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BILL



ANALYSIS

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House Bill 4941

Sponsor: Representative Rhead, Walberg and Ciaramitaro

House Committee: House Appropriations

Senate Committee: Senate Appropriations

Date Completed: 11-30-95

SUMMARY OF HOUSE BILL 4941 as passed by the House:

The bill would amend Section 1 of Act No. 306 of the Public Acts of 1976 that authorizes the Department of Civil Service to administer a deferred compensation plan and invest and disburse the funds of the plan. The bill would shift the responsibility for the part of the deferred compensation plan not managed by an independent fund manager, from the Department of Civil Service to the State Treasurer effective October 1, 1996.

MCL 38.1151

FISCAL IMPACT

The bill would have an effect on the number of employees in the department of civil service depending on what happens with the plan. If it is moved to the Department of Treasury, most of the employees who have a major role in the investment and administration of the plan will be transferred to Treasury. However, if Treasury opts to use an independent fund manager then there will be some layoffs of those employees.

Currently there are 24 FTE employees who work with the plan; 18.5 are directly involved with the administration and investment of the deferred compensation plan. Salaries and benefits amount to approximately \$665,000. It is indeterminate at this point as to the number of employees that will not be needed if an independent fund manager was utilized.

Fiscal Analyst: M. Bain

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