Policy Brief

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Proposal 3: Establishing a Constitutional Requirement Extending Mandatory Collective Bargaining and Binding Arbitration to State Government Employees

by Paul S. Kersey, J.D.

Executive Summary

On Nov. 5, 2002, Michigan voters will consider Proposal 02-03 ("Proposal 3"), an amendment to the state constitution that, if passed, would fundamentally alter the relationship between the State of Michigan and its employees. Proposal 3 would modify Article XI, Section 5 of the state constitution to establish a process of mandatory collective bargaining for state government employees, including a requirement that labor contract disputes be submitted to binding arbitration.

Since 1908, the bipartisan, four-member state Civil Service Commission (CSC) has had constitutional authority to establish wages and terms of employment for the vast majority of state employees. Since 1980, state employees have had the power to engage in collective bargaining under rules established by the CSC. Studies in 1995 and 2000 show that compensation of Michigan state government employees compares favorably to employees of other states as well as Michigan private sector employees.[1]

This analysis reviews the operation of the current system and contrasts it with the system that would be established under Proposal 3. The analysis concludes that Proposal 3 would result in the following:

1. **Proposal 3 will replace a flexible system of labor relations with a more rigid, constitutionally mandated system of collective bargaining.**

2. **Proposal 3 will create legal uncertainty with respect to the authority of the CSC and the arbitration process.**

3. **Proposal 3 may permit state employee strikes.**

4. **Proposal 3 will increase the cost of state government.**

If Proposal 3 passes, an apparently sound system will be displaced by a regime in which unions, elected officials, state personnel officers, the Civil Service Commission, and the courts will remake personnel and bargaining policy in an environment characterized by uncertainty, delays, and higher costs. There is no strong evidence that the system that emerges would work any better than the current system, however there is evidence that it would be less fair and efficient. Taxpayers and citizens will pay, through higher taxes and/or program cuts, for any inefficiencies or lower morale that results.

About the Author

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I. Background and Overview of Proposal

On Nov. 5, 2002, Michigan voters will consider Proposal 02-03 ("Proposal 3"), an amendment to the state constitution which, if approved, would fundamentally alter the relationship between the state and its employees. Proposal 3 is the result of efforts by state employee labor unions to secure a new system of mandatory collective bargaining for state government employees. A coalition of labor unions collected sufficient petition signatures to have the proposed constitutional amendment placed before voters.

State employee union spokesmen claim that the current system of collective bargaining allows the state too much discretion over state employment practices, permitting the state Civil Service Commission (CSC) to overturn contracts state employees have negotiated in good faith and to contract out essential state services with little or no state oversight.

If approved, Proposal 3, would add the following language to Article XI, Section 5 of the state constitution:

State classified employees shall have the right to elect bargaining representatives by a majority vote in appropriate bargaining units as determined by the commission for the purpose of collectively bargaining with the state employer and for other mutual aid and protection. The state shall bargain in good faith for the purpose of reaching a binding collective bargaining agreement with any elected bargaining representative over wages, hours, pensions and all other terms and conditions of employment. If the bargaining representative and the state cannot reach a collective bargaining agreement, the bargaining representative shall have the right 30 days after the commencement of bargaining to submit any unresolved disputes to binding arbitration for resolution thereof the same as now provided by law for public police and fire departments.

Proposal 3 would change the current system of state employment in two significant and fundamental ways.

1. **Proposal 3 would end the Civil Service Commission's authority over all aspects of collective bargaining by establishing a system of mandatory collective bargaining in the state constitution.**

The state Civil Service Commission currently has, with few exceptions, final authority on the terms of employment for over 60,000 state workers. Established under the state constitution as an independent, bipartisan commission, the CSC was designed to allow representatives of the public to control state employment, while at the same time protecting those same state employees from partisan political influence. The CSC has established rules regarding collective bargaining, contracting out or privatizing state services, hiring, political activity and use of union dues, and the creation or elimination of positions.

Instead of relying on the CSC to establish and modify the collective bargaining process, Proposal 3 would constitutionally mandate collective bargaining for state employees. It would prevent the CSC from either ending collective bargaining for state employees or modifying the collective bargaining process in ways that conflict with the process established by the language of Proposal 3.

2. **Proposal 3 would establish a state constitutional requirement that state employee labor contract disputes be submitted to binding arbitration.**

As mentioned above, the CSC currently has authority to establish and modify collective bargaining practices. Under current CSC practices, when labor contract negotiations fail to reach an agreement, the matter is referred to the Employment Relations Board for resolution.

Instead of relying on the CSC to establish and modify resolution procedures, Proposal 3 would constitutionally mandate that any unresolved disputes be submitted to binding arbitration according to the procedure now provided by law for local police and fire departments. The current arbitration procedure is established by Public Act 312 of 1969.

As this analysis will show, these two aspects of Proposal 3 mark a significant shift in state employment practices, and would have dramatic consequences for state employees, state administrators, and Michigan citizens and taxpayers.

Voters will find the following summary of the proposal on the general election ballot:

A PROPOSAL TO AMEND THE STATE CONSTITUTION TO EXTEND STATE CLASSIFIED EMPLOYEES THE RIGHT TO COLLECTIVE BARGAINING WITH BINDING ARBITRATION

The proposed constitutional amendment would:

• Extend state classified employees, through appropriate bargaining units determined by the Civil Service Commission, the right to elect bargaining representatives (labor unions) for the purpose of bargaining with the state employer.

• Require the state to bargain in good faith with any elected representatives over wages, hours, pensions, and other terms and conditions of employment.

• Extend the (sic) bargaining representatives the right to submit any unresolved disputes to binding arbitration 30 days after the commencement of bargaining.

II. Overview of the Current System

In order to fully understand the likely impact of Proposal 3, one must begin with the record of binding arbitration in Michigan, and compare this with the current collec-

tive bargaining system established by the Civil Service Commission.

A. Binding Arbitration in Detroit

In the fall of 1978 the city of Detroit was beginning to turn a corner. Crime rates were dropping—they had plummeted 19 percent in 1977 alone—and as the Detroit News observed "People are beginning to return to the downtown, spurred by the Renaissance Center and a reduction in crime…people are beginning to lose their wariness about venturing into the city."[2]

Yet the Detroit "Renaissance" was far from a done deal. The city's budget was tight. Funding it received through federal employment training and revenue sharing programs for funds was under assault in Congress. City taxes were at the maximum allowed by state law.

But the budget was balanced, and Mayor Coleman Young had negotiated a very lean master contract with the American Federation of State, County, and Municipal Employees (AFSCME), which represented the vast majority of city employees. Employees not covered by the master contract were those in the police and fire departments—and there was the rub. If the city could have signed similar contracts for police officers and firefighters, it might have been able to hold things together long enough for new businesses to take root, which (even if the mayor himself didn't realize it) was the key to the city's future health.

But it was not to be. In October, a three-man arbitration panel, chaired by former Michigan Employment Relations Commission Chairman Robert Howlett, handed down its decision on a contract for sergeants and lieutenants in the Detroit Police Department.[3] Arbitration panels for lower ranking policemen and for firefighters were expected to follow the precedent set by Howlett's panel.

The arbitration panel was imposed by Public Act 312 of 1969.[4] Up to that point the city had held firm—it could afford to give the police no more than it had given AFSCME. The final offers from the police and firemen's unions were only a bit higher than the city's on base pay, but the unions demanded a generous cost-of-living allowance, quite expensive in those days of high inflation. Unable to reach agreement, the city and the union went into arbitration.

The panel, as dictated by P.A. 312, was made up of Howlett, a union delegate, and a city delegate. The law further stated that on the critical issues of wages and benefits, such as the cost-of-living allowance, the panel must choose between the last best offers of the two parties. The union and city delegates, as one would expect, each held out for their own sides' positions, leaving it up to Howlett.

Robert Howlett came down on the side of the union. Arbitration panels deciding the contracts for lower ranking police officers and firefighters followed suit.

As a state senator in 1969, Coleman Young had been an enthusiastic supporter of binding arbitration. But as mayor of Detroit Young had gained a different perspective: "Our budget for next year would be balanced if it were not for the short-sightedness of our police and fire associations and the ill-considered decisions of the arbitration panels" he said. The city was forced—by budget considerations and the arbitrators' ruling—to allow attrition to remove 350 officers and to cut 2,300 employees from other departments. The city then hoped the courts would set the arbitrators' ruling aside.

But the law was clear—arbitration awards were only to be set aside when they were the product of fraud or corruption, went beyond the arbitrators' authority, or had no rational basis. Howlett's decision failed to accommodate the city's financial condition, but, under the law, that is not enough to warrant action by the courts. The award stood, and the city was forced to pay $46 million more in police and fire salaries than it had budgeted.[5]

Mayor Young eventually resorted to large-scale layoffs of police officers. In the two years after the first arbitrators' rulings, the Detroit police force would dwindle from 5,400 officers to fewer than 4,000. Crime rates, which had been dropping as late as the end of 1979, jumped 15.2 percent in 1980, as police failed to answer calls for assistance. A fragile "Renaissance" failed. In 1981, the union agreed to a three-year wage freeze.[6]

It would be unfair to blame binding arbitration alone for the current condition of the city of Detroit. Racial discord, setbacks in the automobile industry, and the controversial policies of Mayor Coleman Young all played their part. But there is reason to believe that the city had a chance to turn things around in the 1980s, had it not been for the impact of binding arbitration.

It is quite possible that, had Howlett and the other arbitrators sided with the city, police layoffs would have been modest, crime rates would have continued to

drop (or at least they would not have worsened), more businesses would have been able to recover, and the city would have experienced an economic and cultural resurgence. One need not be an admirer of Coleman Young to recognize that the police arbitration awards of 1978 made his job much more difficult, and may have prolonged and deepened the decline of Detroit.

The binding arbitration process that created a fiscal crisis in Michigan's largest city has not been substantially changed since 1978. Proposal 3 would force state government into that same system, and expose it to the same sorts of risks.

B. Costs of Arbitration

Binding arbitration is a complex process, poorly understood except by relatively few specialists: union officials, government negotiators, and their attorneys. At its core the arbitration process boils down to one person, the "neutral" arbitrator, offering his or her best guess at what is fair, then leaving the consequences for local officials and union leaders to sort out. As the Detroit example shows, arbitrators can make mistakes. Such mistakes are nearly impossible to correct.

Another difficulty that arbitration creates for government officials is delay. When rulings are not made until well after a contract is scheduled to take effect, state and local officials, both executive and legislative cannot be certain of personnel costs in the budget, and must prepare for the risk of large retroactive wage payments. So far, the Civil Service Commission has succeeded in keeping state employee contracts up to date. Arbitration under P.A. 312 is a time-consuming process, however, and late decisions are the rule.

Only 16.3 percent, roughly one in six, of P.A. 312 arbitration cases from 1990 to 1994 were resolved within 300 days of a petition being filed.[7] Arbitration rulings handed down since January 2000 show that only four out of 35 decisions came within a year of the date the contract was to take effect. The average ruling came more than 22 months late. In one case, police officers and officials in St. Clair County were forced to wait 46 months—nearly a year after the three-year contract expired—for the arbitrator's ruling on their wages.[8]

When arbitration awards are late, pay increases given for earlier years must be made up as back pay. This imposes a burden, in terms of both cost and uncertainty on government finances, and forces employees to wait for pay increases and improvements in benefits.

C. Current Civil Service System

Michigan county, municipal and public school district employees are covered by the Public Employee Relations Act, which provides for collective bargaining. Like most states that mandate collective bargaining, Michigan's collective bargaining system borrows heavily from the scheme imposed on the private sector by the National Labor Relations Act (NLRA): Unions gain recognition by winning a majority of votes cast in an election open to all members of a bargaining unit. Once recognized, the union is the representative of all employees in the unit, and no employee can exercise their right to "opt-out" and negotiate individually.[9]

State employees also are allowed to bargain collectively, but under a different set of rules. Article XI, Section 5 of the Constitution of the State of Michigan places nearly all state employment issues under the jurisdiction of the CSC. While the Legislature may create or abolish positions "for reasons of administrative efficiency" under the state constitution, it is the CSC that determines classification, compensation, qualifications and merit, and conditions of employment. The CSC also must approve whenever the state contracts out or privatizes state services. Current CSC rules are favorable to contracting out state services to the private sector, allowing the state to bid out services that are intermittent, specialized, require materials or equipment not usually available to the state, or can be provided at a substantial savings by not using civil service employees.[10]

There are a few exceptions to the CSC's authority: The state Constitution provides for a limited number of policy-making employees who are beyond the reach of the CSC, and excludes employees of the courts, the Legislature, and institutions of higher learning. An amendment to the state constitution, passed in 1978, extended collective bargaining and binding arbitration to state police troopers and sergeants, and effectively removed them from the CSC's jurisdiction. Also, the state Legislature retains one check on the authority of the CSC: It may cancel or reduce CSC-approved wage increases; however, this action must apply to all state employees, and requires a two-thirds vote of both houses of the Legislature.

These exceptions aside, however, the Civil Service Commission is still the final authority on the terms of employment for over 60,000 state workers.

As specified in the state constitution, the CSC is composed of four members appointed by the governor. Membership on the CSC is bipartisan, and its members serve eight-year terms. The long terms and the even partisan split allow the CSC to be above the political fray; the long term of office also allows CSC members the opportunity to become familiar with both the demands of state employment and the intricacies of the state budget.

The CSC instituted collective bargaining for state employees in 1980. Current CSC rules allow for union representation of state employees but with two important exceptions. First, the CSC reserves the right to review collective bargaining agreements to assure that they are in keeping with its own rules. Rarely does this review affect substantive terms of an agreement such as wages and benefits. But contract terms affecting such topics as privatization of state services will be struck as not constituting proper subjects for bargaining under CSC rules.[11]

Impasses are resolved in a two-step procedure: First, the issue is referred to the Employment Relations Board (ERB), whose members are appointed by the CSC. The Board works up a recommended settlement that the parties may accept or reject. If the ERB is unable to resolve the impasse, the matter goes to the CSC for a final determination.[12]

This arrangement has worked well for state employees in terms of compensation. A September 1995 survey of private-sector wages in Michigan, commissioned by the Office of the State Employer, found that state wages were higher than wages in comparable job categories in the private sector in all but eight of 41 categories of state employees. Wages paid by the state of Michigan also compare favorably with those of other Great Lakes states—out of 55 job categories, Michigan paid above average wages in 44.[13] Similar results were found in 2001 when the American Federation of Teachers compared the rates of pay for 28 categories of state employees, giving a pay range for each type of employee in each state. The ranges for Michigan employees were higher (meaning both the bottom and top of the range of pay in Michigan were above the national averages) in most categories.[14]

The procedures established by the Civil Service Commission for contract negotiation and approval also provide for prompt resolution of collective bargaining disputes. The CSC's rules contain strict deadlines for negotiation and impasse resolution, assuring that a new contract will be in place before the preceding contract expires. The CSC has enforced these deadlines rigorously. This allows the Legislature to take employee costs into account at the beginning of the budget-making process, and simultaneously allows employees to receive raises or benefit improvements in a timely fashion.[15]

In evaluating the constitutional and statutory provisions covering labor relations with state employees, it must be remembered that state employment is a facet of governmental policy. State employees are hired to enforce state laws and implement state policies. The process that sets the wages of state employees can have a dramatic impact on budget decisions. And the costs it imposes must eventually be borne by Michigan taxpayers.

In summary, there are a number of commendable aspects of the current Civil Service system:

• Employment policy is set by a bipartisan Civil Service Commission appointed by the state's chief executive, but members are given long terms which promote independence of thought and action.

• The long terms given to CSC members also assure that critical employment decisions are made by a body with expertise in both the demands placed on state employees and the intricacies of the state's policies and budget.

• The bipartisan makeup of the CSC helps protect workers from decisions motivated by partisan concerns.

• The state has the flexibility to contract for services when it is practical to do so, while state employees are protected from terminations due to partisanship or discrimination.

• Workers also are free to organize, and state agencies are expected to bargain and reach mutually agreeable contracts with unions representing state employees, with agreements reviewed and impasses resolved by an independent, experienced Civil Service Commission.

III. Effects of Proposal 3

Proposal 3 would have the following effects:

1. **Proposal 3 would replace the existing, flexible system of labor relations with a more rigid, constitutionally mandated system of collective bargaining.**

Proposal 3 would reduce the authority of the CSC, which was established to allow representatives of the public to control state employment, while at the

same time protecting state employees from partisan political influence. The Civil Service Commission has established rules regarding hiring, political activity and use of union dues, and the creation or elimination of positions, and all of these rules, and the strife-ridden situations they settle, would once again become matters of contention under Proposal 3. These issues relate directly to state laws and policy.

The public is best served by a workforce that has good morale, high qualifications, and experience in public administration. However, the ability to maintain a well paid workforce must be balanced against other state priorities, such as the need for tax reductions, shifts in priorities, and the reform or elimination of unneeded or counterproductive state programs. An outside arbitrator may prove to be less likely to keep all these interests in mind than a bipartisan board appointed by elected officials.

By mandating both collective bargaining and binding arbitration, Proposal 3 would reduce the ability of public officials, and by implication the public itself, to shape an appropriate workforce through the CSC. This would likely lead to budgetary and administrative difficulties unforeseen by supporters of the measure.

2. Proposal 3 would create legal uncertainty with respect to the authority of the CSC and the arbitration process.

The language of the amendment itself is very specific about union prerogatives but silent about corresponding governmental powers. Michigan courts would need to settle a wide range of questions, with little guidance from the amendment itself. There are at least four questions the courts will probably have to decide at some point:

How much authority would an arbitrator have under Proposal 3? Under P.A. 312 arbitrators have extremely broad powers, and judicial review is limited to fraudulent or capricious decisions. However, under the language of Proposal 3 the CSC would seem to retain final authority over public employment and personal services contracts. The amendment gives no guidance regarding conflicts between CSC rules and an arbitrator's ruling. Current CSC rules protect the interests of state taxpayers by streamlining privatization when it saves money or improves services, limiting the use of employee leave for union business, preventing political activity during work hours, and preserving the state's right to hire and release employees as needed for the efficient administration of state business. The force of these rules would be called into question by the use of arbitrators whose jurisdiction is not clearly defined.

Would arbitration procedures mandated by Proposal 3 be subject to revision? P.A. 312's provisions are open to modification by the Legislature, and if new methods are developed to make the process more efficient and fair, the law can be changed to implement reforms. However, Proposal 3 would institute an arbitration process that is "the same as *now* provided by law for public police and fire departments" (emphasis added). This language could easily be interpreted to mean that the arbitration process is fixed as of the date of ballot approval and that modifications to the process should be very limited thereafter. The effect of this interpretation would be that procedural changes, even if agreeable to all parties, could not be made.

Where would the critical "neutral" arbitrators come from? Under P.A. 312 the neutral arbitrator, who also serves as chairman of the arbitration panel, is selected from a list of candidates submitted by the Michigan Employee Relations Commission. This may be acceptable at the local level, but state employee unions may be unwilling to accept a "neutral" arbitrator who has been recruited and certified by the state, that is, the party on the other side of the negotiating table from the union. Union officials may demand that the chairman be certified by a private organization, such as the American Arbitration Association, which would require time-consuming litigation.

Does the state Legislature retain its veto authority? Under the current constitution the Legislature can institute an across-the-board salary and benefit reduction. This power is rarely used, and requires a two-thirds vote of both houses to implement. But its very existence is an important check on the authority of the Civil Service Commission. The legislative veto power may become even more valuable if critical wage and benefit issues are resolved by arbitrators who are less publicly accountable than the CSC or Legislature. Yet Proposal 3 may remove this legislative authority. It does not revise the existing constitutional language establishing the veto power so that it includes arbitration awards, and there's no comparable provision in P.A. 312 itself for local legislative bodies to check the authority of arbitration panels.

3. Proposal 3 may permit state employee strikes.

CSC rules currently prohibit strikes by state employees. Typically, binding arbitration is extended in lieu of the right to strike. While Proposal 3 does not mention strikes, it does contain language that could be interpreted as leaving open the possibility of a strike:

State classified employees shall have the right to elect bargaining representatives...for the purpose of collectively

bargaining with the state employer *and for other mutual aid and protection* (emphasis added).

Significantly, the phrase "other mutual aid and protection" did not appear in the 1978 amendment that extended binding arbitration to the state police. Its inclusion could be taken as an indication that state employee unions retain other rights besides that of binding arbitration, including the right to strike.

In the long run it is more likely that the state Supreme Court would rule that a strike prohibition is implied as part of binding arbitration. But it is impossible to say for certain. Changes in the court's membership, outlook and rulings could change on this or any issue. It is also possible that while waiting for the state's highest court to rule, lower courts could decide to permit state employee strikes. At least in the short term Proposal 3 would increase the risk of such strikes.

4. Proposal 3 seems certain to increase the cost of state government.

Currently the state is awaiting the outcome of an arbitrator's ruling, three years overdue, for state police troopers. Depending on the arbitrators' ruling the state could be forced to pay $20 million to $35 million in retroactive wages for 2,000 troopers.

There are currently more than 44,000 Michigan employees with union representation. If the back-pay scenario currently playing out with the troopers were extrapolated to all state employees (not an inconceivable scenario, since state employee contracts typically start and end together, and arbitrators tend to follow precedents set by earlier arbitrators) the state could be presented with a $500 million back-pay award sometime in the not-too-distant future.

There is reason to believe that arbitrators' awards will be more generous than those granted by the CSC. According to the Senate Fiscal Agency, pay increases awarded to state troopers through arbitration average 1 to 2 percent higher than increases awarded to other state employees under the Civil Service system. In other words, where other state employees might receive a 3 percent pay increase, troopers are likely to receive a 4 or 5 percent pay increase. Extended to all 60,000 state employees, this one- or two-percent additional compensation adds up to $30 to $60 million per year, which would have to be made up through reductions in state programs, tax increases, or both.[16]

Also significant is that under the terms of Proposal 3, both the CSC and the Legislature would be limited in their ability to revise binding arbitration rules. Even if methods exist to improve the binding arbitration process, it is doubtful they could be applied to state employee arbitration without another constitutional amendment.

Evidence suggests that an arrangement under which outside arbitrators determine what government must pay its employees puts the state and taxpayers at risk of paying public employees more than elected officials believe is prudent. Consequently, cuts in government services, tax increases, or both would probably become necessary under Proposal 3.

IV. Conclusion

Proposal 3 alters the relationship between the state and its employees in two fundamental ways. First, it establishes mandatory collective bargaining in the state constitution. Second, it establishes binding arbitration as the means by which bargaining impasses will be resolved.

Binding arbitration of collective bargaining disputes was introduced in Michigan in 1969. It seems to have been a contributing factor in the decline of Michigan's largest city. It has been denounced by one of its chief architects. Thirty years later it remains a slow and expensive process. Currently it applies only to police and firefighters at the local level, and to the state police. Proposal 3 would extend this regime to the entire state government.

The case of Detroit is an example of what can happen when outside arbitrators decide the terms of employment for government workers. There is little reason to believe that what happened to Detroit could not happen on a statewide scale. The arbitration procedure has not changed significantly since 1978, when a controversial arbitrator's ruling led to large-scale police layoffs. The broad reach of Proposal 3 would increase the risk that an arbitration panel's award could cause a budgetary crisis.

It is unclear from the language of Proposal 3 exactly what its impact would be, which would leave a wide range of issues for the courts to decide. And while arbitration typically serves as a means of avoiding public sector strikes, the proposal's language actually opens the door to the possibility of strikes.

The State of Michigan, under the present CSC arrangement, compensates its employees well compared to the private sector and nearby states. Surveys commissioned by both the Office of the State Employer

and the American Federation of Teachers show that most categories of state employees in Michigan receive better pay and benefits than their counterparts in other states. Proposal 3 does not seem to be needed to assure fair compensation of state employees.

Michigan's experience with arbitration has shown that arbitrators' awards to state police are on average one or two percentage points more generous than those gained by other state employees. Passage of Proposal 3 could add $30 to $60 million to the state budget, an expense which would probably result in budget cuts in other areas, tax increases, or both.

Besides the risk of overly generous arbitration awards, the process of arbitration in Michigan is slow and cumbersome compared to the present system. Arbitration delays of over a year are commonplace, with awards often made after preceding contracts expire. These late decisions would likely create uncertainty for both the state and its employees, and have a negative, not positive, effect on employees' work.

By contrast, the existing Civil Service system has performed admirably, providing state employees with fair, even generous, wages and benefits, while keeping contracts up to date and preserving the state's ability to shape a workforce that meets the needs of its citizens.

Endnotes

[1] O. William Rye and Co., *Employee Compensation Survey*, September 1995
FPE/AFT Compensation Survey 2000, October 2000, available at http://www.aft.org/research/salary/fpe/

[2] *Good News in City Budget, but Why Cut the Police Force?*, Detroit News, April 17, 1978

[3] *Police Brass Win Massive Wage Award,* Detroit News, October 20, 1978

[4] M.C.L. sections 423.231 - 423.247

[5] *21 Agencies Face City's Budget Ax*, Detroit News, March 5, 1978

[6] *Layoff Notices Await 690 Officers*, Detroit News, August 21, 1980; *Detroit Reports Big Increase in Serious Crime*, Detroit News, February 22, 1981; *Shrinking Force Strives to Cope*, Detroit News, April 1, 1980; *Police Union Agrees to 3-year Pay Freeze*, Detroit News June 23, 1981

[7] Johnson, Brian R., *Act 312 Arbitration: An Exploratory Paper*, (Doctoral Thesis available at Michigan State University, call no. 132-821-THS

[8] Arbitrators rulings may be reviewed online through the Michigan State University Library at http://turf.lib.msu.edu/awards)

[9] P.A. 1947, no. 336, M.C.L. 423.201 - 423.217

[10] Michigan Civil Service Commission Rule 7-3, available at http://www.michigan.gov/mdcs/0,1607,7-147-6877_8155---,00.html

[11] Michigan Civil Service Commission Rule 6-10.3

[12] Michigan Civil Service Commission Rule 6-9.4

[13] O. William Rye and Co., *Employee Compensation Survey*, September 1995

[14] FPE/AFT Compensation Survey 2000, October 2000, available at http://www.aft.org/research/salary/fpe/

[15] Michigan Civil Service Commission Rule 6-9.2; Collective bargaining agreements taking effect in 2002 for all bargaining units were approved by the Commission at the close of their December 18, 2001 meeting, see Civil Service Commission Meeting Minutes available at http://www.michigan.gov/mdcs/0,1607,7-147-6881_9672-29279--,00.html

[16] Senate Fiscal Agency Memorandum, September 4, 2002. The SFA assumes that the compensation of all state employees, not just currently unionized employees, would ultimately be affected a precedent set in arbitration. There are approximately 61,000 state employees. This is a reasonable assumption; as non-unionized employees will be more likely to organize if they observe a discrepancy between their compensation and those of other state workers.

Additional Research

Reports and Studies

Keeping Michigan on Track: A Blueprint for a Freer, More Prosperous State
$5.00 *S2002-01* *www.mackinac.org/4198*

The Effect of Right-to-Work Laws on Economic Development
$5.00 *S2002-02* *www.mackinac.org/4290*

The Michigan Union Accountability Act: A Step Toward Accountability and Democracy in Labor Organizations
$5.00 *S2001-02* *www.mackinac.org/3944*

Religious Liberty and Compulsory Unionism: A Worker's Guide to Using Union Dues for Charity
$5.00 *S2000-03* *www.mackinac.org/2904*

Articles and Viewpoint *Commentaries*

Can Southfield Afford a "Feel-Good" Wage Law?
www.mackinac.org/4545

Michigan's Prevailing Wage Law Forces Schools to Waste Money
VP 2001-43 *www.mackinac.org/3844*

Michigan Workers Are Ready for Right-to-Work
VP 2002-30 *www.mackinac.org/4527*

Campaign Finance Reform Must Recognize Workers' Rights
VP 2001-14 *www.mackinac.org/3390*

Charter School Ousts MEA Union in Historic Vote
www.mackinac.org/3834

Voluntary Unionism Puts Interests of Students and Teachers First
VP 2001-07 *www.mackinac.org/3316*

Michigan Legislation and Ballot Proposal Analysis

MichiganVotes.org, a free public service of the Mackinac Center for Public Policy, is a continuously updated web database of objective, concise, plain-English descriptions of every bill and amendment in the Michigan Legislature. Complete voting records of every legislator, for every bill and amendment, are instantly accessible. Users may search the database by bill number, legislator, keyword, or nearly 100 policy areas.
www.michiganvotes.org.

PROPOSAL 02-1: Referendum on Straight Ticket Voting Legislation
www.mackinac.org/4626

PROPOSAL 02-2: Bond Authority for Sewer Infrastructure Improvements
www.mackinac.org/4540

PROPOSAL 02-4: Reallocation of Tobacco Lawsuit Proceeds
www.mackinac.org/4643

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