

## **NEW DETROIT SCHOOL DISTRICT: COLLECTIVE BARGAINING AND FINANCIAL OVERSIGHT**

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**House Bill 5387 (H-1) Committee Substitute**  
**Sponsor: Rep. Daniela R. Garcia**

Analysis available at  
<http://www.legislature.mi.gov>

**Senate Bill 711 (H-1) Committee Substitute**  
**Senate Bill 820 (H-1) Committee Substitute**  
**Sponsor: Sen. Goeff Hansen**

**Committee: Appropriations**  
**Complete to 5-2-16**

### **SUMMARY:**

The bills would amend the Public Employment Relations Act, the Michigan Financial Review Commission Act, and PA 566 of 1978, which prohibits a public officer from holding incompatible offices, as part of a package to restructure Detroit Public Schools (DPS), which would be replaced by a new community district under House Bill 5384. In general, the bills would do the following:

- Prohibit the collective bargaining agreements in place in DPS from being transferred to the proposed community district.
- Limit collective bargaining options in the community district.
- Expand the role of the Detroit Financial Review Commission to approve the superintendent of a qualified school district under its authority.
- Expand exemptions under PA 566 related to school district officials on the Financial Review Commission.

All three bills are tie-barred to House Bill 5384, and Senate Bill 820 is also tie-barred to Senate Bill 711. The bills are described in more detail below.

#### **Public Employment Relations Act (PERA)**

House Bill 5387 would amend the PERA, which prohibits public employees from striking and allows for collective bargaining, to prohibit the collective bargaining agreements in place between DPS and its employees from being transferred to the community district.

The bill would also prohibit collective bargaining between a community school district and its employees on any decision related to an employee's work schedule or the school calendar or the impact of that decision on an individual employee or the bargaining unit.

#### **Financial Review Commission**

Senate Bill 711 would amend the Michigan Financial Review Commission Act, to revise the authority of the financial review commission (FRC) it was given in House Bill 5385

(PA 53 of 2016) over the existing Detroit school district as well as the community district proposed under HB 5384.

SB 711 would amend the definition of "qualified school district" such that it would mean either the existing DPS district or the community district that would replace it under HB 5384. It would also exclude the former DPS district superintendent and school board chair from membership on the FRC once the functions and responsibilities have been transferred to the community district.

SB 711 would also expand the role of the FRC by authorizing it to approve the superintendent of a qualified school district under its authority. The bill provides that if the FRC does not approve the appointment within 45 days, the appointment is denied. It would also prohibit a qualified school district from altering the terms or conditions of an employment contract with or the benefits of its superintendent or terminating its superintendent without the approval of the FRC (excluding the superintendent and school board chair).

Senate Bill 820 would provide an exemption for a superintendent or school board chair serving both the district and on the FRC under PA 566 of 1978, which prohibits a public officer from holding incompatible offices.

## **FISCAL IMPACT:**

The bills would have no fiscal impact on the state and generally would reduce local costs for the community district by an indeterminate amount as described below.

### **Community District Collective Bargaining**

Presumably, House Bill 5387 would reduce community district costs by further limiting the subjects allowable for collective bargaining and by prohibiting the transfer of any existing collective bargaining agreements from DPS to the new community district. Any savings, however, would depend on the nature of the operating and contract changes made by the community district.

### **Financial Review Commission**

SB 711 would limit cost revisions for the community district by preventing the community district from revising contract or benefits of its superintendent without FRC approval.

Fiscal Analyst: Bethany Wicksall

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