



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 32 (as enrolled) *(enacted version)*
House Bill 4176 (as enrolled) *(enacted version)*
Sponsor: Senator Sylvia Santana (S.B. 32)
Representative Tyrone Carter (H.B. 4176)
Senate Committee: Civil Rights, Judiciary, and Public Safety
Committee of the Whole
House Committee: Judiciary

Date Completed: 6-12-23

RATIONALE

According to testimony before the Senate Committee on Civil Rights, Judiciary, and Public Safety, some law enforcement agencies in the State provide funds for employees' law enforcement academy training while others do not. Reportedly, this results in a significant number of officers leaving one law enforcement agency for another soon after they complete their paid training. Some people believe this process unfairly harms the law enforcement agencies that provide funds for officers' training. Accordingly, it has been suggested that agencies be able to collect training costs from employees that voluntarily leave within a certain number of years after the agency paid for their training.

CONTENT

Collectively, Senate Bill 32 and House Bill 4176 would amend Public Act 390 of 1978, which regulates the time and manner of payments of wages and fringe benefits to employees, to do the following:

- **Allow a law enforcement agency that entered into an agreement to collect specified percentages of the costs of a law enforcement training academy if an employee voluntarily left employment with the agency within four years after the employee left the training academy.**
- **Allow an employer to collect the costs of an employee's education under an agreement in which the employer offered to fund an employee's education with the understanding that the employee would repay the costs unless the employee remained with the employer for a specific period.**

The bills are tie-barred.

Public Act 390 prohibits an employer, agent or representative of an employer, or other person having authority from the employer to hire, employ, or direct the services of other people in the employment of the employer from demanding or receiving, directly or indirectly from an employee, a fee, gift, tip, gratuity, or other remuneration or consideration, as a condition of employment or continuation of employment. This provision does not apply to fees collected by an employment agency licensed under the law of the State.

Under the bills, the provision also would not apply to the following remuneration or consideration collected by a law enforcement agency under a signed agreement entered on or after the bill's effective date:

- If the employee voluntarily left employment with the law enforcement agency within one year after the date the employee's law enforcement training academy ended, 100% of the cost of the law enforcement training academy up to and not exceeding the employee's salary for the first year of employment with the law enforcement agency.
- If the employee voluntarily left employment with the law enforcement agency more than one year but less than two years after the date the employee's law enforcement training academy ended, 75% of the cost of the law enforcement training academy up to and not exceeding the employee's salary for the first year of employment with the agency.
- If the employee voluntarily left employment with the law enforcement agency two years or more but less than three years after the date the employee's law enforcement training academy ended, 50% of the cost of the law enforcement training academy up to and not exceeding the employee's salary for the first year of employment with the agency.
- If the employee voluntarily left employment with the law enforcement agency three years or more but less than four years after the date the employee's law enforcement training academy ended, 25% of the cost of the law enforcement training academy up to and not exceeding the employee's salary for the first year of employment with the agency.

Under Senate Bill 32, "law enforcement agency" would mean that term as defined in the Michigan Commission on Law Enforcement Standards Act: an entity that is established and maintained in accordance with the laws of the State and is authorized by the laws of the State to appoint or employ law enforcement officers.

"Law enforcement training academy" would mean that term as defined in the Michigan Commission on Law Enforcement Standards Act: an agency basic law enforcement training academy, a preservice college basic law enforcement training academy, or a regional basic law enforcement training academy.

In addition, the provision would not apply to remuneration or consideration collected by an employer under an optional education repayment agreement in which the employer offered to fund an employee's education with the understanding that the employee would repay the costs incurred unless the employee remained with the employer for a specific period.

("Employer" means an individual, sole proprietorship, partnership, association, or corporation, public or private; the State or an agency of the State; a city, county, village, township, school district, or intermediate school district; an institution of higher education; or an individual acting directly or indirectly in the interest of an employer who employs one or more individuals.)

Senate Bill 32 would require the terms of an agreement entered into by a law enforcement agency to include the following:

- That the law enforcement agency would have to pay the cost of a law enforcement training academy required for that employee to obtain a license under the Michigan Commission on Law Enforcements Standards Act.
- The conditions under which the payment would be provided and under which repayment to the law enforcement agency by the employee or another person could be required.

An agreement entered into by a law enforcement agency also would have to specify that remuneration or consideration from the employee would be waived by the law enforcement agency if the employee were not required to be licensed as a law enforcement officer under the Michigan Commission on Law Enforcements Standards Act within either of the following:

- One year after leaving employment with the law enforcement agency if the employee voluntarily left employment with the law enforcement agency within one year after the date the employee's law enforcement training academy ended.
- Two years after leaving employment with the law enforcement agency if the employee voluntarily left employment with the law enforcement agency at least one year but not more than four years after the date the employee's law enforcement training academy ended.

MCL 408.478

PREVIOUS LEGISLATION

(Please note: This section does not provide a comprehensive account of all previous legislative efforts on the relevant subject matter.)

Senate Bill 32 is a reintroduction of Senate Bill 375 from the 2021-2022 Legislative Session, which House Bill 4176 is similar to. The bill was reported from the Senate Committee on Judiciary and Public Safety but received no further action.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

A law enforcement agency should not have to pay to train police officers for other agencies. Most of Michigan's police training academies are affiliated with colleges and universities, where recruits pay their way through these programs; however, the Detroit Metropolitan Police Department (DMPD) provides paid training to recruits. Reportedly, some officers join the DMPD to take advantage of this free training before departing to join suburban police departments. According to testimony before the Senate Committee on Civil Rights, Judiciary, and Public Safety, DMPD hired 715 officers since January 1, 2020. In that same period, 312 left to work for another police agency, 182 of them spending fewer than four years with the DMPD. The cost of losing these officers is high and borne by Detroit taxpayers. When a city and its citizens invest in these officers, they should either remain with the city's law enforcement agency or repay it for its investment upon an early departure. The bill would allow agencies to receive repayment in the case of an early departure.

Legislative Analyst: Tyler P. VanHuyse

FISCAL IMPACT

The bills could have a fiscal impact on a local law enforcement agency if an employee whose training was funded by that agency left voluntarily before four years of service and had to reimburse that agency for its cost for the employee's academy tuition. The costs of tuition for a law enforcement training academy in Michigan range between \$6,000 and \$10,000.

Fiscal Analyst: Bruce R. Baker

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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.