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BILL ANALYSIS

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House Bill 4522 (Substitute H-11 as reported by the Committee of the Whole)
Sponsor: Representative Jeff Farrington
House Committee: Government Operations

CONTENT

The bill would amend Public Act 312 of 1969, which provides for arbitration of labor disputes involving municipal police, fire, and emergency medical service personnel, to do the following:

- Require an arbitration panel to give priority to the financial ability of the unit of government to pay.
- Allow an arbitration panel to compare wages, hours, and conditions of employment of employees of a unit of government outside of the bargaining unit in question.
- Include authorities created by local units among the entities covered by the Act, but exempt an employee of an authority in existence on June 1, 2011, except as otherwise provided.
- Set limits on the extension of deadlines during the arbitration process.
- Require the Employment Relations Commission to establish qualifications for individuals to chair an arbitration panel.
- Shift the State share of arbitration costs to the parties.

The Act requires an arbitration panel to base its findings, opinions, and orders upon factors specified in the Act, if applicable. The factors include the interests and welfare of the public and the financial ability of the unit of government to meet those costs. Under the bill, the factors would include the financial ability of the unit of government to pay. This determination would have to be based on specified factors, including the financial impact on the community of any award, the public interests, and all liabilities. The panel would have to give the financial ability of the unit of government to pay the most significance, if the determination were supported by competent, material, and substantial evidence.

The current factors also include a comparison of the wages, hours, and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in public or private employment in comparable communities. Under the bill, an arbitration panel also could compare the wages, hours, and conditions of employment of other employees of the unit of government outside of the bargaining unit in question.

The Act requires an arbitration hearing to be concluded within 30 days after it begins, unless the parties agree otherwise. Under the bill, a hearing would have to be concluded and any posthearing briefs filed within 180 days after the hearing began.

The Act requires an arbitration panel to identify the economic issues in dispute and direct the parties to submit their last offer of settlement on each issue within the time limit set by

the panel. Under the bill, a panel would have to direct the parties to submit their last offer of settlement before the beginning of the hearing.

Currently, within 30 days after a hearing concludes or additional periods agreed to by the parties, the arbitration panel must make findings of fact and promulgate an opinion and order. The bill would require the panel to do so within 30 days after the hearing concluded or within up to 60 additional days at the discretion of the chair.

The Act applies to police officers, firefighters, and emergency medical service personnel employed by a city, county, village, or township. Under the bill, the Act also would apply to those employees of an authority, district, board, or any other entity created by the authorization of one or more cities, counties, villages, or townships, whether the entity was created by statute, ordinance, contract, delegation, resolution, or other mechanism. The Act would not apply, however, to an employee of an authority that was in existence on June 1, 2011, unless he or she were represented by a bargaining representative on that date or a contract in effect on that date specifically provided the employee with coverage under the Act. This exclusion would terminate if the authority composition changed to include an additional governmental unit or portion of a governmental unit.

The Act also would not apply to an employee of a community college; an employee of a metropolitan district created under Public Act 147 of 1939 (which governs the Huron-Clinton Metropolitan Authority); or an emergency telephone operator employed by a 9-1-1 authority or consolidated dispatch center.

MCL 423.232 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have an indeterminate effect on local unit revenue and expenditures, depending on the degree to which the bill resulted in different arbitrary decisions. The bill would potentially reduce local unit expenditures if the duration of arbitration proceedings were reduced.

The bill would have no impact on State revenue and potentially reduce State expenditures by an unknown, and minimal, amount if arbitration costs were reduced as a result of shortened arbitration proceedings.

Date Completed: 6-29-11

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.