A bill to regulate certain provisions in certain public employment contracts; to limit severance payments to certain public employees and public officers; and to require the disclosure or publication of certain public employment contracts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1. This act shall be known and may be cited as the "state employment contract regulation act".

2. As used in this act:

   (a) "Severance pay" means compensation that is both of the following:

   (i) Payable or paid upon or after the termination of employment.

   (ii) In addition to any of the following:
(A) Wages or benefits earned.
(B) Generally applicable retirement benefits.

(b) "State employee" means an individual employed in the executive or legislative branch of government of this state. State employee does not include an employee in the state classified civil service.

(c) "State officer" means an individual who is elected or appointed to an office created by law in the executive or legislative branch of government of this state.

Sec. 5. (1) Except as otherwise provided in subsection (2) or (3), this state shall not do either of the following:
(a) Enter into an employment contract with a state employee if any of the following conditions apply:
   (i) The employment contract provides for severance pay to the state employee in an amount that is greater than an amount equal to 12 weeks of the state employee's normal wages.
   (ii) The employment contract prohibits the state employee from disclosing any of the following:
       (A) Factual information about an alleged violation of law, including, but not limited to, discrimination and sexual harassment, in the state employee's workplace.
       (B) The existence of the employment contract.
       (C) A portion of or the full text of the employment contract.
   (iii) The employment contract does not state that the employment contract represents the complete and exclusive agreement between the parties to the contract.
(b) Pay to a state employee severance pay in an amount greater than is authorized under subdivision (a)(i).
(2) For a state employee in the executive branch, if the
attorney general determines that severance pay for the state 
employee in an amount greater than is authorized under subsection 
(1)(a)(i) is necessary to serve the best interests of this state 
based on the risk of litigation and the need to minimize the 
expenditure of public funds, this state may, subject to subsection 
(4), do either of the following:

(a) Enter into an employment contract with the state employee 
that provides for severance pay to the state employee in an amount 
greater than is authorized under subsection (1)(a)(i) if the 
employment contract releases, to the extent allowed by law, all 
claims the state employee may have against this state.

(b) Pay to the state employee severance pay as provided for in 
the employment contract described in subdivision (a).

(3) For a state employee in the legislative branch, if the 
legal counsel for the public body that employs the state employee 
determines that severance pay for the state employee in an amount 
greater than is authorized under subsection (1)(a)(i) is necessary 
to serve the best interests of this state based on the risk of 
litigation and the need to minimize the expenditure of public 
funds, this state may, subject to subsection (4), do either of the 
following:

(a) Enter into an employment contract with the state employee 
that provides for severance pay to the state employee in an amount 
greater than is authorized under subsection (1)(a)(i) if the 
employment contract releases, to the extent allowed by law, all 
claims the state employee may have against this state.

(b) Pay to the state employee severance pay as provided for in 
the employment contract described in subdivision (a).

(4) If this state enters into an employment contract with a
state employee or state officer that provides for severance pay to the state employee or state officer in an amount equal to or greater than an amount equal to 6 weeks of the state employee's or state officer's normal wages, the public body that employs the state employee or in which the state officer serves shall, within 28 days after the employment contract is entered into and to the extent allowed by law, make the full text of the employment contract available to the public on the public body's website.

Sec. 7. (1) Except as otherwise provided in subsection (2) or (3), this state shall not do any of the following:

(a) Enter into an employment contract with a state officer if any of the following conditions apply:

(i) The employment contract provides for severance pay to the state officer.

(ii) The employment contract prohibits the state officer from disclosing any of the following:

(A) Factual information about an alleged violation of law, including, but not limited to, discrimination and sexual harassment, in the state officer's workplace.

(B) The existence of the employment contract.

(C) A portion of or the full text of the employment contract.

(iii) The employment contract does not state that the employment contract represents the complete and exclusive agreement between the parties to the contract.

(b) Pay severance pay to a state officer.

(c) Enter into a nondisclosure or confidentiality agreement with a state officer regarding the performance of the state officer's official duties, unless confidentiality is required by law.
(2) For a state officer in the executive branch, if the attorney general determines that severance pay for the state officer is necessary to serve the best interests of this state based on the risk of litigation and the need to minimize the expenditure of public funds, this state may, subject to subsection (4) and section 5(4), do either of the following:

(a) Enter into an employment contract with the state officer that provides for severance pay to the state officer if the employment contract releases, to the extent allowed by law, all claims the state officer may have against this state.

(b) Pay to the state officer severance pay as provided for in the employment contract described in subdivision (a).

(3) For a state officer in the legislative branch, if the legal counsel for the public body in which the public officer serves determines that severance pay for the state officer is necessary to serve the best interests of this state based on the risk of litigation and the need to minimize the expenditure of public funds, this state may, subject to subsection (4) and section 5(4), do either of the following:

(a) Enter into an employment contract with the state officer that provides for severance pay to the state officer if the employment contract releases, to the extent allowed by law, all claims the state officer may have against this state.

(b) Pay to the state officer severance pay as provided for in the employment contract described in subdivision (a).

(4) If a determination is made under subsection (2) or (3) that severance pay for a state officer is necessary to serve the best interests of this state based on the risk of litigation and the need to minimize the expenditure of public funds, the public
body in which the public officer serves shall, within 3 days after
the employment contract is entered into and to the extent allowed
by law, submit by electronic means the full text of the state
officer's employment contract to all of the following:

(a) The speaker of the house of representatives.
(b) The minority leader of the house of representatives.
(c) The senate majority leader.
(d) The senate minority leader.

Sec. 9. This act applies to an employment contract that is entered into, amended, extended, or renewed on or after the
effective date of this act.