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## BILL ANALYSIS



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House Bill 5196 (Substitute H-1 as passed by the House)  
Sponsor: Representative Tom McMillin  
House Committee: Oversight, Reform, and Ethics  
Senate Committee: Reforms, Restructuring and Reinventing

Date Completed: 9-18-12

**CONTENT**

**The bill would create the "Public Employee Compensation Disclosure Act" to require a public employer to post on its website, or submit to the Department of Technology, Management, and Budget for posting, information about the wages and benefits of its employees, as well as the terms of severance agreements.**

"Public employee" would mean an individual employed by the State; a department or agency of the State; a city, village, township, county, or other political subdivision of the State; a school district, intermediate school district, or special district; a cyber school; a public school academy; a community college or junior college; an institution of higher education; or any other public entity of the State or of a political subdivision of the State.

Specifically, by June 1 each year, a public employer would have to provide to the Department of Technology, Management, and Budget (DTMB) or post on the public employer's website with an access link on its homepage, all of the following information for each job classification of the employer in aggregate:

- The number of full-time equivalent employees.
- The total annual wages paid to all employees within the job classification.
- The total annual cost of the benefits for all employees within the job classification.

Also, by June 1 each year, for each severance payment agreement the public employer entered into with an employee since the last reporting period, the public employer would have to provide to the DTMB or post on the employer's website with a link on its homepage, the terms of the severance payment agreement and the employee's job classification.

A report submitted to the DTMB would have to be submitted electronically in a format specified by the Department. Within 90 days after receiving the information, the Department would have to post it on a website accessible to the public.

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The bill could create an indeterminate cost for State and local governments as well as other public employers subject to the bill. Public employers could face increased administrative costs to meet the requirements of compiling and annually updating information regarding

the wages and benefits of their employees, as well as the terms of severance agreements. In addition, the information would have to be posted on the public employers' publicly accessible website or submitted to the DTMB for posting on its public website. If a public employer did not have a publicly accessible website and chose to create one for posting these annual data, there would be additional costs associated with creating and maintaining the website.

There also could be additional administrative costs to the DTMB associated with the collection of data from public employers and the posting of the data on the Department's public website. Additional costs could include the website development and maintenance that could become necessary depending on the number of public employers that chose to submit their data to the DTMB.

The potential costs for public employers are indeterminate and would depend on whether they have an existing publicly accessible website or whether one would need to be created. The potential additional costs to the DTMB would depend on the number of entities that elected to submit their data to the Department for posting on its public website.

Fiscal Analyst: Joe Carrasco

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.