



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: S.J.R. 1 of the 131st G.A.
(LR 131 0035-13)

Date: May 24, 2016

Status: In House Government Accountability and Oversight

Sponsor: Sen. Faber

Local Impact Statement Procedure Required: No

Contents: Proposes the creation of the Public Office Compensation Commission and specifies its responsibilities

State Fiscal Highlights

- The resolution proposes to establish the Public Office Compensation Commission, which is responsible for reviewing the compensation for the General Assembly and the six statewide elected officers, and preparing a proposed compensation plan and report. Ultimately, this includes a final compensation plan that sets forth the compensation for each of the above elected public officials.
- The proposed constitutional amendment would be placed on the November 7, 2017 general election ballot. Appropriations made to the Controlling Board under GRF appropriation item 911411, Ballot Advertising Costs, are used to reimburse the Secretary of State for expenses incurred in advertising the ballot issue statewide. The amounts of the reimbursements approved by the Controlling Board are transferred to the Statewide Ballot Advertising Fund (Fund 5FH0) under the Secretary of State's budget.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Public Office Compensation Commission

The resolution proposes the creation of the Public Office Compensation Commission under the Ohio Constitution. If approved by the General Assembly, the issue would appear on the November 7, 2017 general election ballot. The proposed Commission consists of nine members: two members appointed by the Governor, two members appointed by the President of the Senate, two members appointed by the Speaker of the House of Representatives, one member appointed by the Minority Leader of the Senate, and one member appointed by the Minority Leader of the House of Representatives. The Commission is required to meet each even-numbered year to review the current salary of the General Assembly and the six statewide elected officers (Governor, Lieutenant Governor, Attorney General, Secretary of State, Treasurer of State, and Auditor of State). After completing this review, the Commission, by a vote of at least five members, is required to prepare a proposed salary plan that sets forth the compensation of each elected public official subject to the Commission's pay review. However, it should be noted that members of the General Assembly would still be permitted to receive health insurance, mileage reimbursement, and compensation for other expenses as currently exist. A detailed description of the factors the Commission is required to use in conducting this review can be found in the LSC Bill Analysis.

The proposed plan must be presented at not less than three public hearings in the state. After conducting these public hearings, the Commission, by a vote of at least five members, shall issue a final compensation plan that sets forth the salary of each elected public official. Any new compensation amounts contained in the plan take effect on the first day of July in the following odd-numbered year unless, before that day, the General Assembly, by a three-fifths vote, rejects a portion of, or the entire compensation plan. Members of the Commission are not compensated, but do receive reimbursement for any expenses incurred in carrying out their duties. Presumably, these costs would be covered by appropriations under the budgets for the House of Representatives, the Senate, and the Judiciary/Supreme Court.

Ballot advertising costs

If both houses of the General Assembly approve the resolution and the issue is placed on the statewide ballot for the November 7, 2017 general election, the Secretary of State would incur costs for ballot advertising under Section 1 of Article XVI of the Ohio Constitution. Section 1 requires that the ballot language, the explanations, and arguments, if any, be published once a week for three consecutive weeks preceding the election in at least one newspaper of general circulation in each county of the state where a newspaper is published.

The ballot advertising costs that the Secretary of State incurs are paid for on a reimbursement basis from GRF moneys appropriated to the Controlling Board, specifically GRF line item 911441, Ballot Advertising Costs. Once authorized, the reimbursable amounts are transferred by the Controlling Board to the Statewide Ballot Advertising Fund (Fund 5FH0) under the Secretary of State's budget. Ballot advertising expenses depend on the length of the ballot language. As a guide, the Secretary of State spent \$447,473 in ballot advertising costs for statewide issues that appeared on the ballot during FY 2014. Statewide ballot advertising costs for this resolution, because it involves a single ballot issue, would likely be considerably less.

Synopsis of Fiscal Effect Changes

The bill changes the individuals for which the Commission will set salaries from all elected officials to members of the General Assembly and the six statewide elected offices (Governor, Lieutenant Governor, Attorney General, Secretary of State, Auditor of State, and Treasurer of State). Presumably, by reducing the number of elected offices subject to this resolution, the costs for the Commission to conduct its business would seem to decrease with this new, more limited scope of responsibility.