

Legislative Analysis



RETROACTIVE WAGE INCREASES FOR POLICE AND FIRE DEPARTMENT EMPLOYEES

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House Bill 5097

Sponsor: Rep. John Walsh

Committee: Commerce

Complete to 2-28-14

A SUMMARY OF HOUSE BILL 5097 AS INTRODUCED 10-23-13

House Bill 5097 would exempt public employees who are eligible to participate in compulsory bargaining of labor disputes under Public Act 312 of 1969 from provisions in statute that, generally speaking, restrict compensation and benefits after the expiration of one collectively bargained contract and before a new contract begins and that prohibit wage or benefit levels in a new contract from being retroactive.

The bill would amend Public Act 336 of 1947 (MCL 423.215b), an act that addresses collective bargaining between public employers and employees and prohibits all public employees strikes.

A more detailed description of the bill follows.

Now under the law, after the expiration date of a collectively bargained agreement and until a successor collective bargaining agreement is in place, a public employer must pay and provide wages and benefits at levels and amounts that are no greater than those in effect upon the expiration date of the contract, including increases that would result from wage step increases. In addition, current law requires that employees who receive health, dental, vision, prescription, or other insurance benefits under a contract bear any increased costs of maintaining those benefits after the contract expires. Further, the law now prohibits the parties of a collectively bargained agreement from agreeing to, and an arbitration panel from ordering, any retroactive wage or benefit levels or amounts that are greater than those in effect when the contract expires. House Bill 5097 would retain all of these provisions but make an exception.

The bill would specify that this section of the law would not apply to a public employee eligible to participate in compulsory arbitration of labor disputes under Public Act 312 of 1969 (MCL 423.231-423.247).

Under Public Act 312, public employees eligible to participate in compulsory arbitration to settle labor disputes include police officers, firefighters, and emergency medical service personnel. The definitions from the act are as follows:

MCL 423.232 "Public police or fire department employee", "emergency medical service personnel," and "emergency telephone operator" defined; provisions inapplicable to certain persons.

Sec. 2.

- (1) As used in this act, "public police or fire department employee" means any employee of a city, county, village, or township, or of any authority, district, board, or any other entity created in whole or in part by the authorization of 1 or more cities, counties, villages, or townships, whether created by statute, ordinance, contract, resolution, delegation, or any other mechanism, who is engaged as a police officer, or in fire fighting or subject to the hazards thereof; emergency medical service personnel employed by a public police or fire department; or an emergency telephone operator, but only if directly employed by a public police or fire department. Public police and fire department employee does not include any of the following:
 - (a) An employee of a community college.
 - (b) An employee of a metropolitan district created under 1939 PA 147, MCL 119.51 to 119.62.
 - (c) An emergency telephone operator employed by a 911 authority or consolidated dispatch center.
 - (d) An employee of an authority that is in existence on June 1, 2011, unless the employee is represented by a bargaining representative on that date or a contract in effect on that date specifically provides the employee with coverage under this act. An exclusion under this subdivision terminates if the authority composition changes to include an additional governmental unit or portion of a governmental unit. This subdivision does not apply to terminate an exclusion created under subdivisions (a) to (c).
- (2) "Emergency medical service personnel" for purposes of this act includes a person who provides assistance at dispatched or observed medical emergencies occurring outside a recognized medical facility including instances of heart attack, stroke, injury accidents, electrical accidents, drug overdoses, imminent childbirth, and other instances where there is the possibility of death or further injury; initiates stabilizing treatment or transportation of injured from the emergency site; and notifies police or interested departments of certain situations encountered including criminal matters, poisonings, and the report of contagious diseases. "Emergency telephone operator" for the purpose of this act includes a person employed by a police or fire department for the purpose of relaying emergency calls to police, fire, or emergency medical service personnel.
- (3) This act does not apply to persons employed by a private emergency medical service company who work under a contract with a governmental unit or personnel working in an emergency service organization whose duties are solely of an administrative or supporting nature and who are not otherwise qualified under subsection (2).

FISCAL IMPACT:

House Bill 5097 could have an indeterminate fiscal impact on local units of government to the extent that employees of police and fire departments would be exempted from the prohibitions on increases in compensation after the expiration of collective bargaining agreements and the retroactive application of compensation increases. Local units of government and police and fire departments, subject to 1969 PA 312, are permitted to

change compensation and working conditions during arbitration if both parties agree and the arbitration panel is permitted to retroactively award compensation.

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