



**Senate Fiscal Agency**  
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Senate Bill 175 (Substitute S-1 as reported)  
Sponsor: Senator John Pappageorge  
Committee: Veterans, Military Affairs and Homeland Security

### **CONTENT**

The bill would amend the Michigan Military Act to do the following:

- Require a minimum rank for service as Adjutant General, and allow service until designated for retirement for an active Army or Air Force officer of like grade (rather than until age 64).
- Provide for the Adjutant General and Assistant Adjutants General to receive retirement pay equal to what an officer of like grade and total years of service would receive (rather than as a qualified participant under the State Employees Retirement Act).
- Include oversight of veterans' or related State facilities in the Adjutant General's responsibility to oversee armories and other military facilities.
- Grant the Adjutant General, rather than the State Military Board, authority regarding armories, other facilities, training areas, and other real property.
- Expand the Governor's authority to order members of the organized militia into active State service and to order members of the unorganized militia into the defense force.
- Expand the Governor's authority to enter into agreements with the governors of other states to authorize the use of the military forces of this State.
- Transfer from the Governor to the Adjutant General the authority to organize and arrange units of the military establishment.
- Include "special duty" in provisions authorizing the services of the organized militia.

The bill would repeal sections creating and governing the five-member State Military Board; and limiting the tenure of the senior line officer serving in the grade of major general.

MCL 32.505 et al.

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would reverse the retirement changes made under Public Act 255 of 2010, which eliminated defined benefit retirement provisions for the Adjutant General and Assistant Adjutants General hired after January 1, 2011, and placed those appointees into the State's 401k defined contribution plan. At the time, the fiscal statement for Public Act 255 (House Bill 6270) identified savings from closing the defined benefit system of at least \$1.5 million per year, once the system is entirely closed and no previously eligible retirees are drawing benefits, 30 to 40 years in the future. To prefund the pension benefits of a new Adjutant General and Assistants as provided in this legislation would cost an estimated \$600,000 per year, on top of the existing \$1.5 million per year from the pay-as-you-go retirement costs for the previous Adjutant and Assistant Adjutants General eligible for pension benefits.

Date Completed: 5-22-13

Fiscal Analyst: Kathryn Summers