



Senate Fiscal Agency  
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## BILL ANALYSIS



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House Bill 6074 (as enacted)  
Sponsor: Representative Al Pscholka  
House Committee: Michigan Competitiveness

**PUBLIC ACT 414 of 2014**

Date Completed: 6-23-15

**CONTENT**

**The bill amended the public employment relations Act to do the following:**

- **Require every exclusive bargaining representative each year to have an independent examiner verify its calculation of expenditures attributed to collective bargaining, contract administration, and grievance adjustment, and file the verification with the Michigan Employment Relations Commission (MERC); and delete similar requirements for an independent audit.**
- **Require MERC to make the calculations available to the public on its website.**
- **Appropriate \$100,000 to the Commission for fiscal year 2014-15 for the costs of implementing these requirements.**
- **Require exclusive bargaining representatives to file a declaration identifying the local bargaining units represented.**
- **Provide that a collective bargaining agreement may not require a public employer to pay the costs of an independent examiner verification, and no person may compel a public employee to pay those costs.**
- **Exclude from the definition of "public employee" a student participating in intercollegiate athletics on behalf of a public university.**

The bill took effect on December 30, 2014.

**Student Athletes**

The Act governs collective bargaining between public employers and representatives of public employees. The term "public employee" means an individual holding a position by appointment or employment in the government of this State, in the government of one or more political subdivisions of the State, in the public school service, in a public or special district, in the service of an authority, commission, or board, or in any other branch of the public service, subject to a number of exceptions. The bill added an exception for a student participating in intercollegiate athletics on behalf of a public university in the State.

**Independent Examiner Verification**

Previously, each exclusive bargaining representative that represented public employees in the State was required, by March 1 every year, to file with MERC an independent audit of all expenditures attributed to collective bargaining, contract administration, and grievance adjustment during the prior calendar year, and MERC was required make the audits available to the public on its website. The bill deleted these requirements.

Under the bill, by July 1 of each year, each exclusive bargaining representative that represents public employees in the State must have an independent examiner verify the exclusive

bargaining representative's calculation of all expenditures attributable to the costs of collective bargaining, contract administration, and grievance adjustment during the prior calendar year, and file that verification with MERC. The Commission must make the bargaining representative's calculation available to the public on its website.

The bill also requires the exclusive bargaining representative to file a declaration identifying the local bargaining units that are represented. The bill specifies that those local bargaining units are not required to file a separate calculation of all expenditures attributable to the costs of collective bargaining, contract administration, and grievance adjustment.

The bill appropriated \$100,000 to MERC for fiscal year 2014-15 for the costs of implementing these provisions.

### Prohibited Activities

The Act prohibits a person by force, intimidation, or unlawful threats to compel or attempt to compel a public employee to take certain actions, such as becoming a member of a labor organization or refraining from joining a labor organization. The bill also prohibits a person from compelling or attempting to compel a public employee to pay the costs of an independent examiner verification.

In addition, the bill prohibits an agreement with a collective bargaining unit from requiring a public employer to pay the costs of an independent examiner verification.

### Severability

The bill states that if any part or parts of the Act are found to be in conflict with the State Constitution, the U.S. Constitution, or Federal law, the Act must be implemented to the maximum extent permitted by the State Constitution, the U.S. Constitution, and Federal law. Any provision held invalid or inoperable is severable from the remaining portions of the Act.

MCL 423.201 et al.

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill will have an indeterminate fiscal impact on the Bureau of Employment Relations (BER) and the Michigan Employment Relations Commission within the Department of Licensing and Regulatory Affairs, an indeterminate fiscal impact on State-supported universities, and no fiscal impact on local units of government. The bill requires MERC to post calculations of expenditures related to exclusive representation of public employees on its website. The cost for MERC or BER to post these calculations is unknown, but the bill appropriated \$100,000 from the State General Fund to offset these costs. A similar requirement for posting audits of collective bargaining-related expenditures already existed in statute, so the appropriation might potentially free-up resources to cover any additional administrative costs that may arise from training BER staff or revising forms.

In the short term, State-supported universities will experience no fiscal impact from the bill as there are currently no student athlete groups that are represented by a collective bargaining unit. To the extent that, in the absence of the bill, student athletes would seek collective bargaining representation at some point in the future, the bill will save affected State-supported universities any costs that would have been associated.

Fiscal Analyst: Josh Sefton

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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.