

Michigan School Business Officials
ISD Committee Meeting Minutes
November 17, 2011

9:30 a.m.

MSBO, Lansing

MINUTES

Attendance

| | |
|--|--|
| Abby Lloyd – Allegan Area ESA | Paul Bodiya – Macomb ISD |
| Bruce Curtiss – Bay-Arenac ISD | Bob Nardi – Marquette-Alger RESA* |
| Gus Damaske – Berrien RESA | Jerilyn Escamilla – Midland County ESA |
| Gary Crandall – Branch ISD | Bob Dwan – MSBO |
| Jeff Crouse – Char-Emmet ISD* | Darcie Birkett – Ottawa Area ISD |
| Tamara Chaffee – Clare-Gladwin RESD | Chris Frank – Saginaw ISD |
| Lee Kleinjans – Clinton County RESA | Sally Peterson – Saginaw ISD |
| Dennis Rogoszewski – Gratiot-Isabella RESD | Diane Warren – Shiawassee RESD |
| Mike Keast – Ionia County ISD | Barb Matthews – Van Buren ISD |
| Roger Auwers – Jackson County ISD | Brian Marcel – Washtenaw ISD |
| Scott Thomas – Kalamazoo RESA | Tom Armstrong – Wexford-Missaukee ISD |
| R. Michael Hubert – Livingston ESA | |

*indicates attendance via conference call

- I. Call to Order – *Chris Frank, Chairperson*
- II. Introduction of Members/Guests – *Chris Frank, Chairperson*
- III. Moved, seconded and approved October 20, 2011 Meeting Minutes
- IV. Program: New Legislation Impacting Health Insurance and Implementation Hurdles
Raymond Davis, Thrun Law Firm, P.C.
 - a. H.B. 4628 amended PARA to expand the prohibited subjects of bargaining. Districts should review their CBA—need to “haircut” the prohibited subjects of bargaining, i.e. placement of teachers, RIF policy, performance evaluation, discipline of teachers, performance observations, merit pay, etc. Consider the impact on H.R. forms and procedures and individual contracts.
 - b. If CBA expires in September, new step increases are already in effect. Change expiration to 6/30.
 - c. Requirements to qualify for Best Practices Incentive were discussed. Charge employees at least 10% of healthcare premium. Regarding MESSA PAR (policy holder) agreement—MDE and AG have not decided whether PAR meets Best Practices requirement. District is probably policy holder in name only.

- d. S.B. 7 stipulates an insurance hard cap is the default; 80/20 is a Board option—effective for medical benefit plan coverage year (MBPCY) on/after 1/1/12. Need to get insurance carrier to verify MBPCY start date.
- e. Analyze total cost formula over fiscal year. Cash In lieu not included in calculation. Law stipulates “self & spouse” not self & one. Therefore self and child are counted as full family in formula. For grandfathered CBA executed before 9/14/11, take group out of formula calculation. For individual employment contracts, grandfather provision does not apply to them (Sec. 5(1) “group of employees”).
- f. Per Sen. Jenson’s office, MBPCY intentionally not defined in legislation. Cannot have hard cap for one group and 80/20 for another group.

V. Legislative Update – *Kathy Merry, Wayne RESA*

- a. Parent Empowerment (S.B. 618-623) in House Education. Testimony is being taken.
- b. H.B. 4452 (PA 216) denies unemployment to 3rd-party contractors (for time between school breaks) as long as they have reasonable assurance to return to work when school resumes.
- c. H.B. 4005 mandates all school board elections, including popularly elected ISD boards, be held in November of even years beginning in 2012.
- d. H.B. 4163 anti-bullying legislation will pass and go to Senate without the Senate caveat to exempt if one has a moral conviction or religious belief.
- e. Community Colleges can grant 4-year degrees in Nursing, Cement technology, maritime technology and culinary arts. This allows community colleges to use SAF for these advance degrees.
- f. H.B. 4445 provides \$12.5M of SAF to develop PK assessments & ranking of child care centers.
- g. H.B. 4107 & 4102 changed state retirement for state employees. 3% that employee paid toward retirement will be paid back to employees. State eliminates healthcare for new employees and creates a 3-tier system (hired pre-1997, 1997-2008, & 2008 into future). Employee will contribute 3% to state healthcare with state match. This is unfair to those at lower wage levels. MPSERS will be next.
- h. Per House Fiscal, revenue is \$500M over projections (\$240M GF & \$260M SAF), but don’t count on seeing any returned to schools.
- i. House Dems created new app for iPhone, Blackberry & Droid: fightschoolcuts.com – enter zip code & shows funding cuts for each school district.
- j. PPT will not be taken up until next year.

VI. MSBO Update – *Bob Dwan*

- a. Expect change from ½-day to full-day kindy to keep full funding to happen in 2012/13.
- b. PPT focus is on industrial only. House has info on impact per district, but not posted.
- c. Highland Park financial review starting today. Dave Martell is involved.
- d. Financial Strategies 1/17-18/2012. Agenda is posted on website. Per attendee feedback from last year, will have fewer topics, longer sessions, more time for Q & A.
- e. Good feedback on Leadership Institute with David Hulings.
- f. Dynamic Budgeting update is almost complete.
- g. School Finance Manual update to be done soon. Possibly sponsored.
- h. MSBO Annual Conference sign-up available soon. Will be 25-28 simultaneous sessions. More boutique shops/industries are opening downtown Detroit.
- i. Call for MSBO Board of Director candidates—contact Darcie Birkett.

VII. Old Business

- a. None

VIII. Roundtable Discussion/Announcements

- a. Do other ISDs allow their 403(b) vendors to send blanket informational e-mails to staff?
No.
- b. Third party administrative contracted services—independent contractor vs. employee/employer relationship? Relationship to IRS amnesty for non-payment of FICA.
- c. Saginaw millage voted down 59-41. Bay-Arenac millage voted down 59-41. Macomb millage voted down 52-48.

IX. Adjournment.

Next meeting: December 15, 2011
 9:30 a.m. – 12:00 p.m.
 MSBO Offices, Lansing

Respectfully submitted,

Gus Damaske, Secretary