time job that Virginia legislators work (87 percent). This pro-rated percentage of a full-time work year would equate to a legislative salary of about \$43,600 annually.

Increasing legislative salaries would require additional general funds, the exact amount of which would depend on the salary level chosen (sidebar).

# Virginia legislator mileage reimbursements, session per diem, and interim compensation

As in Virginia, legislators in other states also receive various types of reimbursements and per diems. Nearly all states also provide some form of mileage reimbursement (49 states), and many provide expense per diem or reimbursement during the legislative session (40). Many states determine the amount of these reimbursements using information published by the U.S. General Services Administration, as does Virginia. Increasing legislative salaries would require additional general funds each year.

Senate salaries (excluding additional leadership office compensation) = \$720,000. Increasing to:

▲ other state median

+\$622,000.

▲ inflation-adjusted level +\$1.2M.

House salaries (excluding additional leadership office compensation) =

\$1.7M. Increasing to:

▲ other state median

+\$1.6M.

▲inflation-adjusted level

+3.1M.

Legislators incur expenses that are not reimbursed. In responding to a JLARC survey, Virginia legislators noted other expenses for which they are not reimbursed, including tolls paid when driving to and from constituent engagements, and child care when they or their spouse cannot be home to provide care. Because Virginia sets its mileage reimbursement and expense per diem during the session to federal government standards, these reimbursement amounts have increased over time (for example the U.S. General Services Administration rates used will increase to \$237 per day in the Richmond area, which will increase the expense per diem during the 2025 session). Without going to an actual expense reimbursement model, which is administratively cumbersome, the approach used for mileage reimbursement and expense per diem is reasonable.

Many states (40), like Virginia, also provide some form of compensation during the interim between legislative sessions. In Virginia, it is unclear what the interim meeting attendance reimbursement amounts were originally based on, but amounts have been periodically increased over time in the Appropriation Act. These amounts could be adjusted over time based on an index, but there appears to be no compelling reason to change the current approach given that these amounts have been increased as recently as 2019. (The \$400 for a second meeting in one day was added in 2019; the single meeting rate was increased from \$200 to \$300 in 2016.)

Interim meeting compensation received varies substantially by chamber and member tenure. The median number of interim meetings attended by a senator was 16 and by a delegate was 8.5. (This difference is likely due to the fewer members of the Senate and the assignment of more interim commissions per senator.) Therefore, the median amount of compensation received during the interim was higher in the Senate as well (Table 3).

## TABLE 3Median interim meeting compensation by chamber

	Senate	House
# of interim meetings attended ( <i>median</i> )	16	8.5
Total interim compensation \$ ( <i>median</i> )	\$4,600	\$2,450

SOURCE: Offices of the clerks of the House of Delegates and Senate.

NOTE: Figures shown are three-year average of 2019, 2022, and 2023 (intervening years excluded because of disruption of COVID-19 pandemic; three-year average used to account for variation in number and length of special sessions in each year).

As would be expected, members tend to be assigned to more interim commissions as they gain tenure. For example, senators with less than five years of tenure received a median of \$3,600 in interim compensation, while senators with more than 15 years of tenure received a median of \$7,450. There is a similar dynamic in the House of Delegates. Delegates with less than five years of tenure received a median of \$1,500 in interim compensation, while a delegate with more than 15 years of experience received a median of \$5,400.

## Virginia legislative district office allowance

A majority of other states provide some type of funding for district office expenses, although their approaches vary. At least 28 other states (21 of which are categorized as part-time legislatures) provide some type of funding for district office expenses. About half of states with part-time legislatures that provide office funding indicated their members receive less than \$10,000 annually to cover office expenses in 2023, according to NCSL.

Virginia legislators began receiving a district office allowance in 1976. During that time, legislators received \$1,800 per year for their district office. Between 1981 and 1998, the allowance increased periodically until it was set at \$15,000 per year, or \$1,250 per month.

The value of the district office allowance has substantially eroded over time. The district office allowance has remained at \$15,000 per year since 1998. In the 26 years since the allowance was last increased, the allowance has lost about 140 percent of its value compared to inflation.

Nearly three-fourths of members either somewhat disagreed (22 percent) or strongly disagreed (47 percent) that the district office allowance was adequate, in response to JLARC's survey.

### **POLICY OPTION 1**

The General Assembly could amend the Code of Virginia to require the district office allowance to periodically increase over time based on an inflation index or applicable measure of office costs.

District office set-up and structure likely vary among members of the Virginia legislature (e.g., size of office(s), hours/days open to constituents, staffing, etc.). District office operating costs also likely vary based on these factors and others, such as their region of the state or number of constituents they represent (e.g., House versus Senate).

To address this variation, other legislatures use an expense reimbursement approach including the U.S. Congress. An expense reimbursement approach was recommended for the Virginia legislature by a 1998 advisory commission but was not implemented (sidebar).

Without switching to a full expense reimbursement model, an incremental change could be to separate the office allowance into office space and all other approved district office expenses. This could help to address the variation in real estate costs across the state. Oregon takes such an approach, which provides an office allowance of \$450 to \$1,025 per month based on regional cost differences. Doing so in Virginia would likely necessitate collecting information about current office practices and costs and

The 1998 Citizens' Advisory Commission on Legislative Compensation recommended changing legislative office expense allowances. Recommendation F was to split the district office allowance into a set amount for fixed costs and a variable amount for operating expenses. The variable amount would have required members to submit receipts to receive reimbursement, up to a specified amount.

setting a cap on how much would be reimbursed. Using such an approach would impose an additional administrative burden on the House and Senate clerks' offices.

# Virginia's ad hoc process to determine legislative salaries has been inadequate

Even if legislative salaries are raised, history shows that the General Assembly has been reluctant to increase its own pay over time. Academic research literature cites a variety of challenges with elected officials raising their own pay, including the fear of being viewed as enriching oneself at the expense of taxpayers. Without a mechanism to periodically determine (1) whether salaries should be increased and if so, (2) by how much, it is highly likely legislative salaries will again lose their value over time because of inflation. Without a specific process, Virginia would at some point again be paying too little in salary to its legislators, which concerned senators and delegates responding to the JLARC survey. For example:

- "Low compensation creates barriers that limit legislative participation to those who are independently wealthy, retired, or otherwise well-connected enough to afford two months away from regular employment."
- "I share the concern of many legislators that there are highly qualified people who are foregoing serving in the legislature because of the financial sacrifice, as well as the impact on family and non-political career advancement."

Other states use several approaches to determine legislative salaries, but there are two approaches used by multiple states. Several states increase legislative salaries over time based on an external benchmark, such as inflation, median income, or salaries of other state officials (e.g., judges or state employees). Additionally, several states have created various commissions that are periodically tasked with proposing increases in legislative salaries. Appendix C includes detail on the other states that use these approaches.

Either of these two approaches would be better than Virginia's current ad hoc approach (Table 4). Prior to 1988, Virginia's ad hoc process did result in periodic salary increases over time, which until then preserved the value of the salary. But since 1988, the value of legislative salaries has substantially eroded. Virginia's ad hoc process is also not transparent and subject to citizens being skeptical of the salary determinations, because historically the legislature itself has decided the amount. Virginia's ad hoc process did provide flexibility to reduce legislative salaries during an economic downturn, which the House did in 1991.

## TABLE 4Processes to determine legislative compensation compared to criteria

	Ad hoc	External	
Criteria	(Virginia)	benchmark	Commission
1. Preserves salary value over time			
2. Transparent process and basis	$\bigcirc$		
3. Flexibility to pause or reduce			
(when economic circumstances necessitate)			
4. Inability for legislators to directly influence or	$\bigcirc$		
determine salary amount	0		
•=Fully meets •••••••••••••••••••••••••••••••••••	)=Does not meet		
	0		

SOURCE: JLARC analysis and review of other state processes.

Though both the external benchmark and commission approaches rate better than Virginia's current approach, neither approach fully meets criteria JLARC staff determined reflect an effective process to set legislative salaries. The external benchmark approach is the closest to fully meeting each of the four criteria but only partially meets the criterion to be flexible based on adverse economic circumstances.

Virginia could regularly increase legislative salaries based on an external benchmark, but also incorporate a mechanism to slow or halt salary increases when specific negative economic circumstances or conditions are present. This would balance the need to preserve the legislative salary value over time while also building in the flexibility to account for challenging economic circumstances. For example, a process could be created in the Code of Virginia by which:

- During the first year of each new biennium, the Virginia Department of Human Resource Management would calculate how much legislative salaries should increase based on the change in an external benchmark during the preceding two years (e.g., the consumer price index or change in Virginia median income during the preceding two years are likely the most appropriate benchmarks to use); and
- The salary increase would become effective unless the General Assembly acted affirmatively to nullify the increase based on circumstances such as (a) a decline in state revenues or general fund spending below a pre-specified threshold or percentage, (b) a decision to not provide across-the-board salary increases for state employees, or (c) a decline in state economic conditions, such as the employment rate.

As with any process outlined in the Code of Virginia, the General Assembly would have the authority to supersede the process in the Appropriation Act. Absent this, though, the legislature would have no role deciding when and by how much to increase its own salary, and the value of salaries would be preserved over time and determined transparently. Compensation: Virginia Senators and Delegates

#### **RECOMMENDATION 2**

The General Assembly may wish to consider amending the Code of Virginia to (i) increase legislative salaries biennially based on an external benchmark and (ii) allow the General Assembly to nullify increases in the Appropriation Act if deemed necessary based on prescribed adverse economic circumstances.

## **Recommendations and Policy Options: Compensation: Virginia Senators and Delegates**

JLARC staff typically make recommendations to address findings during reviews. Staff also sometimes propose policy options rather than recommendations. The three most common reasons staff propose policy options rather than recommendations are: (1) the action proposed is a policy judgment best made by the General Assembly or other elected officials, (2) the evidence indicates that addressing a report finding is not necessarily required, but doing so could be beneficial, or (3) there are multiple ways in which a report finding could be addressed and there is insufficient evidence of a single best way to address the finding.

### **Recommendations**

### **RECOMMENDATION 1**

The General Assembly may wish to consider amending the Appropriation Act to increase legislative salaries.

### **RECOMMENDATION 2**

The General Assembly may wish to consider amending the Code of Virginia to (i) increase legislative salaries biennially based on an external benchmark and (ii) allow the General Assembly to nullify increases in the Appropriation Act if deemed necessary based on prescribed adverse economic circumstances.

### **Policy Option to Consider**

### **POLICY OPTION 1**

The General Assembly could amend the Code of Virginia to require the district office allowance to periodically increase over time based on an inflation index or applicable measure of office costs.

Recommendations: Compensation: Virginia Senators and Delegates

Commission draft 16

### **Appendix A- Study resolution**

#### **SENATE JOINT RESOLUTION NO.17**

Directing the Joint Legislative Audit and Review Commission to study the salaries, expense allowances, retirement benefits, and other emoluments received by members of the General Assembly. Agreed to by the Senate, January 31, 2024 Agreed to by the House of Delegates, March 4, 2024

WHEREAS, determining the pay of legislators is one of the most complex and politically sensitive issues faced by state legislatures today; and

WHEREAS, different perceptions about the rewards and sacrifices of public service and the breadth of duties and responsibilities of a part-time legislature contribute to the difficulty in placing a mone-tary value on legislators' time; and

WHEREAS, a representative government can only flourish when there are no financial barriers to entering and continuing in public service; and

WHEREAS, it is in the best interests of the Commonwealth that there be a fair and adequate compensation plan for legislators in order to attract the highest caliber of candidates to public office; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Legislative Audit and Review Commission be directed to study the salaries, expense allowances, retirement benefits, and other emoluments received by members of the General Assembly. In conducting its study, the Joint Legislative Audit and Review Commission (JLARC) shall (i) review the current salaries, expense allowances, retirement benefits, and other emoluments of the members of the General Assembly; (ii) examine the Commonwealth's history of legislative compensation; (iii) review the compensation, expenses, and benefits for legislative service in other states; (iv) assess various state methodologies in determining reasonable legislative compensation, including the tying of salaries to certain indexes or economic indicators; (v) seek the assistance and input of legislators and other citizens by conducting surveys and holding public hearings as may be appropriate; and (vi) make recommendations for any adjustments to such salaries, expenses, benefits, or other emoluments.

Technical assistance shall be provided to JLARC by the Offices of the Clerks of the House of Delegates and the Senate. All agencies of the Commonwealth shall provide assistance to JLARC for this study, upon request. The Joint Legislative Audit and Review Commission shall complete its meetings by November 30, 2025, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2026 Regular Session of the General Assembly. The executive summary shall state whether JLARC intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

## **Appendix B – Salary and interim compensation**

Below is salary and interim compensation data by chamber. Reimbursements and allowances excluded because these are not considered compensation, but rather intended to pay for mileage, lodging, and food during the legislative session, and operating a district office.

## Table B-1Senate salary and median interim compensation, by tenure

	Tenure: 5 years or less	Tenure: 15 years or more
Salary	\$18,000	\$18,000
Interim compensation	\$3,600	\$7,450
Total	\$21,600	\$25,450

Source: JLARC analysis of interim compensation data, Senate Clerk's office, 2019, 2022, and 2023. Notes: Interim compensation amounts shown are average across 2019, 2022, and 2023. The years 2020 and 2021 are excluded because of disruption of COVID-19 pandemic to legislative operations. Multiple years used to smooth volatility because of special sessions.

### Table B-2 House of Delegates salary and median interim compensation, by tenure

	Tenure: 5 years or less	Tenure: 15 years or more
Salary	\$17,640	\$17,640
Interim compensation	\$1,500	\$5,400
Total	\$19,140	\$23,040

Source: JLARC analysis of interim compensation data, House Clerk's office, 2019, and 2023.

Notes: Interim compensation amounts shown are average across 2019, 2022, and 2023. The years 2020 and 2021 are excluded because of disruption of COVID-19 pandemic to legislative operations. Multiple years used to smooth volatility because of special sessions.

## **Appendix C – Other state approaches to compensation**

Below is information about selected part-time and hybrid states that use either a commission, an external benchmark, or a combination of both approaches to periodically change legislative compensation.

### States that use a commission to change legislative compensation

**Georgia** - Seven citizens appointed by the governor, lieutenant governor, and speaker of the house. Members cannot be officers or employees of the state. Two members must have business management or financial expertise.

Commission studies compensation levels for "all constitutional state officers." During years when a commission is not convened, General Assembly members may pass legislation to increase their pay, but this raise cannot surpass the percentage increase in pay received by other state employees.

**Maryland** - Nine citizens members who cannot be state or local government employees or officials. Five members are appointed by the governor and four are appointed by the speaker of the house and President of the Senate.

Commission meets quadrennially to review and set legislator compensation and benefits through resolution. Legislature may reduce commission's recommendations but cannot increase them. If legislature takes no action, commission resolution becomes law.

**Minnesota** - Two citizen members from each congressional district, with half appointed by the chief justice and half appointed by the governor. Members must be evenly split in party affiliation between the two political parties with the most members in the legislature. Members cannot be current or former state employees, officials, or registered lobbyists.

Commission members meet during odd years to prescribe salaries, which take effect July 1 of that year. Commission submits a report describing rationale for any changes in salary to governor, majority and minority leaders of both chambers, and chairs of committees with jurisdiction over budget and finance.

**Oklahoma** - Nine citizen members appointed by the governor, president pro tempore, and speaker of the house. Members cannot be current or former state employees.

Commission meets biennially to review and directly set compensation of legislators. Legislature has no authority to reject or alter changes made by commission.

**Washington** - Seventeen citizens members, who cannot be state or local government employees or officials. Ten members are chosen at random from voter rolls, and seven are chosen by speaker of the house and president of the senate.

Commission sets compensation biennially for numerous elected public officials, including legislators. Commission may increase compensation or take no action. Recommendations become law 90 days after filing with the secretary of state.

### States that use an external benchmark to change legislative compensation

Alabama – Tied to the state's median household income (as reported by the U.S. Census Bureau).

Indiana - Tied to 18 percent of the current salary of a circuit/county judge.

**Oregon** - Tied to one step below the maximum step of 'Salary Range 1' for executive branch employees.

Rhode Island - Annual salary increases are tied to the calendar-year average CPI-U.

### States that use a commission and an external benchmark

**Colorado** - Nine citizens appointed by the governor, president of the senate, and speaker of the house. Expertise in various topics is required, including agriculture, HR, business leadership, compensation analysis, etc. Members cannot be a current or former employee or officer of the state or current or former registered lobbyist.

Commission meets quadrennially to determine pay for legislators, the governor, lieutenant governor, attorney general, secretary of state, and state treasurer. Compensation is adjusted for inflation annually in years between meetings. Recommendations may be rejected or modified by the legislature.

**West Virginia** - Seven members who are required to have resided in the state for at least 10 years. All members are appointed by the governor. Members cannot be state or local government employees.

Salary will be tied to 75 percent of the per capita income in West Virginia annually. Any additional increases or new amounts will be set by the commission. Legislature may reduce but not increase recommendations of commission.



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