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BILL ANALYSIS

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Senate Bill 1173 (as introduced 2-24-10)
Sponsor: Senator Nancy Cassis
Committee: Families and Human Services

Date Completed: 3-9-10

CONTENT

The bill would amend the public employment relations Act to prohibit the Michigan Employment Relations Commission (MERC) from recognizing a bargaining unit consisting of individuals who are not public employees. A person who provides contract services and receives a direct or indirect government subsidy in his or her private employment would not be considered a public employee under the Act.

The bill states that it "is curative, reflects the original intent of the legislature, and is retroactive".

Bargaining Unit Election

The Act permits public employees to organize or participate in labor organizations. A public employer must bargain collectively with the representatives of its employees and may make and enter into collective bargaining agreements with those representatives. In each case, MERC must decide the unit appropriate for the purposes of collective bargaining.

If MERC receives a petition submitted by a public employee or group of employees, or an individual or labor organization acting in their behalf, or by a public employer or his or her representative, the Commission must investigate the petition and hold a hearing if appropriate. If, after a hearing, MERC finds that a question of representation exists, it must direct an election by secret ballot and certify the election results.

Under the bill, an election could not be directed for, and MERC could not recognize, a bargaining unit of a public employer consisting of individuals who are not public employees. A bargaining unit that was formed or recognized in violation of that provision would be invalid and void.

Definition of Public Employee

Subject to certain exceptions, "public employee" means a person holding a position by appointment or employment in the government of the State or one or more of the political subdivisions of the State; in the public school service; in a public or special district; in the service of an authority, commission, or board; or in any other branch of the public service.

A person employed by a private organization or entity that provides services under a time-limited contract with the State or a political subdivision of the State is not an employee of the State or that political subdivision, and is not a public employee.

Under the bill, a person employed by a private organization or entity who received a direct or indirect government subsidy in his or her private employment also would not be an employee of the State or a political subdivision of the State, and would not be a public employee.

MCL 423.201 & 423.214

Legislative Analyst: Curtis Walker

FISCAL IMPACT

Currently, the Department of Community Health (DCH) provides about \$1.0 million in Gross funding to support the Michigan Quality Community Care Council and the Department of Human Services (DHS) provides \$200,000 Gross to support the Michigan Home Based Child Care Council. These organizations serve as the employer for the purposes of collective bargaining with child day care providers and Medicaid adult home help workers. These organizations, in their current form, serve other functions within the Child Development and Care and Adult Home Help programs, namely training, matching providers to recipients, and criminal history checks. Enactment of this bill would not lead to the elimination of State financial support for the two organizations.

Reimbursement paid to providers of Medicaid adult home help and child day care services is not established through a collective bargaining process but is subject to the annual appropriations process for the DCH and the DHS. This legislation would not lead to any change in reimbursement for these services.

The DHS and DCH could see a small, indeterminate increase in administrative cost associated with modifying payment systems to discontinue the deduction of union dues from reimbursement to adult home help and child day care providers.

Fiscal Analyst: David Fosdick

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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.