

WAIVER OF NOTICE OF COMPENSATION INCREASE

Phone: (517) 373-8080
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Senate Concurrent Resolution 5 as adopted
Sponsor: Sen. Sarah Anthony
House Committee: Appropriations
Senate Committee: Committee of the Whole
Complete to 1-27-23

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Concurrent Resolution 5 would waive notice requirements for compensation increases authorized by the Civil Service Commission for certain state employees so that the increases can take effect before October 1, 2023.

Section 5 of Article XI of the Michigan Constitution generally requires that the governor be given prior notice of compensation increases authorized by the Civil Service Commission. The proposed increases are sent to the legislature in the governor's budget and can take effect only at the start of the fiscal year. However, section 5 also authorizes the legislature to waive the notice requirement and allow compensation increases to take effect at another time. This is what SCR 5 would do.

At its meetings of July 25 and December 19, 2022, the Civil Service Commission approved agreements to increase rates of compensation for certain exclusively represented positions in certain classifications and also approved increases in the rates of compensation for certain non-exclusively represented positions in certain classifications. The agreements generally concerned pay rate increases for specified job classes in health care, skilled trades, and transportation (such as nurses, physicians, mental health professionals, plumbers, electricians, building and mechanical code inspectors, veterinarians, and traffic engineers and technicians) where the Civil Service Commission has had concerns about recruitment and retention because of the higher wages being offered elsewhere. The increases for non-exclusively represented positions generally concerned employees in the same classes or (to avoid wage compression) supervisory classifications for those classes.

The agreements and increases were approved after the governor's 2022-23 budget had been presented. Senate Concurrent Resolution 5 would allow them to be implemented before October 1, 2023—specifically, from the start of the first full pay period after SCR 5 has been adopted by both houses.

FISCAL IMPACT:

The concurrent resolution would increase salary costs incrementally for certain state departments and agencies in FY 2022-23 and FY 2023-24. The total cost increase is not yet calculated but is expected to be supported through existing appropriations. Departments would determine if any supplemental appropriations are needed after the Civil Service Commission applies the approved rates to eligible personnel and calculates funding source requirements. Compensation increases would not be applied retroactively to the start of FY 2022-23 but would take effect from the date of approval of the concurrent resolution.

Increased compensation rates for FY 2023-24 would be reflected in the executive recommended budget through an executive revision request and would be subject to legislative appropriation.

Legislative Analyst: Rick Yuille
Fiscal Analyst: Michael Crossen

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.