

**MSBO School Finance Committee Minutes**  
**Lansing, Michigan**  
**February 15, 2019**

**Attendance:**

President – Tim Berlin  
Vice-President – Michael Boensch  
Secretary – Stacey Viers  
Officer-Elect– Mike Klosowski  
Scott Little – MSBO  
Justin Uphold, Department of Labor  
Mitch Albers, MASB

**Call to Order:** Chairman Tim Berlin called the meeting to order.

**Legislative Update**

- State of the State Recap
  - Infrastructure emphasis (roads and clean water)
    - Changing sales tax to remove gasoline from that tax and implement a separate tax on fuel for road repairs – would impact the School Aid Fund
    - Potential for removing Higher Ed from School Aid Fund to make us whole, but MASB would be pushing for a guarantee
    - 4064 – Require school districts to test water for lead and remove lead fixtures, no funding attached. Tests for lead run \$18/sample. Tests for PFAS run close to \$1,000/sample.
  - Education
    - Three new scholarships
      - 2 years free community college all students
      - 2 years tuition assistance for 4-year public colleges for graduating high school seniors graduating with B average
      - Workforce continuing education
  - March 5<sup>th</sup> – budget presentation planned for governor’s proposal
  - House will begin taking up legislation next week
  - HB4162 – eliminate requirement to provide WorkKeys test
  - SB113 – forgiveness of days/hours that coincide with State of Emergency (retroactively applied to January/February)
  - Talk about increasing the # of days that the State Superintendent can waive
  - House K12 has met twice. First meeting was overview of MPSERS. We have probably not heard the end of the reform to pay down UAAL regardless of cost.
  - HB4025 – Dark Stores – Limit the deed restrictions for Big Box stores when they are moving these stores and deals with tax abatements and increasing taxable values for empty stores
  - HB4075 – Sinking funds to be used for buses. Would only apply to purchases of buses, could not be used for salaries of drivers or for costs of repairs to currently owned buses. Would have to put out a new ballot proposal if you have an existing sinking fund.
  - School Safety Legislation – Building upgrades would require the responding local police to come in and approve the plans. MDE and MSP will be providing guidance on this.

Would allow school boards to go into closed session to review school safety plans. Legislation failed to exempt from FOIA requirements however, so this will need to be cleaned up this year with additional legislation.

- Senate Fiscal Agency is looking at lower growth than they predicted in January, so the budget numbers to expect are still up in the air. In March we will be able to get a better idea of what to expect as far as funding increases
- ORS legislation that passed in Lane Duck – Custodians, bus drivers, and food service workers can come back to work for schools with no limit to pension amounts...but must come back as contracted services.

## Program

- US Department of Labor – Justin Uphold, Investigator
  - Fair Labor Standards Act Presentation
    - 50/50 investigation rate between complaint-based investigations and targeted investigations in industries or areas where they know there are high levels of violation but low complaint level
    - Potential for Joint-Employment relating to contractors
      - Using the 7-prong test to determine employment relationship
    - Schools are specifically named in the FLSA law, so there is no coverage “test” to determine if they need to comply with FLSA
    - Federal Minimum Wage = \$7.25
    - Employees must be paid for all hours worked
      - Includes time spent engaged to wait, on-call, in training, or traveling
      - Work not requested but “suffered or permitted” is work time
      - No “best practice” of policy to implement that can avoid problems with this
        - Suggestion – have employee leave the building or go to break room to avoid “working during lunch” for example
        - Have policies in place and enforce them
      - Federal law – does not require a break, but if not paying for the break it must be at least 30 minutes uninterrupted
      - Training time
        - Paid time UNLESS:
          - Outside regular work hours
          - Attendance voluntary
          - Course, lecture, meeting not job related, and
          - Employee does not perform any productive work
      - Travel time
        - Commuting is not paid time
        - Travel between job sites during normal work day is work time
        - Special rules apply to travel away from employee’s home community
      - Overtime
        - Regular Rate = Total Compensation / Total hours worked
        - Exempt
          - Professional
          - Managerial Duties

- \$455/week or hourly rate of at least \$27.63
  - Record keeping
    - Must keep written documentation for non-exempt workers to show hours worked
    - Does not need to be a “time clock”
  - Poster
    - Download at [www.dol.gov/oasam/boc/osdbu/sbrefa/poster/matrix.htm](http://www.dol.gov/oasam/boc/osdbu/sbrefa/poster/matrix.htm)
    - Request by phone 1-866-487-9243
    - Can print these off the website instead of buying the nice laminated posters
  - Section 14(c) – special needs employment program
- FLSA statute of limitations is 2 years unless violation is considered “willful” in which case the statute of limitations is 3 years
- Voluntary payment of back pay, otherwise Department of Labor will need to bring suit to obtain back wages and liquidated damages
- Employees may file private suit for back pay, liquidated damages, plus attorney and court fees.
- FMLA
  - Request form printed from DOL website
  - Rights and Responsibilities form
  - Medical certification – can require a second opinion at employer’s cost
  - 1,250 hours in the last 12 months. Look back 12 months from date of request (or 365 days)
  - Denial for incomplete forms are for clerical errors. You can’t deny it because the medical diagnosis is not in detail or you are requesting more medical information than is necessary.
  - When/if need for leave changes, you can request a recertification
  - Restore to the same job or equivalent job
- If employees are scheduled to work from a specific starting time to a specific ending time, but clock in early a few minutes and/or clock out a few minutes late
  - You can pay them actual work time regardless of when they clock in/out, but you need to maintain other records to show actual work time. Set work schedules can count

#### **MSBO Update – Scott Little**

- Cyber Security workshop – this coming Tuesday, February 19<sup>th</sup>
- Early Bird Registration for Annual Conference is going on currently
- VW grant for Electric bus – deadline is today February 15<sup>th</sup>
  - Funds announced on October 15<sup>th</sup>
  - If you apply and purchase a bus, be prepared to pay for it with other funds
  - Bus that is removed must have been driven a certain number of miles in the last two years
  - ISD’s can submit for a group of districts
  - Targeting specific geographical areas for funding (most highly-polluted areas)

- Water testing – MDEQ is offering a free plumbing profile and plan, train your staff to collect the samples and create a communication plan
- Upcoming Events:
  - March 8<sup>th</sup> – Facilities Committee Meeting in Ann Arbor at Balfour flood training site
  - March 13<sup>th</sup> – SNAM Industry Conference
  - March 26<sup>th</sup> – Transportation Committee Meeting in Lansing at Dean Transportation
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**Round table Discussion/Announcements**

- Julie Williams-Muz is running for the MSBO Board of Directors and had planned to attend this meeting, however was unable to attend. Her candidate profile was passed out.

Respectfully Submitted,

Stacey Viers, SFO  
Secretary