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The Voice of Small Business

MICHIGAN

To: Honorable Members of the House Government Operations Committee

From: Charlie Owens, State Director

Date: March 27, 2012

RE: Senate Bill 1018

We are writing to urge your support for Senate Bill 1018. This legislation would prevent the Michigan Employment Relations Commission (MERC) from recognizing a bargaining unit consisting of individuals who are not public employees.

This legislation is necessary because the previous administration, working in collusion with organized labor, used this contrivance to organize independent business owners (home day care operators and home health care workers) into a labor union. After this was done, the unions then skimmed union dues to the tune of $4 million dollars a year from daycare operators and almost $6 million a year from home health care workers – all from taxpayer funded reimbursements intended for parents and patients.

The vast majority of the day care operators and home health care workers affected were unaware that they had been made members of the union because of the stealth manner in which the vote was conducted by MERC. They became aware only when the dues were deducted from their state reimbursement payments.

This action sets a bad precedent for considering any business or contractor that accepts payments from the state, for services rendered or products sold, as an employee for purposes of union organizing, but then claiming them to be an independent contractor with regard to Unemployment Insurance, payroll withholding, Workers' Compensation etc.

Ironically, labor unions have been making assertions that the misclassification of workers that should be employees as independent contractors in the private sector is something that needs to be addressed. However, with schemes like these, the greatest perpetrator of employee misclassification is the state and labor unions.

The Snyder administration has ended this questionable practice with day care operators; but it continues with home health care workers. This legislation is needed to be sure this practice ends and does not occur again.

Thank you for your support of Michigan job providers and taxpayers.

National Federation of Independent Business – MICHIGAN
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