Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 493 (as introduced 6-16-11)
Sponsor: Senator Arlan Meekhof
Committee: Reforms, Restructuring and Reinventing

Date Completed: 6-21-11

CONTENT

The bill would amend the public employment relations Act to do the following:

- **Make a public employer's decision to consolidate public employers or services, and to renegotiate existing bargaining agreements upon a consolidation, a prohibited subject of collective bargaining.**
- **Require a new collective bargaining agreement to allow the public employer to renegotiate an existing agreement concerning affected employees upon a consolidation.**

Specifically, a public employer's decision to consolidate public employers or public services through a merger or interlocal agreement as permitted by law, and a public employer's decision to renegotiate an existing, applicable bargaining agreement upon a consolidation, would be solely at the discretion of the public employer and would be a prohibited subject of bargaining under the Act.

In addition, each collective bargaining agreement entered into between a public employer and public employees under the Act after the bill's effective date would have to permit the employer to renegotiate an existing bargaining agreement as to affected public employees upon consolidation of public employers or services through merger or interlocal agreement.

MCL 423.215 Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have an indeterminate, and likely minimal, impact on local units. While the bill would alter the subjects that may be bargained, as well as require certain terms in agreements, bargaining would still occur. The bill would have a fiscal impact only to the extent that any perceived changes in the relative costs and benefits to the parties under the bill were not offset by the adoption of different provisions within agreements. Similarly, the bill could change the timing of the fiscal impacts of certain consolidation activities by allowing the changes to be renegotiated upon consolidation rather than when any existing contracts expired.

The bill would have no fiscal impact on State government.

Fiscal Analyst: David Zin

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