Legislative Analysis



SUPREME COURT JUSTICE SALARY INCREASE

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House Concurrent Resolution 6 as reported from committee Sponsor: Rep. Jimmie Wilson, Jr. Committee: Government Operations

Analysis available at http://www.legislature.mi.gov

Complete to 9-25-24

SUMMARY:

House Concurrent Resolution 6 would approve determinations made by the State Officers Compensation Commission (SOCC)¹ at its meeting of May 24, 2023, that justices of the Michigan Supreme Court should receive a 7% salary increase in both 2025 and 2026 and a \$10,000 annual expense allowance.² SOCC determinations must be approved by concurrent resolution adopted by a majority of both houses of the legislature to become effective. If approved, the recommended salary increases and expense allowance would go into effect beginning January 1, 2025.

BACKGROUND:

Legislative and state officer compensation

Section 12 of Article IV of the 1963 state constitution as ratified³ provided for compensation and expense allowances of members of the legislature to be determined by law, with changes to go into effect at the start of the next legislative session after an even-year election. Under this system, the legislature passed salaries and expense allowances as bills that required the governor's signature to become law and were subject to veto.

In 1968, these provisions were amended⁴ to create the State Officers Compensation Commission and require it to determine the salaries and expense allowances of the members of the legislature, the governor, the lieutenant governor, and the justices of the supreme court. Under these provisions, the commission's determinations took effect *unless* a two-thirds majority of each house of the legislature *rejected* them. The public act that implemented the 1968 constitutional amendment⁵ provided that the determinations took effect January 1 of the year after they were filed.

In 2002, these provisions were amended⁶ to provide that the SOCC's determinations take effect *only* if a majority of each house *approve* them and that they do not go into effect until the next legislative session after an even-year election. In addition, the SOCC was charged with determining compensation and expense allowances for the attorney general and secretary of state. This is the current process.

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¹ https://www.michigan.gov/mdcs/quick-links/state-officers-compensation-commission

² https://www.michigan.gov/mdcs/-/media/Project/Websites/mdcs/SOCC/SOCC-2023-Determination.pdf

³ https://www.legislature.mi.gov/documents/mcl/pdf/michiganconstitution1963asratified.pdf

⁴ See the discussion of State Proposition No. 2 here: https://crcmich.org/PUBLICAT/1960s/1968/cc0806.pdf

⁵ The commission's enabling act is 1968 PA 357: http://legislature.mi.gov/doc.aspx?mcl-Act-357-of-1968

⁶ See the discussion of Proposal 02-01 here: https://crcmich.org/wp-content/uploads/memo1062.pdf

Supreme court justices' compensation

Prior to the meeting of SOCC in 2000, the salary of a supreme court justice was \$140,816. In 2000, SOCC determined that the salary for a supreme court justice should increase to \$159,960 in 2001 and to \$164,610 in 2002. The legislature approved these increases.

In 2011, SOCC recommended a 3% increase for justices in 2013 and another 3% increase in 2014. In 2013, the commission recommended a 3% increase for justices in 2015. In 2015, the commission recommended a 3% increase for justices in 2017 and another 3% increase in 2018. In 2017, SOCC recommended a 10% increase for justices, along with all other elected officials except legislators, effective in 2019. The legislature did not act on these recommendations.

At the 2019 meeting of SOCC, though there were not any recommendations made to adjust compensation for the other officers, the commission considered a motion to increase supreme court justices' salaries by 5% for both 2021 and 2022. Both the House and the Senate approved those raises, but because action was not taken until after the November general election in 2020, the increases could not take effect until January 1, 2023. Since that time, the salary for a supreme court justice has been \$181,483.

Justices do not now have an expense allowance.

BRIEF DISCUSSION:

According to committee testimony, all Michigan judges have had cost-of-living adjustments to their salaries since 2016, except for Supreme Court justices, whose compensation adjustments must be recommended by SOCC and approved by the legislature as described above. Currently, Court of Appeals judges are paid more than justices of the Supreme Court, making Michigan the only state or federal court system in which judges of a lower court are paid more than the members of the highest court. On average, neighboring states pay their supreme court justices 18% more than justices in Michigan are paid. Those pay gaps will only grow absent legislative action on SOCC recommendations.

FISCAL IMPACT:

The current salary for a supreme court justice is \$181,483. When including FICA taxes and retirement costs, the salary amount is roughly \$206,490. A 7% increase effective January 1, 2025, would raise the salary to \$194,187. The salary amount including FICA taxes and retirement costs would be roughly \$220,268. A subsequent 7% increase effective January 1, 2026, would raise the salary to \$207,780. The salary amount including FICA taxes and retirement costs would be roughly \$235,009.

For 2025, the fiscal impact on the state would be roughly \$96,446 for an increase in the salary amount including FICA taxes and retirement. In addition, \$70,000 would be required to cover costs of the \$10,000 annual expense allowance for each of the seven justices. A general fund appropriation to cover these costs is included in the FY 2024-25 judiciary budget. For 2026, the fiscal impact on the state would be roughly \$103,187.

All these costs would be supported with general fund dollars.

POSITIONS:

Justice Brian Zahra testified in support of the resolution. (9-25-24)

A representative of the State Court Administrative Office testified in support of the resolution. (9-25-24)

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