



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4591 (Substitute S-1 as reported)
Sponsor: Representative John R. Roth
House Committee: Oversight
Senate Committee: Oversight

CONTENT

The bill would enact the "State Employment Contract Regulation Act" to do the following:

- Prohibit the State from entering into an employment contract with a State employee or a State officer if the contract provided for severance pay greater than an amount equal to 12 weeks of the employee's or officer's normal wages or prohibited disclosure of pertinent aspects of the agreement.
- Prohibit the State from paying to a State employee severance pay in an amount greater than would be authorized in the proposed Act except under certain circumstances.
- Prohibit the State from paying severance pay to a State officer except under certain circumstances.
- Require the text of a State officer's employment contract to be submitted to specified individuals in the Legislature if a determination were made that severance pay was necessary for a State officer in the legislative branch.
- Require an employment contract with a State officer or State employee that provided severance pay in an amount equal to or greater than six weeks of that individual's normal wages to be made available to the public on a public body's website.

The Act would apply to an employment contract that was entered into, amended, extended, or renewed on or after the bill's effective date.

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill could result in savings for the State by limiting the amount of severance pay in most cases to a maximum of 12 weeks of the employee's normal wages. The average total cost for salary, benefits, and retirement for a State civil servant is an estimated \$121,600 Gross, \$65,900 General Fund/General Purpose (GF/GP). Based on that average, the severance payment for 12 weeks would be an estimated \$28,100 Gross, \$11,800 GF/GP. The estimated potential savings is indeterminate and would depend on the number of severance packages authorized under the bill. Previous severance agreements generally have not been made public, so a comparison between those agreements and an agreement that could be reached under the bill is not possible.

Date Completed: 3-24-22

Fiscal Analyst: Joe Carrasco