



February 27, 2014

Michigan House of Representatives Local Government Committee

Re: House Bill 4084

The bill before you today would amend the Public Employee Relations Act to create another prohibited subject of collective bargaining.

Michigan State AFL-CIO is opposed to this legislation as it believes the best approach to problem solving is to have unrestrained capability to discuss matters that can reach an agreeable solution.

Taking a holistic approach to negotiating a worker contract requires that all elements, including the type of pension system, be open for discussion. Defined benefit pensions are not inherently more expensive, it depends upon worker demographic pool, cost sharing elements, and all the remaining economic considerations in a contract – all of which are part of negotiations.

While we acknowledge this bill does not prohibit a local government from collectively bargaining a defined benefit pension, we question why a local would make it a prohibited subject of collective bargaining when they could simply not agree to it during negotiations.

Michigan AFL-CIO opposes this bill because it is unnecessary and will make negotiations and problem solving more difficult for all involved.

Michael Keller, Legislative Director
Michigan State AFL-CIO

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