

Legislative Analysis



EMPLOY RETIREES FOR WILDFIRE SUPPRESSION AND LEGISLATIVE BILL DRAFTING SERVICES

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House Bill 4415 (Substitute H-1)

Sponsor: Rep. Frank Foster

Committee: Natural Resources, Tourism, and Outdoor Recreation

Complete to 4-12-11

A SUMMARY OF HOUSE BILL 4415 (H-1) AS REPORTED FROM COMMITTEE

The bill is amendment to the State Employees' Retirement Act, which currently requires that retirement payments be suspended for a retired state employee who returns to state employment. Payments are reinstated when the period of state employment ends. However, the act contains a number of exceptions, such as for Department of Corrections' health care providers and assistant attorneys general, under specified conditions.

House Bill 4415 would make exceptions in two additional cases.

(1) The bill would allow retirees to continue to receive retirement payments while being compensated on a per diem basis by the Department of Natural Resources for wildfire suppression services during peak wildfire conditions.

(2) The bill would allow retirees to continue to receive retirement payments if they were retired attorneys for the Legal Division of the Legislative Service Bureau when the administrator of the Legislative Council determines that the retiree possesses specialized expertise and experience necessary for an appointment and that the appointment is the most cost-effective option for the state. (The Legal Division is the home of the attorneys who serve as bill drafters.)

MCL 38.68c

FISCAL IMPACT:

According to the Department of Natural Resources, House Bill 4415 is anticipated to have a positive fiscal impact on the Department. The bill may allow the DNR to realize savings from reduced expenditures, such as lower overtime costs, through the use of part-time state retirees during fire seasons. The peak spring fire season for wildfires in Michigan normally occurs in April, May and June. If the state experiences a dry summer, then the peak summer fire season usually falls within July, August and September, depending upon weather conditions and the amount of precipitation different areas of the state receive.

Regarding retirement costs, the bill would have an indeterminate fiscal impact on the state. By allowing state retirees to return to work under certain conditions without having to forfeit their retirement allowance, the bill may increase costs to the State Employees'

Retirement System. The increased costs would be incurred because employees might retire earlier than they would have otherwise if they were not offered the opportunity to return to work part-time. However, the Department of Natural Resources may achieve departmental savings by employing retirees on a limited-time basis rather than hiring additional full-time staff or contracting for those services elsewhere. (The provision applying to the bill drafters at the Legislative Service Bureau requires the appointment of a retiree to be "the most cost-effective option.")

POSITIONS:

The Department of Natural Resources indicated support for the provisions of the bill dealing with firefighting. (3-22-11)

The Michigan United Conservation Clubs indicated support for the provisions of the bill dealing with firefighting. (3-22-11)

The Michigan Fire Service Coalition indicated support for the provisions of the bill dealing with firefighting. (3-22-11)

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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.