

**HOUSE COMMERCE COMMITTEE
HB 5097 TESTIMONY
MARCH 5, 2014**

MR. CHAIRMAN AND COMMITTEE MEMBERS

THANK YOU FOR THE OPPORTUNITY TO TALK WITH
YOU TODAY ABOUT HB 5097

MY NAME IS KEN GRABOWSKI, LEGISLATIVE
DIRECTOR OF POAM

WE REPRESENT OVER 12,000 POLICE OFFICERS
ACROSS THE STATE OF MICHIGAN

WE'RE HERE TODAY BECAUSE IN 2011, HB 4152 WAS
THOUGHT BY MANY TO BE DIRECTED AT

AT CLASS OF PUBLIC EMPLOYEES NOT COVERED
BY PA 312; EMPLOYEES WHO HAD NO

INCENTIVE TO SETTLE EXPIRED CONTRACTS DUE
TO BUILT IN RAISES THROUGH STEP INCREASES
THAT GO ON FOR 20 YEARS.

POLICE OFFICERS DO NOT HAVE BUILT IN RAISES.

WE HAVE ONLY A MAXIMUM PAY LEVEL.

THE TOP PAY OF A PATROLMAN USED TO BE

REACHED IN TWO YEARS. IN THE 80'S WHEN

LOCAL GOVERNMENTS BEGAN TO EXPERIENCE AN

ECONOMIC DOWNTURN, EMPLOYERS

ASKED THE UNIONS TO REDUCE STARTING PAY SO

THEY COULD HIRE MORE POLICE

OFFICERS. THE UNIONS AGREED AND

LENGTHENED THE TIME IT TOOK A NEW HIRE TO

REACH TOP PAY.

INSTEAD OF 2 YEARS THE AVERAGE IS NOW 5 TO 7

YEARS TO REACH TOP

PAY, SOMETIMES LONGER. THESE ARE NOT BUILT

IN STEP INCREASES, BUT A LONGER PATH

TO TOP PAY. ONCE AN OFFICER REACHES TOP PAY, THERE ARE NO MORE STEP INCREASES.

WHEN THE CONTRACT IS EXPIRED THE TOP PAY IS FROZEN UNTIL A NEW CONTRACT IS SETTLED. THERE ARE NO PAY INCREASES.

AS A RESULT OF STARTING PAY BEING SEVERLY REDUCED AND PA 54 FREEZING STEP INCREASES, NEWLY HIRED OFFICERS WHO GET THE LOWEST PAY AND BENEFITS ARE HURT THE MOST. AT THE SAME TIME WITH PA 54, 100% OF HEALTH CARE INCREASES ARE PAST ONTO THE OFFICERS.

POLICE & FIRE DISPUTES, WHEN AT IMPASS, ARE DESIGNED TO BE SETTLED THROUGH BINDING ARBITRATION, KNOWN AS PA 312. OUR

ABILITY TO RESOLVE CONTRACTS IS UNIQUE TO ALL OTHER LABOR CONTRACTS. BUT PA 54 CONFLICTS WITH PA 312. UNDER PA 312 IT IS UP TO A NEUTRAL ARBITRATOR TO DECIDE IF RETROACTIVITY IS APPROPRIATE. HOWEVER, PA 54 PROHIBITS THE AWARD OF RETROACTIVITY, EVEN OF A NEUTRAL ARBITRATOR BELIEVES THE EVIDENCE SUPPORTS IT.

BECAUSE OF THE CONFLICT BETWEEN PA'S 54 & 312 AND THE PROHIBITION ON RETROACTIVITY MORE CONTRACTS WILL BE FORCED INTO 312 PROCEEDINGS. GROUPS ARE PUSHING US TO GO INTO 312 TWO YEARS BEFORE CONTRACTS ARE EXPIRED AND EMPLOYERS ARE NOT READY TO GO TO THE TABLE

THAT EARLY. EMPLOYERS TYPICALLY
AREN'T READY TO MEET US AT THE TABLE 1 YEAR
BEFORE A CONTRACT EXPIRES.

NORMALLY, EMPLOYERS LIKE TO BEGIN CONTRACT
NEGOTIATIONS 60 TO 90 DAYS PRIOR TO
AN EXPIRATION DATE.

THE FACT THAT MERC REPORTS THAT ACTUAL 312
PETITIONS FILINGS ARE DOWN ISN'T
SURPRISING. BUT IT ISN'T BECAUSE OF PA 54; IT'S
BECAUSE OF THE IMPLEMENTATION OF
THE HEALTH CARE LAW (80/20 HARD CAP) THAT
WAS PASSED SEVERAL YEARS AGO. THIS
FORCED BARGAINING UNITS ACROSS THE STATE
TO SETTLE CONTRACTS RIGHT BEFORE THE
LAW TOOK EFFECT. THESE CONTRACTS WERE

USUALLY SETTLED FOR A LONGER THAN
NORMAL DURATION AND MOST HAVE NOT YET
EXPIRED. SO THE NUMBERS REPORTED BY
MERC DO NOT REPRESENT THE TRUE PICTURE.

REPRESENTATIVE WALSH IS CORRECT. IF YOU
LOOK AT YOUR OWN CHAMBER'S LEGISLATIVE
RECORD, PA 54 WAS NEVER INTENDED TO APPLY
TO POLICE AND FIRE. THIS IS A MISTAKE
THAT SHOULD BE CORRECTED. I ASK FOR YOUR
SUPPORT FOR HB 5097.

I'M HAPPY TO ANSWER ANY QUESTIONS.