



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 715 (as introduced 1-21-16)
Sponsor: Senator Joe Hune
Committee: Education

Date Completed: 2-1-16

CONTENT

The bill would amend the Article 1 (State Aid to Public Schools, Early Childhood, and Adult Education) of the State School Aid Act to specify that if a district or intermediate school district (ISD) failed to comply with an order of the Michigan Employment Relations Commission (MERC) to deduct a fine from an employee's annual salary under Section 2a(7) of Public Act 336 of 1947, the district or ISD would forfeit an amount equal to 5% of the total State school aid due to the district or ISD under Article 1.

(Public Act 336 of 1947 prohibits strikes by various public employees. Section 2a(7) of the Act provides that if MERC imposes a fine against a public school employee for engaging in a strike, and the employee continues to be employed by a public school employer, the Commission must order the employer to deduct the fine from the employee's annual salary.)

Proposed MCL 388.1764g

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill as introduced is tie-barred to another piece of legislation that has not been introduced to date. Therefore, if the bill were enacted as introduced, it would have no effect. However, if the other legislation was introduced and enacted, or the tie-bar were removed, then the following fiscal impact would be observed.

State: If the bill resulted in fines to districts or intermediate school districts, then the State School Aid Fund would see decreased expenditures in an amount equal to the State aid forfeited, which is proposed to be 5% of the total State school aid due to the district or ISD. However, the statewide total amount of decreased expenditure is indeterminate and would depend on how often a district or ISD failed to comply with an order of MERC to deduct a fine from an employee's salary as required by MCL 423.202a(7), thereby triggering the 5% State aid penalty.

Local: If the bill resulted in fines to a district or intermediate school district, then the district or ISD would see a reduction in total State school aid revenue that otherwise would be due to the district, in an amount equal to 5% of that State aid. The actual dollar impact on any individual district or ISD would depend on its total State school aid, and the 5% deduction would occur only in the event the district or ISD failed to comply with an order of the MERC to deduct a fine from an employee's salary as applicable under MCL 423.202a(7).

Fiscal Analyst: Kathryn Summers

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