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BILL



ANALYSIS

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House Concurrent Resolution 16 (as adopted by the House)
Sponsor: Representative Aaron Miller
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 12-5-17

CONTENT

House Concurrent Resolution (HCR) 16 would waive the legislative notice 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, but allows the Legislature to waive the notice and permit increases to be effective at another time. 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, 2017, to October 1, 2020, between the Office of the State Employer and the Michigan State Police Troopers Association. The agreement covers approximately 1,720 enlisted personnel (1,246 trooper level and 474 sergeant level). Since the Civil Service Commission-approved compensation coming out of this bargaining agreement came too late for the Governor to transmit the increase to the Legislature as part of the FY 2017-18 budget (a routine occurrence with MSPTA contracts over the years), the resolution would waive the requirement and permit the rate increases, as allowed by Article XI, Section 5.

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—includes a 3% base economic increase for FY 2017-18, retroactive to October 1, 2017, a 2% base economic increase for FY 2018-19, and a 1% base economic increase and a 1% lump sum payment for FY 2019-20.

For FY 2017-18, the 3% base increase will cost about \$3.8 million in salaries and wages. With retirement and other employer retirement contributions (OERC) of \$3.6 million, it will cost the Department about \$7.4 million GF/GP in total. As the FY 2017-18 budget was built using a 3% base increase, there is no need for supplemental appropriations to cover the costs of the approved contract's provisions.

If both houses of the Legislature approve HCR 16 and the Civil Service Commission is notified, those subject to the new contract can then begin to receive its benefits.

Fiscal Analyst: Bruce Baker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.