

Legislative Analysis



SCHOOL EMPLOYEES SALARY CAP

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House Bill 4796 (Substitute H-2)

Sponsor: Rep. Chris Ward

Committee: Education

Complete to 5-22-07

A SUMMARY OF HOUSE BILL 4796 (H-2) AS REPORTED FROM COMMITTEE

House Bill 4796 would amend the Revised School Code to set a salary cap for public school employees, so that a public school employee could not be paid more than the total compensation set for the governor of the state.

The bill specifies that all of the following would apply to a person who was hired for employment in any position within a school district, intermediate school district, or public school academy, after the effective date of this legislation (were it enacted into law):

- The board members (of a school district, intermediate school district, or public school academy) would be prohibited from providing an annual total compensation package that had a monetary value exceeding the total compensation package provided for the governor of the state (not including the monetary value of the governor's use of the governor's residence); and,
- The school boards would be prohibited from providing, within a compensation package, any of the following:
 - either a motor vehicle, or allowing the use of a motor vehicle, for personal use; and,
 - payment or reimbursement for membership in any kind of social, golf, or country club or similar organization.

The bill specifies that in this section of the code, the phrase "total compensation package" means wages and fringe benefits, (as those terms are defined in statute), and retirement, medical optical, or dental benefits, and other insurance coverage.

FISCAL IMPACT:

There would be no state impact. The amount of local impact would be indeterminate. The amount of local savings would be dependent on the number of districts with superintendent salaries higher than the criteria in this legislation.

POSITIONS:

The Michigan Education Association supports the bill. (5-22-07)

The Detroit Public Schools are neutral on the bill. (5-22-07)

The Small & Rural Schools oppose the bill. (5-22-07)

The Allegan & VanBuren ISD opposes the bill. (5-22-07)

The Kalamazoo, Muskegon, & Ottawa ISD opposes the bill. (5-22-07)

Oakland Schools opposes the bill. (5-22-07)

MASA–Region 8 (Washtenaw, Monroe, Lenawee, Jackson, & Hillsdale) oppose the bill. (5-22-07)

Michigan Association of School Administrators opposes the bill. (5-22-07)

The Michigan Association of Intermediate School Administrators opposes the bill. (5-22-07)

Middle Cities Education Association opposes the bill. (5-22-07)

The Michigan Association of School Boards opposes the bill. (5-22-07)

Wayne RESA opposes the bill. (5-22-07)

The Michigan Elementary and Middle School Principals' Association opposes the bill. (5-22-07)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.