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HOUSE FISCAL AGENCY

124 N. Capitol Avenue 4 – North, HOB Lansing, MI

HB4386 AS INTRODUCED

Sponsor Committee Rep. Michael Switalski HOUSE OVERSIGHT AND

OPERATIONS

Analyst(s) Risko, Robin

Completed 3/13/01

State Fiscal Impact

Local Fiscal Impact

Cost

Indeterminate

Cost

None

Revenues None

Revenues

None

House Bill 4386 would amend Public Act 357 of 1968, which implements the State Officers Compensation Commission (SOCC) provisions of the state Constitution. The bill would change the process by which SOCC recommendations for members of the Legislature are approved.

House Bill 4386 would require the Commission to make salary and expense allowance recommendations for members of the Legislature and then provide the Legislature with the option of adopting either the recommendations made or salaries and expense allowances indexed to the average wage of all state employees represented by a labor organization. The bill would require the Commission to submit the salary and expense allowance options to the Clerk of the House of Representatives, the Secretary of the Senate, all members of the Legislature, and the Director of the Department of Management and Budget after December 1 but before December 31 of each even numbered year.

The recommendations of the Commission would be effective January 1 of the year following submission to the Legislature, unless the Legislature, by concurrent resolution adopted by a two-thirds vote of the members elected and serving prior to February 1 of the year following the recommendations, does one of the following: expressly rejects both options submitted by the Commission; or expressly adopts the option to receive salaries and expense allowances indexed to the average wage of all state employees represented by a labor organization. If the Legislature expressly rejects both options submitted by the Commission, the salaries and expense allowances in existence at the time of the rejection will prevail.

House Bill 4386 would have an indeterminate fiscal impact on the state. In order to determine the fiscal impact of either option, one would need to know the amount of the salary and expense allowance increases recommended by SOCC, and the amount of the increase if salaries and expense allowances were indexed to the average wage of all state employees represented by a labor organization.