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ANALYSIS

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Senate Concurrent Resolution 33 (as introduced 9-11-12)  
Sponsor: Senator Patrick J. Colbeck  
Committee: Appropriations

Date Completed: 9-11-12

### **CONTENT**

Senate Concurrent Resolution 33 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 can 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, to be effective from January 1, 2012, to September 30, 2014, between the Office of the State Employer and the Michigan State Police Troopers Association was approved by the State Civil Service Commission on May 23, 2012, and includes compensation for FY 2012-13 beginning October 1, 2012. The Constitution states that increases in rates in compensation can be effective only at the start of a fiscal year and it requires the Governor to transmit such 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 MSTPA came too late for the Governor to transmit the increase to the Legislature to be part of the FY 2012-13 budget (a routine occurrence with MSPTA contracts over the years), the resolution permits the waiver of the requirement.

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—has no fiscal impact on FY 2011-12. For FY 2012-13, it has yet to be determined what the fiscal impact of the new compensation will be, though within that compensation package there are categories that will increase costs (such as salaries) and others that will result in actual savings (pension and health contributions). The FY 2012-13 State Police budget already includes an economic increase of 1% for Sergeant and Trooper positions. It cannot be determined at this time whether additional appropriations will be needed above that 1% increase to the base to meet the new contractual obligations.

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