

AROUND THE DOME

March 2010

3 Percent Pay Hike for Unionized State Employees:

After 3 tries the Senate failed this month to kill a 3-percent pay hike for unionized state employees, meaning the raise is all but assured to go through on Oct. 1.

The vote on SCR 35, sponsored by Senate Appropriations Chairman Ron Jelinek, failed on a 23-15 vote. The measure needed 26 votes to pass. A rejection requires a two-thirds vote in both chambers by April 10. Because the House and Senate are currently on a two-week spring break, no further votes can be taken.

BOMA joined other business leaders in an effort to get a few Senate holdouts to change their vote. However, due to strong partisan leanings, the only Democrat to support the measure was Sen. Mickey Switalski. Republicans claimed that repealing the pay hike would save \$45.3 million General Fund and \$83 million gross.

Unemployment Slightly Down:

Michigan's unemployment rate edged down slightly in February from 14.3 to 14.1 percent, marking the state's lowest jobless rate in eight months.

Despite a rate decrease for the second straight month, the average is still above the state's 2009 annual average of 13.6 percent, according to the Department of Energy, Labor and Economic Growth (DELEG).

Also dropping with the state's unemployment rate is the number of payroll jobs reported in DELEG's monthly survey of employers. Another 16,000 payroll jobs were shed in February. The size of the state's work force did see a slight increase with some 4,000 workers re-entering the labor market.

Retirement Reform:

In an attempt to stem long-term costs to the state's budget, Senate Republicans are supporting an early retirement package for state and public school employees.

Both Senate Appropriations Chairman Ron Jelinek and Senator Mark Jansen believe they have the votes. Senate Bills 1226 and 1227 remain on the Senate calendar for action when the Legislature returns from its Spring Break.

However, even if the bills pass the Senate, there's the fact that the House has taken no action. House Democrats, who didn't like the early out, but they didn't like the idea of big budget cuts or revenue increases, either. Early out proposition were popular in the Engler Administration and have helped reduce the size and cost of state employees. This is the first attempt to allow early out proposals for school employees.

The "Around the Dome" newsletter is written monthly by BOMA's Michigan lobbying firm Scofes & Associates Consulting (S&A) for BOMA members to be aware of key issues in Lansing. In addition, S&A is monitoring top issues identified by the Government Affairs Committee. If you have comments on the newsletter or BOMA issues, please direct them to GAC Chairs Gregory McDuffee at Gregory_McDuffee@DWJBA.com, John Sier at John.Sier@Kitch.com or Janet Langlois at JLanglois@bomadet.org.

We welcome your comments and questions on BOMA advocacy issues.