

Senators Jelinek and Bishop offered the following concurrent resolution:

Senate Concurrent Resolution No. 35.

A concurrent resolution to reject the 3 percent compensation increase authorized for civil service employees by the Civil Service Commission for the 2010-2011 fiscal year.

Whereas, Article XI, Section 5 of the *Constitution of State of Michigan of 1963* provides that increases in rates of compensation in the state classified services authorized by the Civil Service Commission require prior notice to the Governor. The *Constitution of the State of Michigan of 1963* also requires that the Governor transmit such increases to the Legislature as part of the Governor's budget; and

Whereas, Article XI, Section 5 of the *Constitution of the State of Michigan of 1963* reads, in part, as follows:

"Increases in rates of compensation authorized by the commission may be effective only at the start of a fiscal year and shall require prior notice to the governor, who shall transmit such increases to the legislature as part of his budget. The legislature may, by a majority vote of the members elected to and serving in each house, waive the notice and permit increases in rates of compensation to be effective at a time other than the start of a fiscal year. Within 60 calendar days following such transmission, the legislature may, by a two-thirds vote of the members elected to and serving in each house, reject or reduce increases in rates of compensation authorized by the commission. Any reduction ordered by the legislature shall apply uniformly to all classes of employees affected by the increases and shall not adjust pay differentials already established by the civil service commission. The legislature may not reduce rates of compensation below those in effect at the time of the transmission of increases authorized by the commission"; and

Whereas, The additional cost of these state employee contractual increases to the fiscal year 2010-2011 budget is estimated to be \$77.3 million; and

Whereas, Michigan's hardworking families and private sector employees have faced layoffs, pay cuts, loss of benefits, and other employment concessions. According to government statistics, the average annual salary of a Michigan classified state employee in 2009 was \$54,246, while the average annual salary for the state's private sector employees was \$43,831, a difference of 23 percent. Michigan's state classified employee base salary ranked sixth-highest in the nation; and

Whereas, As of November 2009, Michigan has lost 831,500 wage and salary jobs since 2000, a decline of 17.7 percent. The Senate Fiscal Agency forecasts continued job losses for 2010 and 2011. In December 2009, our unemployment rate continued to be the highest in the nation at 14.6 percent. Michigan's unemployment rate has been the highest in the nation for the last four years. Since December 2008, the state's jobless rate is up 4.4 percent from 10.2 percent. Michigan's per-capita personal income is expected to decline by 2.7 percent in 2009. This decline in personal income in 2009 will be the first decline since 1958 and the worst drop since 1945; and

Whereas, Based on the January Consensus Revenue Estimate, Michigan faces a potential budget deficit of \$1.6 billion. The Governor's proposed FY 2011 budget closes this gap by a mixture of tax increases, one-time revenue, program cuts, and reforms, including the elimination of the FY 2011 3 percent salary increase for nonexclusively represented state classified employees; and

Whereas, In light of these facts, it would be grossly unfair and fiscally irresponsible to provide salary increase to state classified employees; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Michigan Legislature, pursuant to Article XI, Section 5 of the *Constitution of the State of Michigan of 1963*, hereby rejects the 3 percent compensation increases for civil service employees authorized by the Michigan Civil Service Commission for fiscal year 2010-2011; and be it further

Resolved, That copies of this resolution be transmitted to the Office of the Governor and the Civil Service Commission.