

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

2024 South Dakota Legislature

FISCAL NOTE 2024-FN1044A

HB1044, An Act to update the United States census survey used to ascertain and adjust the salary of members of the Legislature.

HB1044 would change the survey used in determining the salary for legislators. Legislator pay is currently equal to one-fifth of the South Dakota median household income as reported by the United States Census Current Population Survey (CPS). This bill would change the calculation to use the median household income as reported by the American Community Survey (ACS).

The Legislature's current FY2024 budget for legislator pay during Session is \$1,670,462 in general funds, which is budgeted based on a CPS median household income of \$73,893. The 2023 South Dakota median household income for the ACS is estimated to be \$73,157, which amounts to 5.3% growth or the four-year average growth of the ACS. Each legislator receives a salary of \$13,436 (1/5th of \$67,180) for the 2024 Session. The estimated salary each legislator receives for the 2025 Session, if this bill were to pass, would be \$14,631 (1/5th of \$73,157), assuming the ACS median household income growth remains similar.

The fiscal impact of changing to the ACS model used for legislator salaries would be a reduction of **(\$21,683)** in general funds. The Legislature would not need additional funding because the amount of money already included in the budget is sufficient to cover legislator salaries under the ACS model. Even though this bill would reduce general fund expenditures legislative salaries would be increasing for the 2025 Session.

The table below provides the actual median household income data by year for the different U.S. Census Bureau surveys.

U.S. Census Bureau Median Household Income Data by Survey by Year				
Calendar Year	American Community Survey (ACS)	ACS Yearly Growth	Current Population Survey (CPS)	CPS Yearly Growth
2018	\$ 56,499		\$ 59,463	
2019	\$ 58,275	3.1%	\$ 64,255	8.1%
2020	\$ 59,896	2.8%	\$ 69,787	8.6%
2021	\$ 63,920	6.7%	\$ 73,893	5.9%
2022	\$ 69,457	8.7%	\$ 67,180	-9.1%

Information and data used in compiling this fiscal note was obtained from the U.S. Census Bureau and the Legislative Research Council.

APPROVED BY: /s/ John McCullough
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