

MSBO School Finance Committee Minutes

Online Zoom Meeting

December 20, 2024

The meeting opened at 9:30am. Mark Mesbergen, Chairperson, welcoming 200+ attendees online.

Legislative Update – Eddie Kindle, Genesee ISD

- Discussed various legislation and current statuses including:
 - House Bill 6058
 - Passed in the House on Dec 13, 2024
 - Set a floor of 80% employer contribution for hard cap
 - Strong push to have the legislature provide a \$200M supplemental
 - 7% increase to hard cap for employer's share
 - If signed, this would likely be enacted as law in April
 - Senate Bill 1129 & 1130
 - Passed in the Senate on Dec 13, 2024
 - Expecting a lot of technical issues with this bill
 - If the Governor signs this, there will likely be a clean-up bill
 - House Bill 6060
 - Adjusts the pension system
 - Passed in the House on Dec 13, 2024
 - Sunsets automatic plan closure and locks in a person's retirement age
 - Allows employees who are currently in the defined contribution plan to change to the defined benefit program

PA 152 Legislative Update – Chris Glass, The Pool

- Discussed impacts of HB 6058
- Hard cap increase of 7% effective January 1, 2025
- All existing contracts are protected until they expire
 - Employees not under a CBA will require quicker compliance
- Law does not eliminate or sunset the hard cap
 - Entities must follow the new minimum 80% cost-share floor
 - However, the bill makes the new cost-share floor subject to the hard cap section
- Unsure if we will have to go retroactive to Jan 1 for a law likely to go into effect late March/early April
- New hard cap index – new amounts will increase annually based on “any change in the medical care component of the average of the Michigan health insurance rates as approved by DIFS or by 3% whichever is greater”

- Likely to go up 11.3% for 2026
- Caution to move slowly with this as it is **not** signed into law yet
 - Likely does not meet the threshold to offer another open enrollment

Minimum Wage and Sick Leave Requirements – Timothy T. Gardner, Jr. and Piotr M. Matusiak, Thrun Law Firm

- ESTA is expected to go into effect on February 21, 2025
 - Due to “adopt and amend” being unconstitutional with PMLA
 - Applies February 1, 2025 to all non-CBA employees and applies beginning on the stated expiration date in the CBA for all employees covered under a CBA
- Minimum wage increases coming
 - First increase on Jan 1, 2025 - \$10.33 to \$10.56
 - Effective increase on Feb 21 annually from 2025 to 2028
 - \$12.48 – 2025
 - \$13.29 – 2026
 - \$14.16 – 2027
 - \$14.97 – 2028

MSBO Update – Jason Helsen, MSBO Associate Executive Director

- Financial Strategies coming up; early bird pricing ends January 7
- Grant webinar series starts January 7; early bird pricing ends December 24
- Consensus Revenue Estimating Conference on January 10
 - Recap at joint School Finance/ISD Committee Meeting on January 17
- MSBO keeping tabs on legislation and will update members of anything of note

Roundtable discussion was offered

- Nothing was brought up.

Next meeting will be Friday, January 17, 2025, remote.

Mark Mesbergen, Chairperson, giving thanks to all.

Meeting adjourned at 11:34 a.m.

Submitted by:

Anna Wamack (Secretary)

Associate Superintendent of Facilities, Finance, and Operations, Midland Public Schools