

**SUBSTITUTE FOR
HOUSE BILL NO. 5576**

A bill to amend 1969 PA 312, entitled

"An act to provide for compulsory arbitration of labor disputes in municipal police and fire departments; to define such public departments; to provide for the selection of members of arbitration panels; to prescribe the procedures and authority thereof; and to provide for the enforcement and review of awards thereof,"

by amending section 9 (MCL 423.239), as amended by 2011 PA 116.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) If the parties have no collective bargaining
2 agreement or the parties have an agreement and have begun
3 negotiations or discussions looking to a new agreement or amendment
4 of the existing agreement and wage rates or other conditions of
5 employment under the proposed new or amended agreement are in
6 dispute, the arbitration panel shall base its findings, opinions,
7 and order upon the following factors:

1 (a) The financial ability of the unit of government to pay.
2 All of the following shall apply to the arbitration panel's
3 determination of the ability of the unit of government to pay:

4 (i) The financial impact on the community of any award made by
5 the arbitration panel.

6 (ii) The interests and welfare of the public.

7 (iii) All liabilities, whether or not they appear on the balance
8 sheet of the unit of government.

9 (iv) Any law of this state or any directive issued under the
10 ~~local government and school district fiscal accountability act,~~
11 ~~2011 PA 4, MCL 141.1501 to 141.1531,~~ **LOCAL FINANCIAL STABILITY AND**
12 **CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575,** that places
13 limitations on a unit of government's expenditures or revenue
14 collection.

15 (b) The lawful authority of the employer.

16 (c) Stipulations of the parties.

17 (d) Comparison of the wages, hours, and conditions of
18 employment of the employees involved in the arbitration proceeding
19 with the wages, hours, and conditions of employment of other
20 employees performing similar services and with other employees
21 generally in both of the following:

22 (i) Public employment in comparable communities.

23 (ii) Private employment in comparable communities.

24 (e) Comparison of the wages, hours, and conditions of
25 employment of other employees of the unit of government outside of
26 the bargaining unit in question.

27 (f) The average consumer prices for goods and services,

1 commonly known as the cost of living.

2 (g) The overall compensation presently received by the
3 employees, including direct wage compensation, vacations, holidays,
4 and other excused time, insurance and pensions, medical and
5 hospitalization benefits, the continuity and stability of
6 employment, and all other benefits received.

7 (h) Changes in any of the foregoing circumstances while the
8 arbitration proceedings are pending.

9 (i) Other factors that are normally or traditionally taken
10 into consideration in the determination of wages, hours, and
11 conditions of employment through voluntary collective bargaining,
12 mediation, fact-finding, arbitration, or otherwise between the
13 parties, in the public service, or in private employment.

14 **(J) IF APPLICABLE, A WRITTEN DOCUMENT WITH SUPPLEMENTARY**
15 **INFORMATION RELATING TO THE FINANCIAL POSITION OF THE LOCAL UNIT OF**
16 **GOVERNMENT THAT IS FILED WITH THE ARBITRATION PANEL BY A FINANCIAL**
17 **REVIEW COMMISSION AS AUTHORIZED UNDER THE MICHIGAN FINANCIAL REVIEW**
18 **COMMISSION ACT.**

19 (2) The arbitration panel shall give the financial ability of
20 the unit of government to pay the most significance, if the
21 determination is supported by competent, material, and substantial
22 evidence.