

Legislative Analysis



INTERGOVERNMENTAL LABOR CONTRACTS: HIGHEST WAGES AND BENEFITS NOT REQUIRED

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Senate Bill 1085 as passed by the Senate
Sponsor: Sen. Mark Jansen

Senate Bill 1086 as passed by the Senate
Sponsor: Sen. Bill Hardiman
House Committee: Labor
Senate Committee: Reforms and Restructuring

Complete to 6-30-10

A SUMMARY OF SENATE BILLS 1085 (S-2) & 1086 (S-2) AS PASSED BY THE SENATE 2-10-10 AND REPORTED FROM HOUSE LABOR COMMITTEE

The bills would provide that, under a contract between political subdivisions or under an inter-local agreement between public agencies, employees would not have to be paid the highest wages and benefits previously paid to them or their pre-existing bargaining units. Senate Bill 1085 would amend Public Act 8 of 1967 (Ex Sess) (MCL 124.534), which governs intergovernmental transfers of functions and responsibilities. Senate Bill 1086 would amend the Urban Cooperation Act (MCL 124.505).

Now under each act, an employee who is transferred to a position with the political subdivision may not, by reason of the transfer, be placed in any worse position with respect to workers' compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or any other benefits enjoyed as an employee of the acquired system. Under Senate Bills 1085 and 1086, this provision would only apply until a new labor agreement was in place.

Further, the bills would require that all existing and expired labor contracts with an acquired system be assumed by the political subdivision and remain in effect until a new labor agreement was in place.

FISCAL IMPACT:

As written, the bills would not affect state or local revenue, and would have no impact on state expenditures. The bills would either have no impact on local government spending or would reduce it by an indeterminate amount.

HOUSE ACTION:

The members of the House Labor Committee reported out the Senate-passed versions of the bills, Senate Bill 1085 (S-2) and Senate Bill 1086 (S-2), without amendments.

POSITIONS:

The Police Officers Association of Michigan supports the bills as they passed the Senate. (6-30-10)

The Fraternal Order of Police supports the bills. (6-30-10)

The Michigan Professional Fire Fighters support the bills. (6-30-10)

American Federation of State, County, and Municipal Employees (AFSCME) supports the bills. (6-30-10)

The AFL-CIO supports the bills. (6-30-10)

The Grand Rapids Chamber of Commerce opposes the bills without amendments. (6-30-10)

The Michigan Municipal League opposes the bills. (6-23-10)

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