

SUBSTITUTE FOR

HOUSE BILL NO. 4796

(As amended May 23, 2007)

A bill to amend 1976 PA 451, entitled
"The revised school code,"
(MCL 380.1 to 380.1852) by adding section 1245.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 1245. (1) ALL OF THE FOLLOWING APPLY TO A PERSON WHO IS
2 HIRED FOR EMPLOYMENT IN ANY POSITION WITH A SCHOOL DISTRICT,
3 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY AFTER THE
4 EFFECTIVE DATE OF THIS SECTION:

5 (A) SUBJECT TO SUBSECTION (2), [AND EXCEPT AS OTHERWISE PROVIDED IN
6 SUBSECTION (4),] THE BOARD OF THE SCHOOL
7 DISTRICT OR INTERMEDIATE SCHOOL DISTRICT OR BOARD OF DIRECTORS OF
8 THE PUBLIC SCHOOL ACADEMY SHALL NOT PROVIDE AN ANNUAL TOTAL
9 COMPENSATION PACKAGE FOR THE PERSON THAT HAS A MONETARY VALUE THAT
10 EXCEEDS THE ANNUAL TOTAL COMPENSATION PACKAGE PROVIDED FOR THE
11 GOVERNOR OF THIS STATE AS OF THE EFFECTIVE DATE OF THIS SECTION,
NOT INCLUDING THE MONETARY VALUE OF THE GOVERNOR'S USE OF AND

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 1 MAINTENANCE ALLOWANCE FOR THE EXECUTIVE RESIDENCE, USING THE SALARY

2 AND EXPENSE ALLOWANCE AS SET BY THE STATE OFFICERS COMPENSATION
 3 COMMISSION.

4 (B) THE BOARD OF THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL
 5 DISTRICT OR BOARD OF DIRECTORS OF THE PUBLIC SCHOOL ACADEMY SHALL
 6 NOT PROVIDE A TOTAL COMPENSATION PACKAGE FOR THE PERSON THAT
 7 INCLUDES ANY OF THE FOLLOWING:

8 (i) EITHER PROVIDING A MOTOR VEHICLE TO THE PERSON OR ALLOWING
 9 THE USE OF A MOTOR VEHICLE FOR THE PERSON'S PERSONAL USE.

10 (ii) PAYMENT OR REIMBURSEMENT FOR MEMBERSHIP IN ANY KIND OF
 11 SOCIAL, GOLF, OR COUNTRY CLUB OR SIMILAR ORGANIZATION.

[(2) THE DEPARTMENT SHALL TAKE THE NECESSARY MEASURES TO ENSURE
 THAT THE REGISTRY OF EDUCATIONAL PERSONNEL INCLUDES THE MONETARY VALUE OF
 EACH EMPLOYEE'S ANNUAL TOTAL COMPENSATION PACKAGE.

12 (3) ON OCTOBER 1 OF EACH YEAR THAT BEGINS MORE THAN 1 YEAR
 13 AFTER THE EFFECTIVE DATE OF THIS SECTION, THE CAP ON THE MAXIMUM
 14 ANNUAL TOTAL COMPENSATION PACKAGE THAT MAY BE PROVIDED FOR A PUBLIC
 15 SCHOOL EMPLOYEE UNDER SUBSECTION (1) (A) SHALL BE ADJUSTED AS
 16 FOLLOWS:

17 (A) THE PORTION OF THE CAP THAT REPRESENTS THE SALARY AND
 18 FRINGE BENEFITS PORTION OF THE TOTAL COMPENSATION PACKAGE SHALL BE
 19 ADJUSTED BY THE CHANGE FOR THE IMMEDIATELY PRECEDING CALENDAR YEAR
 20 IN THE DETROIT CONSUMER PRICE INDEX FOR ALL ITEMS AS REPORTED BY
 21 THE UNITED STATES BUREAU OF LABOR STATISTICS.

22 (B) THE PORTION OF THE CAP THAT REPRESENTS THE RETIREMENT,
 23 MEDICAL, OPTICAL, OR DENTAL BENEFITS AND OTHER INSURANCE COVERAGE
 24 PORTION OF THE TOTAL COMPENSATION PACKAGE SHALL BE ADJUSTED BY THE
 25 CHANGE FOR THE IMMEDIATELY PRECEDING CALENDAR YEAR IN THE DETROIT
 26 CONSUMER PRICE INDEX FOR MEDICAL CARE AS REPORTED BY THE UNITED
 27 STATES BUREAU OF LABOR STATISTICS.

[(4) THE BOARD OF A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT
 OR BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY MAY APPLY TO THE
 SUPERINTENDENT OF PUBLIC INSTRUCTION FOR A WAIVER FROM THE LIMITS OF
 SUBSECTION (1) (A) FOR A PARTICULAR EMPLOYEE. IF THE BOARD OR BOARD OF

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DIRECTORS DEMONSTRATES TO THE SATISFACTION OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION THAT THE NATIONWIDE INDUSTRY STANDARD FOR AN ANNUAL TOTAL COMPENSATION PACKAGE FOR A SIMILAR TYPE OF EMPLOYEE IN A SIMILAR SIZE SCHOOL DISTRICT EXCEEDS THE LIMITS OF SUBSECTION (1) (A), THEN THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL GRANT THE WAIVER AND THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY THEN MAY PROVIDE AN ANNUAL TOTAL COMPENSATION PACKAGE FOR THE EMPLOYEE THAT EXCEEDS THE LIMITS OF SUBSECTION (1) (A).]

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1 **[(5)] AS USED IN THIS SECTION, "TOTAL COMPENSATION PACKAGE"**

2 **MEANS WAGES AND FRINGE BENEFITS, AS THOSE TERMS ARE DEFINED IN**

3 **SECTION 1 OF 1978 PA 390, MCL 408.471, AND RETIREMENT, MEDICAL,**

4 **OPTICAL, OR DENTAL BENEFITS AND OTHER INSURANCE COVERAGE.**

**[(6) AS USED IN THIS SECTION, "HIRED FOR EMPLOYMENT" DOES NOT
INCLUDE THE RENEWAL OR CONTINUATION OF AN EXISTING CONTRACT.]**

5 Enacting section 1. This amendatory act does not take effect

6 unless House Bill No. 4500 of the 94th Legislature is enacted into

7 law.