



The Case for a Citizen Legislature

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Executive Summary

At 253 members and bearing a price tag of \$300 million, Pennsylvania's legislature is the most expensive and second largest in the country.

The operating cost of the Pennsylvania General Assembly has steadily increased, while Pennsylvania's economy has been stagnant. The Keystone State's burden of state and local taxes is among the heaviest in the country, while it ranks near the bottom in economic growth and freedom.

This reality can be addressed by a number of reforms that would improve the efficiency and effectiveness of Pennsylvania's legislature.

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- **Limited Sessions:** Pennsylvania's General Assembly is one of four full-time state legislatures. Returning it to a part-time body (with a limited number of session days) would help return it to a citizen-led legislature.
- **Compensation and Benefits:** The virtue of "public service" should be restored through a reassessment of the compensation and benefits provided to public servants. At the very least, public servants' remuneration should not exceed the compensation and benefits commonly provided for comparable work in the private sector.
- **Term Limits:** Pennsylvania currently limits the number of terms a governor can serve. Term limits should also be placed on the General Assembly. Term-limiting committee chairmanships would be a meaningful first step.
- **Spending Transparency:** Creating an online, itemized database of state spending—as 30 other states have done—would allow lawmakers and citizens to identify wasteful spending.
- **Initiative and Referendum:** Twenty-four states have initiative and referendum, whereby citizens can enact laws and constitutional amendments, as well as reject laws and amendments passed by the legislature. This would ensure Pennsylvanians are sovereign and serve as an important check on the power of state government.

Pennsylvania's Full-Time Legislature

At 253 members, the Pennsylvania General Assembly is 2nd largest state legislature, trailing only New Hampshire's 424-member body.¹ This ranking is accompanied by a more dubious distinction—that of being the most expensive legislature in the country. Lawmakers and Governor Ed Rendell appropriated \$299 million for the operation of the House and Senate in the 2009-10 General Fund Budget, up from \$88 million in 1984-85.²

The significant cost of the General Assembly can be attributed to the “professionalization” of the body over time. Today, Pennsylvania's legislature is among the four most professionalized in the country, a measure which incorporates the number of staff per lawmaker, the pay of lawmakers, and the length of legislative sessions. Pennsylvania ranks high in every category.

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The General Assembly's staff, which has grown from 1,430 in 1970 to 2,919 today, is the largest in the country. For perspective, Illinois and Ohio, states closest in population to Pennsylvania, have 1,023 and 465 legislative staff, respectively—about one-third and one-quarter as many.³ The salary of Keystone State lawmakers ranks fourth highest, and since the early 1980s Pennsylvania has supported a full-time legislature, one of only nine states that meet year-round.⁴

Salary and Benefits

At \$78,314, the annual salary for rank-and-file Pennsylvania lawmakers is the fourth-highest in the nation, trailing only those in California, Michigan, and New York.⁵ However, the total cost of each legislator includes much more than salaries. Legislative benefits include:

- Health insurance coverage for House member's valued at \$11,349 and \$5,351 for their prescription drug coverage, along with co-pays, dental, and vision benefits;⁶
- Health, vision, and dental insurance coverage for Senators valued at \$13,791, who pay 1% of their salary for coverage;⁷
- Pensions that are among the most generous in the country;⁸
- Office expense accounts, and either the use of a state vehicle or travel reimbursement at \$0.55 a mile; and
- Tax-free *per diem* payments, which are \$163 per day when lawmakers are attending legislative committee meetings or in session.⁹ Recent news stories have revealed *per diem* payments were more than enough to cover rent or a mortgage payment, and many legislators have bought homes near the Capitol while continuing to collect per diems for their lodging.¹⁰

A recent study of 13 states found that legislators with higher salaries are more likely to make poor policy decisions by catering to targeted local interests.¹¹

In addition to their compensation, the cost of legislators include what is often labeled “incumbent protection.” This includes taxpayer-funded promotional newsletters, web sites, calendars, flags, coloring books, and other giveaways, “public ser-

vice announcements” aired on radio and television, and WAMs. WAMs (“walking around money”) are undesignated funds used by legislators to award grants in their districts, the projects they finance are often not a core state government function.

Corruption

Combine pay and benefits, exorbitant, taxpayer-funded incumbent protection, and the absence of term limits, and Pennsylvania has created a culture that fosters corruption. From the 2005 pay raise, to the conviction of former state Senator Vince Fumo, to the ongoing “Bonusgate” scandal, the list of abuses is long enough to convince any citizen that the current system is broken.

While there is no objective way to measure the true level of government corruption, the Department of Justice ranks Pennsylvania seventh in the number of federal corruption convictions per capita.¹² Furthermore, the Center for Public Integrity gave Pennsylvania an “F” for its limited disclosure of information about legislator’s assets, holdings, or other potential conflicts of interest.¹³

Economic Freedom

While the cost of the General Assembly has skyrocketed, Pennsylvania’s economy has remained stagnant. For the period 1991-2009, the Keystone State ranked: 43th in job growth, 48th in personal income growth, and 47th in population growth.¹⁴ In 1977, with a part-time legislature, the commonwealth had the 22nd heaviest tax burden, today Pennsylvania ranks 11th in state and local tax burden per capita, 20th in state and local spending per capita, and 45th in economic freedom.¹⁵

Several studies show that the level of professionalization of the legislature correlates with a state’s economic freedom, spending rates, and overall tax burden.¹⁶

A simple linear regression analysis shows a strong connection between legislative professionalization and higher spending per capita, a higher tax burden, and less economic freedom. Specifically, each increase in NCSL-defined levels of professionalization result in an estimated \$441 increase in state and local spending per person and a 0.4% increase in taxes as a percentage of income. For highly professionalized legislatures, like Pennsylvania, the effect is five times those estimates. The analysis also found a downward effect on spending and taxes, which approaches statistical significance, for states with term limits.¹⁷

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Table 1: Regressions - State Legislators and Policy Outcomes

	State and Local Spending Per Capita	State and Local Tax Burden	Economic Freedom Rank
Number of Legislators	\$2	0.00%	0.0
Professionalization Index	\$441 **	0.44% **	8.2**
Term Limits	-\$90 *	-0.52% *	-6.7

* Significant to 0.1; **Significant to 0.01

Table 2: State Legislatures by Professionalization and Policy Outcomes**Most Professionalized Legislatures**

State	Professionalization Index*	Number of Legislators*	State and Local Spending Per Capita, 2006 (Rank)[†]	State and Local Tax Burden Rank, 2008[†]	Economic Freedom Index Rank, 2008[#]
California	Very High	120	4	6	49
Michigan	Very High	148	18	27	34
New York	Very High	212	2	2	50
Pennsylvania	Very High	253	20	11	45
Florida	High	160	25	47	28
Illinois	High	177	24	30	27
Massachusetts	High	200	6	23	33
New Jersey	High	120	7	1	48
Ohio	High	132	15	7	43
Wisconsin	High	132	20	9	18

Least Professionalized Legislatures

Georgia	Low	236	45	16	11
Idaho	Low	105	50	13	2
Indiana	Low	150	41	28	23
Kansas	Low	165	33	21	10
Maine	Low	186	19	15	35
Mississippi	Low	174	31	36	19
Nevada	Low	63	30	49	6
New Mexico	Low	112	16	39	41
Rhode Island	Low	113	8	10	49
Vermont	Low	180	13	8	42
West Virginia	Low	134	44	29	38
Montana	Very Low	150	34	40	13
New Hampshire	Very Low	424	43	46	8
North Dakota	Very Low	141	28	33	12
South Dakota	Very Low	105	48	45	1
Utah	Very Low	104	38	22	4
Wyoming	Very Low	90	3	48	5

Sources: *National Conference of State Legislatures, [†]Tax Foundation, [#]Pacific Research Institute

In order for Pennsylvania to become more prosperous, the legislature must improve in efficiency, effectiveness, and accountability. This policy brief considers the potential impact of popular government reforms in Pennsylvania.

Part-Time Legislature

The idea of returning Pennsylvania to a part-time, citizen legislature is gaining steam. State Representatives Bryan Cutler, Tim Krieger, and Gordon Denlinger recently introduced HB 1554, which would limit sessions to January and February of odd-numbered years and increase the length of House members' terms to four years.

Texas—with *twice* the population of Pennsylvania—has a legislature that meets once every two years for 140 days. When Texas lawmakers need to deal with emergency situations or revise their budget, they return for a limited, special session. During its 2007 session Texas’ legislature passed 1,672 bills (54 of which were vetoed). In that same period, Pennsylvania’s full-time General Assembly passed less than one-fifth that number.¹⁸

If Pennsylvania’s General Assembly returned to a citizen legislature, it would spend less and—with less time to debate inconsequential and less important matters—be more likely to efficiently address the business of the state.

A full-time legislature discourages members from maintaining outside occupations and being subject to the laws and economic realities imposed on their constituents. From 1960 to 2007, the number of Pennsylvania legislators who identified their main profession as legislator increased from 7% to 77.5%.¹⁹ Full-time legislatures fundamentally alter the perceived purpose of state government, as members come to depend on the office for their livelihoods. Year-round sessions encourage frequent committee meetings, hearings, an increase in the amount of bills considered, and costs incurred by the taxpayers.

Reducing the Number of Legislators

There are many proposals to downsize Pennsylvania’s legislature in order to reduce the financial burden on taxpayers.

Reducing the size of the legislature, however, isn’t guaranteed to lower its cost because the level of spending on legislative operations depends on whether lawmakers vote to reduce or increase their expenses. Increasing legislators’ number of constituents (by reducing the size of the General Assembly) would increase their responsibilities and workload, which could lead to higher, not lower, operation costs. Many staff are assigned to caucuses, committees, or other support areas—and may not be affected by a change in the number of lawmakers.

While the General Assembly (and all state departments and agencies) should consider ways to reduce spending, cutting the operating budget of the legislature would have a negligible impact on overall state spending, as it constitutes only 1% of the state’s General Fund. More important is the effect of reducing the number of lawmakers on total state spending and taxes. Yet there is no evidence linking legislative size with other measures of state policy, such as economic freedom or tax burden.

Although reducing the size of the Pennsylvania General Assembly could possibly improve the openness, transparency, and accountability of the legislative process, it cannot serve as a substitute for other reforms. On its own, reducing the size of the legislature would have a minimal effect, at best, and could even exacerbate the current problems in Harrisburg by concentrating power into even fewer hands.

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Term Limits

Legislative term limits would discourage “logrolling,” whereby professional lawmakers exchange votes for favors, leading to more earmarks for their districts.²⁰ Likewise, term limits might decrease funding for pork-barrel projects and “WAMs.”

Term limits would also help prevent long-term alliances between lawmakers by promoting independent judgment and weakening the ties with special interest lobbyists and eliminates the possibility of stalwarts who accumulate power and staff for over 30 years. Term limits would also give legislators a reality check by forcing them to live under the laws they enact.

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It is also noteworthy that term-limited states have fewer legislative staff and have continued to reduce the number of staff since implementing term limits.²¹ This contradicts the argument that term limits would simply transfer the power from lawmakers to staff.

As described above, term limits are tied to lower spending per capita and lower tax burdens. Term limits would also likely reduce corruption in Pennsylvania government and restore the ideals of a citizen legislature.

Transparency

Pennsylvanians would also benefit from a more transparent government. A categorized database displaying all state spending would put pressure on policymakers to spend wisely, discourage earmarks, WAMs, and other discretionary funding for political purposes.

Spending transparency allows the average citizen to hold his legislators accountable. Spending transparency in Texas saved taxpayers over \$4.8 million by combining contracts and duplicate government activities. House Bill 1880, which passed the Pennsylvania House and is currently awaiting consideration in the Senate, would establish a comprehensive spending database like those already implemented in 30 other states.²²

Initiative and Referendum

Article I, Section 2 of the Pennsylvania Constitution declares, “All power is inherent in the people ... they have at all times an inalienable and indefeasible right to alter, reform or abolish their government in such manner as they may think proper.” Unfortunately, however, there is no mechanism—either statutory or constitutional—for Pennsylvanians to exercise this inalienable and indefeasible right.

The Commonwealth is one of 26 states without “initiative and referendum,” making it very difficult for Pennsylvanians to reform their government. Initiatives are proposed laws or constitutional amendments placed before the electorate (upon the petition of a requisite number of registered voters) to approve or disprove. Typically, a majority vote is necessary for an initiative to be adopted. Referendums give the electorate the opportunity to repeal a law enacted by state government.

While there are valid concerns about the potential for abuse in a poorly crafted initiative and referendum process, it should be viewed as an important check by citizens on the power of government, and as a timelier and more practical mechanism than a constitutional convention.

Conclusion

It is unrealistic to expect that Pennsylvania can transform itself into a New Hampshire model of a part-time, citizen legislature, with little pay and few staff—at least not in the near future. However, there are a number of reforms that would begin to restore the spirit and intent of public service in Pennsylvania.

With a part-time legislature, lawmakers could be doctors, farmers, and small business owners who come to Harrisburg for a few weeks each year to make laws, and then go home to live and work under the laws they created. If this were the reality, only the most pressing issues would be addressed in the name of practicality, leaving greater freedom for the Commonwealth to prosper.

There is strong evidence that restoring the General Assembly to a part-time, citizen legislature will lead to lower taxes, less burdensome regulation, and less corruption. In today's political climate, it is extremely difficult to oppose the spending culture in Harrisburg. Scaling back the power while increasing the accountability of public officials can restore the virtue of public service to the Commonwealth.

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