

**SUBSTITUTE FOR
SENATE BILL NO. 882**

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line

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fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,"

by amending section 18j (MCL 247.668j), as added by 2012 PA 506.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 18j. (1) Beginning September 30, <<2015>>, each ~~local~~**COUNTY**
2 road ~~agency~~**COMMISSION** shall annually certify to the department
3 that it satisfies 1 of the following conditions with respect to
4 transportation employees:

5 (a) The ~~local~~**COUNTY** road ~~agency~~**COMMISSION** has developed and
6 publicized a transportation employee compensation plan that the
7 ~~local~~**COUNTY** road ~~agency~~**COMMISSION** intends to implement with any
8 new, modified, or extended contract or employment agreements for
9 transportation employees not covered under contract or employment
10 agreement. The transportation employee compensation plan that each
11 ~~local~~**COUNTY** road ~~agency~~**COMMISSION** plans to achieve shall be
12 posted on a publicly accessible internet site and shall be
13 submitted to the department. At a minimum, the transportation
14 employee compensation plan shall include all of the following:

15 (i) New transportation employee hires who are eligible for
16 retirement plans are placed on retirement plans that cap annual

1 employer contributions at 10% of base salary for transportation
2 employees who are eligible for social security benefits. For
3 transportation employees who are not eligible for social security
4 benefits, the annual employer contribution is capped at 16.2% of
5 base salary.

6 (ii) For defined benefit pension plans, a maximum multiplier of
7 1.5% for all transportation employees who are eligible for social
8 security benefits, except, if postemployment health care is not
9 provided, the maximum multiplier shall be 2.25%. For all
10 transportation employees who are not eligible for social security
11 benefits, a maximum multiplier of 2.25%, except, if postemployment
12 health care is not provided, the maximum multiplier shall be 3.0%.
13 This subparagraph does not apply to years of service accrued prior
14 to September 30, 2013, or to contracts entered into prior to
15 September 30, 2013.

16 (iii) For defined benefit pension plans, final average
17 compensation for all transportation employees is calculated using a
18 minimum of 3 years of compensation and shall not include more than
19 a total of 240 hours of paid leave. Overtime hours shall not be
20 used in computing the final average compensation for a
21 transportation employee. This subparagraph does not apply to years
22 of service accrued prior to September 30, 2013, or to contracts
23 entered into prior to September 30, 2013.

24 (iv) Health care premium costs for new transportation employee
25 hires shall include a minimum transportation employee share of 20%;
26 or, an employer's share of the local health care plan costs shall
27 be cost competitive with the new state preferred provider

1 organization health plan, on a per-transportation-employee basis.

2 (b) The ~~local-COUNTY~~ road agency ~~COMMISSION~~ complies with 1 of
3 the following:

4 (i) A ~~local-COUNTY~~ road agency ~~COMMISSION~~ that offers medical
5 benefits to its transportation employees or elected public
6 officials shall certify to the department by September 30, 2014
7 that it is in compliance with the publicly funded health insurance
8 contribution act, 2011 PA 152, MCL 15.561 to 15.569. For purposes
9 of this subparagraph, dental and vision coverages are not
10 considered medical benefits. The department shall develop a
11 certification process and method for ~~local-COUNTY~~ road agencies
12 ~~COMMISSIONS~~ to follow.

13 (ii) A ~~local-COUNTY~~ road agency ~~COMMISSION~~ that does not offer
14 medical benefits to its transportation employees or elected public
15 officials shall certify to the department by September 30, 2014
16 that it does not offer medical benefits to its transportation
17 employees or elected public officials. For purposes of this
18 subparagraph, dental and vision coverages are not considered
19 medical benefits. The department shall develop a certification
20 process and method for ~~local-COUNTY~~ road agencies ~~COMMISSIONS~~ to
21 follow.

22 (2) If a ~~local-COUNTY~~ road agency ~~COMMISSION~~ does not make the
23 certification required under subsection (1), the department may
24 withhold all or part of the distributions to the ~~local-COUNTY~~ road
25 agency ~~COMMISSION~~ from the Michigan transportation fund under this
26 act. A withholding under this subsection shall continue for the
27 period of noncompliance with subsection (1) by the ~~local-COUNTY~~

1 road ~~agency~~.**COMMISSION**.

2 (3) A ~~local~~**COUNTY** road ~~agency~~**COMMISSION** shall maintain a
3 searchable website accessible by the public at no cost that
4 includes, but is not limited to, all of the following:

5 (a) Current fiscal year budget.

6 (b) The number of active transportation employees of the ~~local~~
7 **COUNTY** road ~~agency~~**COMMISSION** by job classification and wage rate.

8 (c) A financial performance dashboard that contains
9 information on revenues, expenditures, and unfunded liabilities.
10 The county road ~~agency~~**COMMISSION** may link to financial information
11 provided by the Michigan transportation asset management council.

12 (d) The names and contact information for the governing body
13 of the ~~local~~**COUNTY** road ~~agency~~**COMMISSION**.

14 (e) A copy of the certification required by subsection (1).

15 (4) The department shall maintain a searchable website
16 accessible by the public at no cost. A website maintained by the
17 department under this subsection shall include, but is not limited
18 to, the following:

19 (a) Current fiscal year budget.

20 (b) The number of active transportation employees of the
21 department by job classification and wage rate.

22 (c) A financial performance dashboard that contains
23 information on revenues, expenditures, and unfunded liabilities.
24 The department may link to financial information provided by the
25 Michigan transportation asset management council.

26 (d) The names and contact information for the governing body
27 of the department.

1 (5) A ~~local~~**COUNTY** road agency ~~COMMISSION~~ may develop and
2 operate its own website to provide the information required under
3 subsection (3), or the ~~local~~**COUNTY** road agency ~~COMMISSION~~ may
4 reference this state's central transparency website as the source
5 for the information required under subsection (3). If a ~~local~~
6 **COUNTY** road agency ~~COMMISSION~~ does not have a website, the ~~local~~
7 **COUNTY** road agency ~~COMMISSION~~ may post the information required
8 under subsection (3) on the website for the county, ~~city, or~~
9 ~~village~~ within which the ~~local~~**COUNTY** road agency ~~COMMISSION~~ is
10 located or on the website of a statewide road association of which
11 the ~~local~~**COUNTY** road agency ~~COMMISSION~~ is a member.

12 (6) As used in this section, "transportation employee" means
13 an employee paid in whole or in part through revenues distributed
14 under sections 12 to 13 or an employee who is engaged primarily in
15 work funded through revenues distributed under sections 12 to 13.