

STORAGE NAME: h1701.go

DATE: March 18, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
GOVERNMENTAL OPERATIONS
ANALYSIS**

BILL #: HB 1701

RELATING TO: Salary Freezes

SPONSOR(S): Representative Healey

COMPANION BILL(S): None

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) GOVERNMENTAL OPERATIONS
 - (2) COMMUNITY AFFAIRS
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

This bill amends eight different statutory sections, the effect of which is to freeze the salaries of county constitutional and elected school district officials. It assigns exclusive authority over county constitutional and elected district school officer compensation levels to local governments, specifically boards of county commissioners and district school boards. Those officials whose salaries would be affected by this bill include the members of the board of county commissioners, clerk of the circuit court, county comptroller, sheriff, supervisor of elections, property appraiser, tax collector, and members of the school board.

This bill marks a significant change from the current system, in which these salaries and increases are now set by population formula.

The fiscal impact of this bill has not yet been determined, but it appears that freezing these salaries may result in decreased county spending.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Consistent with the 1968 Florida Constitution, the provisions in ch. 145, F.S., set the salaries for all county constitutional officers¹ and elected school district officials². These employees are: members of the board of county commissioners, clerks of the circuit court, county comptrollers, sheriffs, supervisors of elections, property appraisers, tax collectors, and members of the school board and the elected superintendents of schools.

The legislative intent of this chapter, as set forth in s. 145.011(2) is to set "a uniform and not arbitrary and discriminatory salary law" in place of the then-existing "haphazard, preferential, inequitable, and probably unconstitutional local law method of paying elected county officials." To achieve this goal, the Legislature created a salary schedule for certain employees based on the population of each employee's respective county.

In ch. 73-173, L.O.F., the Legislature established the current salary formula methodology and specified that the latest official population estimates for each county would serve as the main component of the salary computation.

The following statute sections establish the base salary and group rate salary factors (for population increments over the minimum for each population group) for compensation of these employees, based on the population of the employee's county.

- s. 145.031, F.S., (members of the board of county commissioners)
- s. 145.051, F.S., (clerks of circuit court and county comptrollers)
- s. 145.071, F.S., (sheriffs)
- s. 145.09, F.S., (supervisors of elections)
- s. 145.10, F.S., (property appraisers)
- s. 145.11, F.S., (tax collectors)
- s. 230.202, F.S., (members of the school board)
- s. 230.303, F.S., (elected superintendent of schools)

Each fiscal year, the salaries of local officials to which this bill applies are adjusted first by an "initial factor," then by a "cumulative annual factor," and finally by an "annual factor". The "adjusted salary rate" of these officials is the product of the base salary rate granted by the appropriate section of statute, multiplied by these three factors. The following salary increase formulas are defined by s.145.19, F.S.:

- The "cumulative annual factor" is annually certified by the Department of Management Services and is the product of all annual factors certified under s. 145.19, F.S., prior to the current fiscal year.

¹The practice of state law determining the compensation of all county constitutional officers (i.e., those officers specified in Article VIII, Section 1 of the Florida Constitution) was sanctioned by the Constitution of 1885 and has been maintained in Article II, Section 5 of the Constitution since the 1968 revision.

²Unlike county constitutional officers, compensation for elected district school board officials is not referenced in the Florida Constitution. (This conclusion is based on the assumption that school board members and school superintendents are "district school officials" and are not "state" or "county" officers as referenced in Article II, Section 5, of the state Constitution.)

- The "initial factor" is a factor of 1.292 (which is a product of an earlier cost-of-living increase factor authorized by ch. 73-173, L.O.F., multiplied by the annual increase factor authorized by ch. 79-327, L.O.F.).
- The "annual factor" is annually certified by the Department of Management Services and is equal to "...1 plus the lesser of: 1) the average percentage increase in the salaries of state career service employees for the current fiscal year as determined by the Department of Management Service or as provided in the General Appropriations Act; or 2) seven percent."

This method of computing these salaries is a complicated one. Although not officially required by law, the Legislative Committee on Intergovernmental Relations (LCIR) computes the salaries of county constitutional officers and elected school district officials as a service to governmental units. It also computes the estimated salaries earlier in the year and makes these estimates available to county government and school district officials to help them prepare their annual budgets.

B. EFFECT OF PROPOSED CHANGES:

The effect of the changes made by HB 1701 is to freeze the salaries of these county employees at the amount of their salary in effect on June 30, 1999. After that date, these employees would receive a salary in an amount approved by the board of county commissioners.

This bill, then, would require the county's board of commissioners to deliberately set salary increases for certain county employees; no longer would salary increases be automatic each year as the county's population increases.

These changes would not affect the \$2,000 supplement that eligible officers may receive after completing certification programs. Certification programs are offered to the clerks of circuit court, property appraisers, sheriffs, tax collectors, and supervisors of elections.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

- a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes. This bill would require the board of county commissioners to set the annual salary of certain county employees, and to determine any increases in those salaries.

(3) any entitlement to a government service or benefit?

No.

- b. If an agency or program is eliminated or reduced:

An agency or program is not eliminated or reduced.

- (1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

- (2) what is the cost of such responsibility at the new level/agency?

N/A

- (3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

- b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

The bill does not purport to provide services to families or children.

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

- (5) Are families penalized for not participating in a program?

N/A

- b. Does the bill directly affect the legal rights and obligations between family members?

No.

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

The bill does not create or change a program providing services to families or children.

- (1) parents and guardians?

N/A

- (2) service providers?

N/A

- (3) government employees/agencies?

N/A

C. STATUTE(S) AFFECTED:

Amends ss. 145.031, 145.051, 145.071, 145.09, 145.10, 145.11, 145.19, and 230.202, F.S.

D. SECTION-BY-SECTION ANALYSIS:

N/A

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

Not yet determined.

2. Recurring Effects:

Not yet determined.

3. Long Run Effects Other Than Normal Growth:

Not yet determined.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill requires counties to take actions requiring the expenditure of funds, by requiring counties to set the salary of certain county employees each year.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

Arguments for and against assigning exclusive authority over salary levels for county constitutional officers and elected district school officials revolve around the competing issues of uniformity and flexibility. On one hand, the state has a critical interest in assuring that the salary levels of these officials are of sufficient magnitude across the respective counties to attract qualified candidates to these positions, given the roles these officials play in budgeting for and administering key state programs, and in assuring compliance with regulatory standards.

On the other hand, although it is clear that state government has an interest in determining compensation levels for county constitutional officers and elected district school officials, arguments can be made in support of affording a degree of local discretion in this area. Both counties and district school boards are policy-making entities in their own right. For example, relatively recently, counties have become service providers, independent of their functions as administrative arms of the state. As counties have attempted to respond to demands for services on the part of their own citizens, they have been put in the position of imposing duties and responsibilities on constitutional officers that go beyond the minimum requirements imposed by state law. Thus, the increases in responsibilities and workloads associated with expanded service delivery represents a rationale to provide for some local deviation in officials' compensation levels set by the state.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

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