



BETWEEN FORUMS

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Get Your Dollars Worth in the Legislature

Accountability is the shibboleth of the day. Legislators, state government officials, state coordinating agencies, taxpayer groups, and a host of others use accountability to promote ends they desire. Formula budgeting has been pressed forward as a means of cost/benefit and management improvement for state colleges and universities. As a consequence, funding formulas have swept the country and are now used in more than half the states.

As colleges and universities have been led into such formula planning, administrators and faculty members have lodged feeble protests that formulas tend to produce uniform mediocrity, disregard quality, penalize innovations and uniqueness, are inflexible, and bring all the institutions into a blend of mediocre blandness. We say: enough of such protest! Since formulas have proven so popular, the time has come to extend them to additional groups.

A group distinctly qualified for formula funding and richly deserving of it is none other than state legislators. We propose that formula funding for legislators is needed and believe that a ground swell of popular sentiment will sweep this concept into wide acceptance.

The public needs accountability for its legislators; yearly we hear campaigning politicians promising to obtain it. Formula funding will allow the legislators to fulfill campaign promises and to demonstrate irrefutably how they spend their time and how they should be rewarded for such service. Rumors come regularly to us that men and women have been caught caucusing in cloakrooms; nonsmokers are forced into smoke-filled rooms; bills are introduced but no effort is made to have them passed; in short, legislators need accountability.

The ills of the legislator can be remedied in large measure by the acceptance of formula funding. While a few might argue that "if it ain't broke, don't fix it," such sentiment is out-of-date. The time has come for statesmanship and acceptance of the trend of the future.

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BASIC STEPS

Here is how formula funding might work. While a few factors are unknown at this time, these are details that can be supplied later. Standard practice requires that formulas always be implemented before testing.

Step 1. Find Legislator Session Hour (LSH).

Since state funding formulas usually use student credit hours (SCH), legislator session hours (LSH) will serve as a similar concept in the introduction of legislative formula funding. LSH refers to the number of hours the legislature is in session times the number of legislators attending. In order to derive hours, one determines session days (SD) and the normal work day (NWD) which is established at eight hours.

Thus, $SD \times NWD = LSH$.

As a result LSH can now be used as the base to determine session compensation for each legislator in the house and senate.

Step 2. Find Dollars per LSH.

The dollar value of each LSH will be obtained on the basis of the average salary of each occupational group comprising the legislature. This step can be completed by obtaining the average annual income of each occupational group, deriving a daily rate, and converting this rate into dollars per LSH. The resulting formula will yield:

Occupation	Senators	Representatives	No. of Legislators	Annual Average Income ¹	Rate/LSH ²
Attorney	20	30	50		
Banker	0	5	5		
Farmer	4	10	14		
Homemaker	0	5	5		
Real estate	3	11	14		
Teacher	3	8	11		
Other	2	16	18		
Weighted Average				.x	y

¹Source: Labor department or audit the income tax returns for the past three years for each legislator.

²Based on 52 weeks, 8 hours per day or 2,080 hours. (Teachers usually work 36-40 weeks a year, but do not make enough to bias the results.)

To obtain the state appropriation for legislative salaries, each legislator who has started work by the census date, which is the third day of the session, will daily complete a "Work Load Report." The speaker of each house will verify these amounts and sign the report to assure its accuracy.

Average rate per LSH \times LSH = \$ total salaries appropriated

There exists wide precedence for this approach. In colleges and universities, for example, the number of SCHs taught is multiplied by the appropriate rates per SCH to obtain the state appropriation for faculty salaries. The method used is equitable. When the mix of legislators' occupations changes, the state appropriations changes. If, for example, three physicians defeated two teachers and a retail sales clerk, the average rate for LSH and the state appropriation for salaries would increase. Were these values to decrease, the appropriation decreases. This means that the formula changes every year, or every two years, but there are obviously no problems in yearly changes in formulas since colleges and universities routinely have to make such adjustments.

While we recognize the formula will need to be refined somewhat based on local conditions, the next two steps appear to be widely applicable, and their addition gives us the following formula for compensation of state legislators: $C_{SL} = R_H \times LSH \times W_{UC} \times LAF$. Compensation (C) of state legislators (SL) = Average Hourly Rate of the Occupational group (R) \times Legislator Session Hours (LSH) \times Weight of the Chamber (W) \times Legislative Activity Factor (LAF).

Step 3. Weight of the Upper Chamber.

The upper chamber, which is assumed to be above the lower chamber, usually contains older and more experienced members than the house and therefore should be funded at 1.25 for each LSH (LSH \times W_{UC}).

Step 4. Legislative Activity Factor.

Legislative activity factors are computed by multiplying the number of resolutions and bills introduced and enacted by certain weights and adding the results. The standard required for each legislator will be 30 Legislative Activity Factors (LAF) a session. While the figure 30 may be subject to negotiation, it is thought to be the standard established by the Roman Senate and is therefore included. The maximum LAFs for one legislator, however, is restricted to 40. A legislator receives a bonus or takes a loss based on achieving 30 LAFs.

ARGUMENTS AGAINST A LEGISLATIVE FORMULA

An uninformed group of legislators might argue that the formula approach was unfair for several reasons:

1. Those elected to the house or senate are not the "average" attorney, farmer, salesman, etc., and to use average salaries or average costs, would be a great leveler and produce uniform mediocrity.
2. LSH's are an inadequate and unrealistic measure. This strict quantitative approach can only lead to some members purposefully extend-

ing the number of hours the legislature is in session by filibustering or introducing insignificant bills. There also could be an attempt to redistrict, to add legislators, or otherwise increase the number of LSHs.

3. If LSH's are used, historical costs should not be used. The rate per LSH should be determined on the basis of "what should be," not "what is."

4. The proper bench mark for salaries should be a regional or national average adjusted for inflation since salaries in this state are generally lower than the national average.

5. Legislators do much more work than what is evidenced on the floor of the house or senate. There are committee meetings to attend, legislation to draft, inquiries from constituents to answer, conferences and professional meetings to attend, bills to lobby, ceremonies to officiate, etc. Such arguments should be disregarded. In this day and age there is no room for differences or deviations from established formulas.

ADMINISTERING THE PROPOSED FORMULA

It is a well established fact that some outside agency should help develop and then administer formula funding. To accommodate this need, we will create in each state a Reporting, Auditing, Performance, and Evaluation group, appointed by the Taxpayers' Association, to administer this program. While it may cost some time and effort in the legislature to undertake this program, such overhead expenses can be derived from other funds; again colleges and universities, for example, have long shown there is no problem in making such accommodations.

COMMENT

We contend that formula funding is an absolute must for the legislatures of the country. All who support quality government, lower taxes, Proposition 13, and accountability should rush to endorse this proposal. After it has been successfully demonstrated, then it can be expanded to a host of other worthwhile enterprises, including the Office of Health, Education, and Welfare, the Internal Revenue Service, and the Penn Central Railroad System.

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