



Senate Fiscal Agency  
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## BILL ANALYSIS

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House Bill 4044 (as reported without amendment)  
Sponsor: Representative Matt Koleszar  
House Committee: Labor  
Senate Committee: Labor

### **CONTENT**

The bill would repeal Section 15b of the public employment relations Act, which generally requires a public employer, after a collective bargaining agreement expires and until a new one is in place, to pay and provide wages and benefits at levels and amounts that are no greater than those in effect on the expiration date of the collective bargaining agreement.

MCL 423.215b (repealed)

### **BRIEF RATIONALE**

According to testimony, Section 15b of the Act creates a power imbalance between public employees and public employers during negotiations. For example, when wages are frozen between agreements, the rising costs of healthcare cut into public employees' wages and encourage them to settle instead of continuing to bargain. Reportedly, this disincentive to negotiate has diminished teacher's salaries and potentially made worse the State's teacher shortage. Accordingly, it has been suggested that Section 15b be repealed to improve the teacher shortage in Michigan.

### **PREVIOUS LEGISLATION**

*(Please note: This section does not provide a comprehensive account of all previous legislative efforts on the relevant subject matter.)*

The bill is a reintroduction of Senate Bill 1094 from the 2021-2022 Legislative Session.

Legislative Analyst: Alex Krabill

### **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on the State and local units of government in the event that wages and benefits would be increased as a result of a contract being expired and new contracts having yet to be signed, which would depend on the marginal increase in public employee costs for the State and local units of government.

Date Completed: 6-27-23

Fiscal Analyst: Cory Savino, PhD