

The Publicly Funded Health Insurance Contribution Act (PA 152 of 2011) was enacted to split the costs of health insurance between public-funded entities and their employees by either imposing a hard cap on contributions from the employer or splitting the costs of health insurance premiums 80/20 employer/employee.

BDL has opted out of this since it was enacted through our budgeting process. However, during recent training on this topic from the Library of Michigan, I was made aware of a requirement for [an annual formal vote to opt out](#):

By a 2/3 vote of its governing body each year, prior to the beginning of the medical benefit plan coverage year, a local unit of government may exempt itself from the requirements of this act for the next succeeding medical benefit plan coverage year.

Board President Jewell is of the opinion that our tacit approval in the budgeting process is not sufficient and that we should hold the formal vote on this issue annually. This should be done now, or next month at the latest, since the Act requires a vote before the new year's insurance plan goes into effect. BDL's health insurance coverage year starts in December.

The budget as presented in this packet is balanced and continues the decades-long practice at BDL for providing insurance coverage. If the Board opts to discontinue the opt-out, I have two requests: 1) that we do so a year from now, so that staff have more than 1 month to figure out their new financial picture; and 2) that the board adopts the 80/20 split rather than the hard cap.

Most publicly funded institutions that do not opt out use the 80/20 option, as it is more fair with respect to age and family size. For younger single persons, the hard caps might result in zero employee contribution while older employees with families in the same job category might have contributions in the thousands.

To make the 2/3 vote explicit, a roll-call vote is recommended.

Submitted by John Rucker