REPORT TO THE LEGISLATURE

Pursuant to P.A. 121 of 2024
Article 2, Section 302
Impact of Adjusting Pay Structure for Officers

Sec. 302. From the funds appropriated in part 1, the department must submit a report not later than March 1 that includes an assessment of the cost and details the effects on staffing since corrections officers and corrections medical officers were allowed to reach their highest level of pay within 3 years of service instead of reaching it within 5 years of service.

Subsequent to the passage of the FY2024 budget, the Civil Service Commission approved its Employment Relations Board impasse panel recommendation for wages for employees covered by the Michigan Corrections Organization bargaining unit. The result of this change is to provide a 5% base-pay increase for all steps in the pay schedule while also eliminating the first two steps of the pay schedule, among other adjustments, that results in moving from a 10-step pay schedule with the highest level of pay achieved after 66 months of service to an 8-step pay schedule with the highest level of pay achieved after 42 months of service. The new pay rate structure will commence in October 2024.

Not enough time has elapsed to draw conclusions on the impact of this change on recruitment and retention, but the Department will continue to monitor as part of its efforts in these areas.

CIVIL SERVICE FY25 CHANGES FOR MCO	
Estimated Cost of 5% Base-Increase	$36,652,000
Estimated Cost of Pay Structure Change	$17,142,000
TOTAL FY25 ESTIMATED IMPACT	**$53,794,000**
Notes:	
Based on on-board employees as of 11/25/23.	
Assumes 800 recruits training in FY25.	
Utilizes FY25 Retirement/OERC Fringe Rates.	