



Governor Snyder Has Signed Legislation Changing the Process for Arbitration of Public Safety Labor Disputes

Michael R. Blum

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Since 1969, Michigan has relied on binding arbitration as a way of resolving contract disputes in police and fire departments operated by a city, county, village, or township. Under Act 312, an arbitration panel must issue an award containing findings of fact, opinions and an order concerning disputed issues, which is binding on the parties. Act 312 requires the arbitration panel to base its findings, opinions and orders upon specific factors, which include the interests and welfare of the public. However, a local unit of government's ability to pay did not need to be taken into account. As a result, Act 312 frequently resulted in unaffordable collective bargaining agreements being forced upon municipalities.

On July 20, 2011, Gov. Rick Snyder signed legislation that changes the arbitration process and should result in more realistic agreements. This legislation amends Act 312 to do the following:

- Require an arbitration panel to give priority to the financial ability of the unit of government to pay.
- Allow an arbitration panel to compare wages, hours, and conditions of employment of employees of a unit of government outside of the bargaining unit in question.
- Set limits on the extension of deadlines during the arbitration process.
- Require the Employment Relations Commission to establish qualifications for individuals to chair an arbitration panel.
- Shift the State share of arbitration costs to the parties.

This legislation also expands the reach of Act 312. Previously, Act 312 applied only to police officers, firefighters, and emergency medical service personnel employed by a city, county, village, or township. As amended, the Act also applies to those employees of an authority, district, board, or any other entity created by the authorization of one or more cities, counties, villages, or townships, whether the entity was created by statute, ordinance, contract, delegation, resolution, or other

AUTHORS/ CONTRIBUTORS

Michael R. Blum

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mechanism. However, employees of an authority that was in existence on June 1, 2011 are exempt, unless they were represented by a union on that date or a contract was in effect on that date specifically providing the employees with coverage under the Act.

Please contact Michael Blum at (248) 785-4722 or mblum@fosterswift.com with any questions or for further information regarding Act 312 arbitration.