NFIB
The Voice of Small Business

MICHIGAN

To: Honorable Members of the House Local Government Committee

From: Charlie Owens, State Director

Date: November 29, 2012

RE: House Bill 5780

We are writing to ask that you do not support this legislation that would provide an exemption for some local government employees from recently passed legislation that limited the practice of "step increases" or other automatic wage increases during the renewal of a collective bargaining agreement with a public employer. It is our understanding that House Bill 5780 would also allow for an exception for retroactive increases at the conclusion of a new collective bargaining agreement for certain local government employees.

In surveys of our small business members, they have made it clear that they want state and local governments to align their labor costs with those in the private sector. The out of balance wages and benefits of public sector employees exacerbate budget shortfalls and bring pressure on job providers as government seeks to raise taxes to cover the costs.

The traditional model of public sector wages and benefits, including automatic increases that ignore the economic reality of the times, is no longer sustainable. This legislation takes us a step backward in our efforts to bring these costs in line and manage taxpayer supported payrolls in a more responsible manner.

Again, we ask that you DO NOT support for HB 5780.

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

National Federation of Independent Business – MICHIGAN
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