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BILL ANALYSIS

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Senate Concurrent Resolution 25 (as introduced 4-26-22)
Sponsor: Senator Jim Stamas
Committee: Appropriations

Date Completed: 4-26-22

CONTENT

Senate Concurrent Resolution 25 would waive the requirement of Article XI, Section 5 of the State Constitution, which provides that increases in rates of compensation authorized by the Civil Service Commission may be effective only at the start of a fiscal year and must be included in the Governor's budget proposal for that year. The resolution would permit increases in rates of compensation for certain members of the Department of State Police as set in the contract settled between the Michigan State Police Troopers Association (MSPTA) and the State and approved by the Civil Service Commission.

FISCAL IMPACT

A new collective bargaining agreement has been established to be effective from October 1, 2020, to October 1, 2024, between the Office of the State Employer and the MSPTA. The Constitution states that increases in rates in compensation may be effective only at the start of a fiscal year and it requires the Governor to transmit those increases to the Legislature as part of his or her budget. Since the Civil Service Commission-approved compensation coming out of this bargaining agreement with the MSPTA came too late for the Governor to transmit the increase to the Legislature as part of the past few years' budgets (a routine occurrence with MSPTA contracts over the years), the resolution would waive the requirement and permit the rate increases and payments.

The Department of State Police reports that the new compensation plan—which, as other contracts do, can include such matters as salaries, pension, Medicare, retirement, health, life insurance, long-term disability, shift differential, and overtime — requires an additional $10.0 million General Fund/General Purpose (GF/GP) in payments over base appropriations for fiscal year (FY) 2020-21, $550,000 GF/GP over base appropriations for FY 2021-22, and only a small amount over the base appropriations within the Governor's FY 2022-23 recommendation, an amount that would not affect operations. Fortunately, both the $10.0 million needed for FY 2020-21 and the $550,000 needed for FY 2021-22 will be able to be covered by savings from other accounts from those years, and the amount needed over the Governor's FY 2022-23 recommendation is nearly completely covered by normal cost of living increases already applied to the base, with any other dollar needs to be easily covered by FY 2022-23 account savings.

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