



REPORT

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Public School Employee Retirement System Revisions

As reported in the March 2010 Capitol Report, the Governor initiated a retirement reform proposal, which the Senate introduced as Senate Bill 1227 and substantially stripped before passing it. Among other things, they retained the hybrid plan for new employees; retained the 3% MPSERS contribution rate increase for all employees; and included a contracted employee contribution to the MPSERS equal to the health care portion. Since then, AFT Michigan has worked with the MEA and other unions, to negotiate with House Democrats to draft a proposal that would gain collective union support.

On April 27, Senate Bill 1227 (Sub. H-9) was discharged from the House Oversight and Investigations Committee, amended on the House floor, and passed by the full House. Then the Senate non-concurred in the House passed substitute and sent it to a conference committee. There, a group of three senators and three representatives will negotiate a final version of the bill. AFT Michigan supports Senate Bill 1227 as passed by the House. It is uncertain at this time if or when the conference committee will take action on this bill or what changes may be made.

Senate Bill 1227 (Gilbert, R-Algonac), as passed by the House, would make the following changes to the Michigan Public School Employees' Retirement System:

- require all school employees to contribute an additional 3% of salary to MPSERS to be deposited into a Section 115 trust and used for retirement health care;
- require that members making less than \$18,000 per year contribute an additional 1.5% of their salary to MPSERS for the fiscal year beginning October 1, 2010, and 3% of their salary for all fiscal years beginning on or after October 1, 2011;
- place all contracted employees, including all PSA employees, into the MPSERS system beginning July 1, 2010;
- require that districts contracting with third party contractors would pay into MPSERS based on those employee wages at the current MPSERS rate;
- allow retirees to work up to 50% for a maximum of 3 years;
- allow employees with an age and credited years of service in system combination totaling 80 to retire;

- provide a multiplier increase to 1.7% (x f.a.c. x years of service) for members who retire on or before July 1, 2010;
- provide a multiplier increase to 1.6% (x f.a.c. x years of service) for members who retire after July 1, 2010, but before October 1, 2010;
- cap final average compensation used for computing the increased multiplier at \$114,000 with remaining portion of final average compensation calculated at 1.5%; and
- allow members who have been on mental or physical disability leave to qualify for insurance without having to have worked either 1/10 of a year in each of the last five years or ½ year for each of the 2 years prior to retirement.

SB 1227, as passed the House, does not contain any of the following:

- 30-year cap on service credit;
- hybrid retirement plan for new employees;
- automatic reduction of MPSERS contribution rate; or
- loss of vision, dental, and hearing benefits.

Senate Panel Moves Health Care and Education Reforms

The Senate Committee on Reforms and Restructuring approved Republican-proposed reforms that make changes to public employee health care and competitive bidding for schools services. These bill were explained in detail in the March Capitol Report. They are all currently awaiting action on the Senate Floor.

Senate Bill 1046 (Jansen, R-Gaines Township) would require public employees to pay 20 percent of their health care plan.

Senate Bill 1047 (Sanborn, R-Richmond) would open up the state health care plan to local governments and schools.

Senate Joint Resolution P (Jansen, R-Gaines Township) is a constitutional amendment that would require any health benefits offered to state employees, local government employees and employees of public universities to conform to the cost allocations established by state law.

Senate Bill 1074 (Pappageorge, R-Troy) would require schools to competitively bid for custodial and food services.

Race to the Top – Second Round

The state's application for the next round of “Race to the Top” funding must be for less than \$400 million and is due on June 1. AFT Michigan has been working on this application with the Michigan Education Association, Michigan Association of School Administrators, Michigan Association of School Boards, Michigan Department of Education, and Michigan State University .

The application is to be completed for State Board approval on May 11, and **local school districts have to sign new memoranda of understanding agreeing to participate in the program by May 20**. The federal government has decided that only teacher locals will be asked to sign the MOU, not AFT Michigan. At this point we do not have the information necessary to determine if we will suggest teacher locals consider signing the MOU. As with the first application, we will keep you up to date.

Independent Contractors to Contribute to MPERS

House Bill 6005 (Sub. H-1) (Melton, D-Auburn Hills) would require that beginning October 1, 2010, a retirant who works as an independent contractor for a reporting unit, or who contracts with third parties to work for a reporting unit, contribute to the Public School Employees Retirement System an amount determined by the system, during the contract period.

A “reporting unit” is defined at a public school district, intermediate school district, public school academy, tax-supported community or junior college, or any agency having employees on its payroll who are members of this retirement system.

House **Bill 6005** has been approved by the House Education Committee and is current awaiting action on the House floor.

Allow Districts to Share Superintendents

House Bill 6008 (Brown, R-Fawn River Township) and House Bills 6009 & 6010 (Lahti, D-Hancock) would allow a school district, instead of directly employing a superintendent of schools, to contract with its intermediate school district for the intermediate superintendent to serve as the district superintendent. Alternatively, an ISD could provide another person to serve as superintendent for the local school district.

House Bill 6009 is tie-barred to House Bills 6008 and 6010, meaning that it could not go into effect unless the other bills also were enacted into law. These bills have been approved by the House Education Committee and are currently awaiting action on the House floor.

Anti-Bullying Policies for Schools

House Bill 4580 (Byrnes, D-Chelsea) would require schools to adopt a policy that prohibits harassment or bullying at school. Under the bill, all schools (including local districts, intermediate districts, and charter schools) would have six months from the effective date of this law to adopt and implement a policy prohibiting bullying and harassment at school.

The bill specifies that the legislature encourages schools to include in its policy provisions concerning education, parental involvement, reporting, investigation, and intervention. Under House Bill 4580, schools would be required to hold at least one public hearing on the proposed policy (a hearing which could be held as part of a regular board meeting).

After adopting a policy, schools would be required to submit it to the Department of Education within 30 days. Within a year following the deadline for the submission of school policies, the Department of Education would submit a report to the Senate and House standing committees on education summarizing the implementation status of the harassment and bullying prevention policies.

"At school" would be defined as in a classroom, elsewhere on school premises, on a school bus or other school-related vehicle, or at a school-sponsored activity or event whether or not it is held on school premises. "At school" includes using a telecommunications access device or telecommunications service provider that occurs off school premises if the telecommunications access device or the telecommunications service provider is owned by or under the control of the school district or public school academy.

"Bullying or harassment" means abuse of a pupil by one or more other pupils in any form. The term includes, but is not limited to, conduct that meets any of the following:

1. substantially interferes with educational opportunities, benefits, or programs of one or more pupils;
2. adversely affects the ability of a pupil to participate in or benefit from the school's educational programs or activities by placing the pupil in reasonable fear of physical harm or by causing emotional distress;
3. is reasonably perceived to be motivated by animus or by an actual or perceived characteristic.

House Bill 4580 is expected to be approved by the House Education Committee April 29, 2010.

School Elections Consolidation

Senate Bills 751 - 756 (Brown, R-Fawn River Township; Switalski, D-Roseville; Kahn, R-Saginaw) would cut school board election dates in half in an attempt to save tax dollars. This six-bill package would discontinue February and May elections for schools. Under these bills, school districts would no longer have to pick up the cost of an election because another government entity will pay the tab.

Senate Bills 751 - 756 would end August elections for schools in **Macomb, Oakland and Wayne Counties** and limit schools to scheduling August elections in the rest of the state for only the August primary in even-numbered years when state offices are already on the ballot.

Senate Bills 751 - 756 would:

- Require school districts, as a rule, to hold their regular elections for school board members at the general November election or the even-year August election, beginning March 31, 2011.
- Permit a school district to hold its regular election at the odd-year general election if one or more cities in the district that contained a majority of the district's electors conducted an odd-year general election.
- Permit a school district that, before the bill's effective date, held its regular election at the odd-year general election to continue holding its regular election at that time, if it adopted a resolution before March 31, 2011.
- Require a district to hold its regular election at the even-year August election if it failed to adopt a resolution to hold its regular election on a date in compliance with the law.
- Prohibit a school district from changing the date of its regular election after March 30, 2011.

This bill package has passed the Senate and is now before the House Committee on Ethics and Elections.

Sex Education Revisions

House Bill 5163 (A. Smith, D-Ypsilanti) specifies that sex education instruction would have to include comprehensive sexuality education that is factual, medically accurate, objective, and age appropriate. The bill would also make the following revisions:

- Change several references to "sexually transmitted diseases" to instead refer to "sexually transmitted infections."
- Delete a provision stating that the sex education class be elective and not a requirement for graduation.
- Require that instruction be by teachers qualified to teach "sexuality education" rather than "health education."
- Require all school districts to create a sex education advisory board.

Current law requires a discussion of the benefits of abstaining from sex until marriage and the benefits of ceasing sex if a pupil is sexually active. The bill would revise this provision to instead require a discussion of the benefits of abstaining from sex until marriage and the benefits of protecting oneself if a pupil is sexually active, and would require that the tools to make informed and responsible decisions be provided.

Numerous provisions would not be altered by the bill, including a provision requiring parental notification, access to course content, and right to have a child excused prior to a pupil's enrollment in a class in which the subjects of family planning or reproductive health are to be discussed.

House Bill 5163 has passed the House and is currently awaiting action before the Senate Education Committee.

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