

SFA

BILL ANALYSIS

Senate Fiscal Agency

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LEGISLATIVE

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Senate Bill 464 (Substitute S-1 as reported)**Sponsor:** Senator Gilbert J. DiNello**Committee:** Human Resources and Senior Citizens**Date Completed:** 4-12-88

LEGISLATIVE

RATIONALE

In collective bargaining negotiations for some school employees, the certified bargaining agent is a regional organization made up of multiple employee units within or between school and intermediate school districts. Although the actual negotiations are conducted by local teams, the agreement reached between a local team and representatives of the employer must be approved by the certified regional organization. If the regional organization approves the agreement, it is then submitted to the local teachers for ratification. According to the Michigan Association of School Boards (MASB), this two-tiered ratification process has created problems in some districts where the regional organization has rejected agreements reached at the local level. The MASB believes that contracts cannot be negotiated in good faith if they are subject to summary rejection by a regional organization, and that statute should prohibit interference in the ratification process following the completion of contractual negotiations.

CONTENT

The bill would create a new Act to prohibit a county, regional, or State labor organization or its agents from rejecting or causing the rejection of a collective bargaining agreement that was reached between a local or intermediate school district and the individuals employed by the district represented by the organization. If a labor organization or its agents violated the Act, a school district or any other person adversely affected could bring an action to compel compliance. The action would have to be brought in the circuit court for the county in which the complainant resided or the county in which the affected school district was located. Failure to comply with a court order could be punished by contempt. The court also could award a prevailing complainant court costs and reasonable attorney fees.

"Labor organization" would mean an organization in which school employees participate and that exists for the common purpose of protecting and advancing the wages, hours, and working conditions of its members.

FISCAL IMPACT

The bill would result in no direct costs to State government, and would have an indeterminate impact on local and intermediate school districts.

Increased costs to school districts could result from unreimbursed court costs incurred in unsuccessful cases against labor organizations under this bill's provisions. Reduced school district expenditures (or avoidance of

increased expenditures) could result from court judgments favorable to school districts that bring an action against labor organizations that veto a collective bargaining agreement. The magnitude of such cost shifts would depend on the number of court actions initiated, and the magnitude of the judgments reached.

ARGUMENTS**Supporting Argument**

Although regional labor organizations in some cases are recognized as the bargaining agent for the regions' teacher organizations, the regional organizations do not necessarily have any actual knowledge of conditions at the local level. Also, the local units comprising a regional organization might have vastly different needs. It is the local negotiators who are familiar with the issues and aware of the individual schools' needs. Under the two-tiered ratification process, however, an agreement reached at the local level cannot be submitted to the local teachers if it is not first approved by the regional organization. This situation arose in the Delton Kellogg School District, for example, when an agreement reached by the teachers and the school board was rejected by the Michigan Education Association's South Central Unified Bargaining Association on the ground that the teachers' acceptance of a 4.5% increase in each year of a two-year contract did not meet the unit's salary goals.

Furthermore, according to the MASB, the collective bargaining process directly or indirectly affects approximately 85% of a school district's annual operating expenditures; and, continuing to permit regional organizations to intervene in the contract ratification process means continuing to provide those organizations with a broad-based means of controlling the level of public expenditures on school employees' wages and salaries.

The bill would make it clear that a county, regional, or State labor organization could not interfere with a collective bargaining agreement that had been hammered out between a local district and the employer's representative. The bill would apply to the agents of a county, regional, or State organization, as well as to the organization itself, and it would cover both nonteaching personnel and teachers.

Opposing Argument

Some people believe that the bill would conflict with the public employee relations Act. Under that law, representatives designated or selected for purposes of

collective bargaining by a majority of the employees within a unit are the exclusive representatives of those employees (MCL 423.211). Therefore, it is argued, if a regional organization has been selected by school employees as their representative, it is the regional organization that must agree to a contract negotiated for those employees and their employer.

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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.