



MICHIGAN
HOUSE OF REPRESENTATIVES
P.O. Box 30014
LANSING, MICHIGAN 48909-7514

THE MINUTES OF THE HOUSE STANDING COMMITTEE
ON
FINANCIAL LIABILITY REFORM

Wednesday, February 11, 2015

2:30 p.m.

Room 521 House Office Building

The House Standing Committee on Financial Liability Reform was called to order by **Representative Pat Somerville**, Chair.

MEMBERS PRESENT: Representatives Somerville, Leuthesuer, Farrington, LaFontaine, Lyons, Poleski, Wittenberg, Faris and Chirkun.

MEMBERS ABSENT/EXCUSED: None.

Representative Leuthesuer moved to adopt the minutes of the **February 4, 2015**, meeting. There being no objection, the motion prevailed by unanimous consent.

Chair Somerville laid **HB 4059** before the committee:

HB 4059 (Hughes) Retirement; public school employees; retirant employed at a reporting unit under certain circumstances without forfeiting retirement allowance or health care coverage; eliminate sunset.

TESTIMONY

Scott Starr, legislative liaison and policy advisor, representing the Michigan Department of Technology, Management & Budget (DTMB) and **Kerrie Vanden Bosch**, director of plan development and compliance, representing the Michigan Office of Retirement Services (ORS), testified not indicating a position on the bill.

*Chair Somerville placed the committee at ease @ 2:33 p.m.
The committee reconvened at 2:48 p.m.*

The following people submitted a card but did not wish to speak:

Rusty Merchant, representing the Grand Rapids Public Schools, supports the bill.
Allie Bush, representing the Grand Rapids Area Chamber of Commerce, supports the bill.

Representative Leuthesuer moved to adopt the substitute (**H-1**) to **HB 4059**.

The motion prevailed by a vote of **9-0-0**.

FAVORABLE ROLL CALL:

Yeas: Representatives Somerville, Leuthesuer, Farrington, LaFontaine, Lyons, Poleski, Wittenberg, Faris and Chirkun.

Nays: None,

Pass: None.

Representative Lyons offered the following amendments to **HB 4059 (H-1)**:

1. Amend page 5, line 10, after "(9)" by striking out "or (10)" and inserting a comma and "(10), OR (11)".

2. Amend page 8, following line 11, by inserting:

"(11) NOTWITHSTANDING ANY PROVISION OF THIS ACT TO THE CONTRARY, FOR A RETIRANT WHO RETIRES ON OR AFTER JULY 1, 2010, WHO IS EMPLOYED AS AN INDEPENDENT CONTRACTOR AT A REPORTING UNIT THAT HAS A SITUATION DESCRIBED IN SUBSECTION (5)(A) OR IS EMPLOYED AT A REPORTING UNIT THAT HAS A SITUATION DESCRIBED IN SUBSECTION (5)(A) BY AN ENTITY OTHER THAN THE REPORTING UNIT, WHO HAS BEEN RETIRED FOR AT LEAST 12 MONTHS BEFORE BECOMING EMPLOYED UNDER THIS SUBSECTION, AND WHOSE EMPLOYMENT UNDER THIS SUBSECTION DOES NOT EXCEED 3 YEARS, THE REPORTING UNIT AT WHICH THE RETIRANT PROVIDES SERVICES UNDER THIS SUBSECTION SHALL PAY 100% OF THE CONTRIBUTION RATES FOR THE UNFUNDED ACTUARIAL ACCRUED LIABILITY FOR RETIREE HEALTH CARE AND THE UNFUNDED ACTUARIAL ACCRUED LIABILITY FOR PENSION TO THE RETIREMENT SYSTEM FOR THE EMPLOYMENT DESCRIBED IN THIS SUBSECTION."

Representative LaFontaine moved to adopt the amendments.

The motion prevailed by a vote of **9-0-0**.

FAVORABLE ROLL CALL:

Yeas: Representatives Somerville, Leuthesuer, Farrington, LaFontaine, Lyons, Poleski, Wittenberg, Faris and Chirkun.

Nays: None,

Pass: None.

Representative Lyons moved to report **HB 4059** with recommendation, as substitute (**H-2**).

The motion prevailed by a vote of **9-0-0**.

FAVORABLE ROLL CALL:

Yeas: Representatives Somerville, Leuthesuer, Farrington, LaFontaine, Lyons, Poleski, Wittenberg, Faris and Chirkun.

Nays: None,

Pass: None.

There being no further business to come before the committee, the Chair adjourned the meeting at 2:51 p.m.

Representative Pat Somerville, Chair
House Standing Committee on Financial Liability Reform
Malika Abdul-Basir
Committee Clerk
517-373-7256
21 Minutes