

Legislative Analysis



STATE OFFICERS' COMPENSATION COMMISSION: MAKE STATUTE AND CONSTITUTION CONFORM

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House Bill 4918

Sponsor: Rep. Chris Ward

House Bill 4919

Sponsor: Rep. Mary D. Waters

Committee: House Oversight, Elections, and Ethics

First Analysis (6-28-05)

BRIEF SUMMARY: The bills would revise the duties of the State Officers' Compensation Commission concerning legislative salaries and expenses, in order to conform with the state constitution.

FISCAL IMPACT: There would be no fiscal impact to the state or to local units of government.

THE APPARENT PROBLEM:

The State Officers' Compensation Commission (sometimes called the SOCC) was created by Article IV, Section 12 of the state constitution. In addition, the legislature enacted Public Act 357 of 1968 to prescribe the duties of the commission in statute. The commission, comprising seven members appointed by the governor, meets every even-numbered year to recommend salary and expense allowances for members of the legislature, the governor, the lieutenant governor, and justices of the supreme court.

Following sizeable increases in state officers' salaries (not rejected by the legislature, and so approved) in December 2000, 72 percent of Michigan voters ratified an amendment to the state constitution in August 2002 to modify the way in which SOCC recommendations are managed by the legislature. The new provisions of the constitution do the following: 1) allow the legislature to amend the SOCC recommendations, but only to reduce compensation by the same proportion for all state officers; 2) require both chambers of the legislature to approve the recommendations by a majority vote; 3) prohibit the legislature from reducing salary and expense allowances below current levels; 4) delay the effective date of the recommendations until the session immediately following the next general election; and 5) add the attorney general and secretary of state to the list of state officers for whom the SOCC makes salary and expense recommendations. (See [Background Information](#) below.)

The enabling statute that prescribes the duties of the commission is outdated, and its provisions do not comport with the constitutional amendment. Consequently, legislation has been introduced so that constitutional law and statute law are aligned.

THE CONTENT OF THE BILLS:

The bills would revise the duties of the State Officers' Compensation Commission concerning legislative salaries and expenses, in order that they conform to the state constitution, and would include the attorney general and the secretary of state within the commission's purview.

House Bill 4918 would amend Public Act 357 of 1968 (MCL 15.217) to specify that the commission's determinations concerning salaries and expense allowances would go into effect only if the legislature, by concurrent resolution adopted by a majority of the members elected and serving in each house, approved them. The bill also specifies that the Senate and House of Representatives would alternate on which house of the legislature would originate the concurrent resolution, with the Senate originating the first concurrent resolution in 2005.

Under the bill, the concurrent resolution could amend the salary and expense determinations of the State Officers Compensation Commission to reduce them by the same proportion for the members of the legislature, the governor, the lieutenant governor, the attorney general, the secretary of state, and the justices of the supreme court. However, the legislature could not reduce the salary and expense determinations to below the level that the members and other officers received on the date the determinations were made. If the determinations were approved or amended, they would become effective for the legislative session immediate following the next general election.

House Bill 4919 would also amend Public Act 357 of 1968 (MCL 15.213 and 15.216) so that the SOCC would set the salaries and expense allowances for the attorney general and the secretary of state. (Currently, the legislature sets those salaries.) The act currently specifies that the commission shall determine the salaries and expense allowances of the governor, the lieutenant governor, the attorney general, the secretary of state, the justices of the supreme court, and the members of the legislature, and file its determination with the Clerk of the House of Representatives, the Secretary of the Senate, and the director of the Department of Management and Budget after December 1 and before December 31 of each even numbered year, and furnish copies to all of the officers. The act does not currently refer to the attorney general and the secretary of state.

BACKGROUND INFORMATION:

Before the citizens amended the state constitution in August 2002, the pay recommendations made by the SOCC every two years could be applied retroactively to the previous January 1. Further, the legislature was not allowed to amend the biennial pay recommendations of the SOCC, or to make any modifications. Under the law at that time, no affirmative vote was required. Instead, the legislature was only authorized to reject a resolution containing the SOCC determinations, and had to do so by a two-thirds vote in each chamber. Finally, the SOCC recommendations did not include the offices of attorney general or secretary of state.

In December 2000, the SOCC recommended that the following increases in state officers' salaries become effective on January 1, 2001:

Governor:	\$172,000	13.7 percent increase
Lt. governor	\$120,400	19.6 percent increase
Supreme court justices	\$159,960	13.6 percent increase
State legislators	\$ 77,400	35.8 percent increase

The SOCC recommended an additional increase of 2.9 percent for all state officers effective the following year on January 1, 2002.

The House voted to reject the SOCC determinations on January 25, 2001 by a vote of 100-6, but the Senate did not consider the resolution. As a result, the pay raises proposed by the SOCC became effective.

ARGUMENTS:

For:

State officers' salaries and expenses are set by the State Officers Compensation Commission (SOCC), established in the state constitution, and enabled by state statute. These bills would update the state statute, to bring it into compliance with an amendment citizens passed to the state constitution in August 2002. The bills would require the legislature to take positive action to raise state officers' salaries, whereas currently the members of the legislature can only reject the SOCC salary recommendations by a two-thirds vote of each chamber. Under the bill, if the legislature did act to accept the proposed salary increases, they would not go into effect until the beginning of the legislative session immediately following the next general election. Currently, increases can be made retroactively to the previous January 1. The bills also add the attorney general and secretary of state to the list of officers for whom the SOCC makes salary recommendations, in compliance with the constitutional amendment. Finally, the bills allow the legislature to amend the SOCC recommendations, but only to reduce compensation by the same proportion for all state officers. The bills would not allow the legislature to reduce salary and expense allowances below current levels, however.

POSITIONS:

No positions were advanced.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.