

RFT FORUM

May 2011

WE ARE THE UNION

By: Gary Scheff

What can I do about the trouble in Lansing?

10 easy things you can do:

1. Email your State Senator and House Representative.

Get them to recognize your name

2. Go to their Office hours and “Coffees”

Tell them your story how the cuts impacted Roseville. Get them to know your FACE.

3. Go to a protest. There is nothing like going to a protest to see the energy in the crowd.

4. Sign up for AFT action alerts.

5. Donate to COPE/PAC. Let's get these politicians out of Lansing forever.

Buy some 50/50 Tickets at the party or from your building rep.

AFT-MI is running a media campaign—let's get the RFT to pay for a commercial.

6. Talk to friends and family about what the cuts will do. This will help them become better informed voters.

7. Attend General Membership meetings.

8. Join and post on the RFT email list and look on the new RFT forums

Email Nancy Creech or Marsha Boylan for help in getting started.

9. Go to the Labor Day parade in Detroit. We can march from Wayne State down Woodward to the river; it does not take up the whole day.

10. Encourage a friend to join you in these tasks.



Negotiations

These are tough times for all. I understand completely the anxiety all this raises. These things take time. We would like a real budget in place by June 30th so we do not have to lay off an unnecessary number of teachers just to “cook the books” and avoid the possibility of an emergency financial manager. I know it is stressful for everyone, regardless of where they all on the seniority list. We are meeting with administration once a week. When the high school scheduling is adjusted, these meetings will be more frequent.

8 million is a tough pill to swallow, but if we had not lost 400 students last year we would be nearly in the black.

Social

The end-of-the year party is June 3rd. Lutheran Hall (Aurora St.) in Eastpointe 3-7 p.m. This may be the last party in RFT history. We will be raising money for COPE/PAC by having a 50/50. If you go, donate generously, it will go to a good cause. The party will not be as fancy as in years past, but we all need a little to let off some steam as a union. Next year we will ask the membership to vote on whether or not to hold any parties.

Retirement

If you plan on retiring let Becky Vasil's office know ASAP. We need to get an accurate count so we do not have as many layoffs.

Leaving School Employment

By: Lahoma Jones

Education funding, enacted and potential legislation from Lansing, and district budget cuts make this a tenuous time for teachers. Many of our members have been or may be laid off. Others may be looking to other avenues of employment for security reasons. No matter how many years of seniority you may have there are several things to consider should you leave public school employment prior to retirement.

All **Member Investment Plan (MIP)** members and some Basic Plan members have had personal contributions withheld from their wages and deposited into the office of retirement system (**ORS**). If you purchased any service credit, the amount paid is also considered part of your personal contributions. Normally, these contributions help fund your future retirement.

If, however, you leave public school employment (willingly or unwillingly) before you are eligible to retire, you have some options regarding what to do with your retirement account. You can leave your personal contributions on hold, or you can request a refund of the money you have paid into your account. One of the biggest factors in your decision should be whether you are 'vested' or not.

Not Vested

If, when you leave school employment, you are under the age of 60 and have less than 10 years of service, you are NOT eligible for a monthly pension benefit.

'You can leave your contributions on deposit and they will continue to earn annual interest. OR you can request a refund (or transfer your contributions to another qualified retirement plan) at any time after you leave employment.

Consider these things BEFORE you request a refund:

- All service credit is forfeited. If you withdraw from the system, all corresponding service credit is eliminated.
- Reinstating service. If you return to public school employment, you will start over with no service credit, UNLESS you repay the amount that was refunded to you.
- All or none. You cannot request a partial refund.
- Taxes and penalties. A refund may be subject to federal tax withholding or penalties, as required by the IRS. Talk with your tax advisor.
- Consider a plan-to-plan transfer. You can transfer your contributions to a qualified tax-deferred savings plan to avoid taxes and penalties. Talk to your tax advisor.

Before making your final decision, consider your future plans and goals. If you return to Michigan public school employment, your previous service will count toward monthly pension benefits, IF you leave your contributions on deposit. Also, if you gain employment with another Michigan public employer, your contributions may help you qualify for future retirement benefits through that agency.



Good Things Happening

- Steenland is going to host its first MEAP Hall of fame to recognize students who achieved a 1 on the test.
- Steenland’s “Science Night “– Cranbrook came to host children and their families. Students made slime, dug for animal bones, built towers and did various other science experiments.
- Steenland has achieved Green School status. The wind turbine is up and running. There was an official ribbon cutting ceremony earlier this spring.

RDI Grant Awarded

- During the 2010-2011 school year Roseville Middle School has applied for and was awarded the Regional Data Initiative grant (RDI) twice. The RDI grant Phase I was used to purchase a Data Director scanner for the building. The second grant, Phase II was used to train teachers on how to enter exams, tests, and analyze data in this program. As part of both phases, Cheryl Yuschak, English teacher/Technology Chair, presented at the Data to Inform Instruction Fall and Spring Symposium.

Congratulations to the Teachers of the Year for 2010—2011

- Margaret Burd is the Elementary Teacher of the Year. She teaches the Upper El. Impaired room at Steenland.
- Jennifer Rose is the Middle School Teacher of the Year. She teaches English at RMS.
- John Stanton is the High School Teacher of the Year. He teaches Math at RHS.

Officers

President.....	Gary Scheff	RHS
Executive Vice President	Susan Steinbacher	Steenland
Elementary Vice President	Lahoma Jones	Kaiser
Secondary Vice President	Jennifer Rose	RMS
Secretary	Vivian Knapp	RMS
Treasurer	David Skidmore	RHS

Building Representatives

Dort Elementary	Michelle Nemitz & Jennifer Sedmak	
Fountain Elementary	Kathy Dworman & Kathy Hartsig	
Huron Park Elementary	Patti Buhlinger & Connie Burton	
Kaiser Elementary	Stasi Earl & Terri Simants	
Kment Elementary	Carolyn Collins & Craig Williams	
Patton Elementary	Denise Cozzolino	
Steenland Elementary	Nancy Creech & Linda Bradley	
Eastland Middle	Joe Herbertson & Shelly Servis	
Roseville Middle	Cathy Garant & Craig Goff	
Roseville High	Dawn Bonenfant, Dennis Borse, Sue Radtke, John Reinowski & Bob Smitka	
Special Education	Rebecca Naghski	Huron Park
Elementary Paraprofessional	Cathy Nonastero	Huron Park
Secondary Paraprofessional	Lois Arnott	RHS
Community Presence	Joyce Muszall	Huron Park
Newsletter	Linda Bradley	Steenland
PAC Chairperson	Dave Clulo	RHS
Social Chairpersons	Brian King & Mike Zimmer	RHS RHS
Educational Issues Coordinators ..	Cindy Welc & Amy Serra	RHS Patton
Central Sick Leave Bank	Lois Arnott	RHS
Communications Chair	Janis Litz	Dort

Thinking About Retiring?

By: Lahoma Jones

Many of our members took advantage of the retirement enticements offered by the State of Michigan last year. Several of us, no matter how we added up the numbers, could not take advantage of the offer.

There is an abundance of information, including tutorials, on the ORS website: www.michigan.gov/orsschools



A Money Saving Idea

By: Jannis Litz

Our district offers Flexible Spending plans as a way to save money. Officially called a Section 125 Plan, it provides tax saving by allowing you to take money out PRE-TAX for some expenses. This money can be used for out-of-pocket health care expenses, such as co-pays for appointments and prescriptions. Dependent care expenses, like daycare, can also be taken out pre-tax.

This is one way to save money, and lower your taxable income. A Flex Plan is a way for employees to lower W-2 Wages. Participating employees avoid federal, state, local, and FICA taxes on FSA (Flexible Spending Account) dollars.

To get started, figure out how much you pay out-of-pocket annually for medical or licensed childcare expenses. Divide this by the number of paychecks to determine how much will be deducted per pay. This money is available for reimbursement from the start. When you incur a medical expense, the receipt is sent for reimbursement.

The reimbursement process is easy with technology. You can mail in your receipts and wait for a check. Or, you can fill out a form online, upload the receipts, and receive your reimbursement as a direct deposit in as little as a week (from personal experience).

Health Plans: What does it mean to be Self Insured?

By: Jennifer Rose

Healthcare coverage is a concern to us all. Many questions have risen about Roseville Community Schools being self-insured, and what that means.

1. What does it mean to be "Self-Funded" or "Self-Insured"?

According to Benefit Source, "the employer puts aside funds to pay anticipated health insurance claims for their employees, instead of paying a premium to a health insurance carrier." This means Roseville Community Schools pays for each claim as it is incurred instead of paying a fixed premium to an insurance carrier. This saves Roseville Schools money since they are not subject to health insurance premium taxes like "Fully-Insured" plan participants. (Fully-Insured plans involve paying a per-employee premium to an insurance company, and the insurance company assumes the risk of providing health coverage for insured events.)

2. What are some advantages of "Self-Funding"?

- Claims are paid as they come due rather than funding them through advance premium payments. Roseville Community Schools pays claims directly and avoids the cost of "claim reserves". (A reserve amount is set by an insurance company through a prediction of the amount of money that a claim will cost.)
- Roseville also saves money because they pay the insurance company's administrative costs on a "per person basis". Self-insured employers are hoping that employees won't, in great numbers, use the benefits as fully.

3. What are some disadvantages of Self-Funding? According to Medical Risk Managers, there are several drawbacks.

- The employer assumes the risk between the expected claim level and the Stop Loss coverage level. Stop Loss coverage is an insurance policy that a self-funded employer purchases in order to protect against catastrophic loss. It provides protection for the employer against a high claim on any one individual.
- Monthly claim costs can vary. Roseville Community Schools doesn't know how much the pay-out will be from month to month.

PRESCRIPTIONS

By: Susan Steinbacher



Prescription drugs can be costly. In an attempt to keep medical costs down, Blue Cross Blue Shield of Michigan, promotes the use of generic drugs. According to the FDA "Generic drugs are important options that allow greater access to health care for all Americans. They are copies of brand-name drugs and are the same as those brand name drugs in dosage form, safety, strength, route of administration, quality, performance characteristics and intended use".

Most insurance companies organize their formularies (a list of preferred medications) into three tiers or levels. Roseville Community Schools offers three tiers of prescription drug coverage.

Generic is a duplicate of a brand name drug. It is the least expensive choice with the lowest cost to the district and for the employees.

Brand name medication is exactly that. There is no generic form available (the drug is still under patent). This is a higher cost to the district and for the employee.

Non-Formulary medication has a generic or a lower cost brand name medication available. This medication is the highest cost to the district and has the highest co-pay for the employee.

If you have any questions about medications on our formulary please refer to the Blue Cross Blue Shield of Michigan website or call them directly.

Perspective From a Twenty Plus Year Elementary Teacher

By: Craig Williams

Over the past five years, or so elementary teachers have been directed to do more duties. These duties include more record keeping and more testing. Unfortunately, this has also come at a time when preps have been cut, and there is little money for training. This sadly, is the nature of the beast. As times get tough and people and programs are cut, there are more demands on our time as teachers.

Despite all of the positives associated with it, technology has created many of these extra duties. As we get more familiar with this technology and the bugs are weeded out, it will save us time. Increased testing has been created by government programs that require it for evaluation and funding. This too, is out of our control. The union is well aware of these issues and is very sympathetic. However, at this time, these issues are not contractual items. They are directives that must be followed.

The general public over the years has developed a negative attitude towards education and educators. These types of complaints are just what they are saying about us. "You, teacher, are saying you are over worked, when you work 185 days a year, get summer vacation, get all holidays off and are making \$80,000 a year. You want breaks every day and think more of what you have to do then what is best for the students." As harsh as this sounds, this is what is being said by the media and the general public. As a union member, and a union as a whole, we should realize that these concerns or gripes are just that. They are not contractual issues. When times are tough, tough decisions have to be made.

Let us not forget about the past. In the 1970's all elementary "specials" were taken away. "Special" teachers were then moved into teaching positions according to seniority. Things could get a lot worse in the foreseeable future. We may not be happy about what will happen or what duties we have to do, but the fact is, it's part of the job.

The union has to decide which battles to fight. They have to have a set of main goals. These goals are the big issues. They are trying to save jobs, save insurance, maintain our salary structure, teacher evaluations and pension. These are the exact things that our government is going after. I believe our union officers see this big picture and are working hard to save what they can. Much of their valuable time is taken up by some of our smaller concerns. I am not saying that they are not concerns, but sometimes we have to look at the big picture. We need to get a grip on what the real concerns are. We need to put these concerns in perspective. What battles do we really want to fight?

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We have a long fight ahead of us and we all need to do this together. The division between elementary, middle and high school has to end. We should all focus on the main goals of our Union. We need to work together to achieve what we deem as important. We need to stop comparing ourselves with others and complaining about who gets what and who works harder. We have enough people out there who want to bring us down. We cannot and should not do it to ourselves. Always remember the past and get ready to fight for the future.

Emergency Manager Given Unprecedented Powers

Information from the AFT Website

On March 16, Governor Snyder signed the final piece of the six-bill package which, among many other things, allows an emergency manager to dissolve collective bargaining agreements. The bills passed in the Senate with a straight party-line vote. The package was passed in the House with a 62-48 vote, with Representative Dale Zorn (R-Ida) joining the Democrats in opposition to this legislation. ***These bills now become Public Acts 4 - 9 of 2011.***

House Bill 4214 (*Public Act 4 of 2011*) creates the "Local Government and School District Fiscal Accountability Act," which provides for the review, management, and control of the financial and other operations of a local government (*a municipal government or a school district*).

This article concentrates on law changes specific to school districts. You can review the entire act on them Michigan Legislative website at: [http://www.legislature.mi.gov/\(\(lr0fpg55ce3pcy455ysp2b55\)\)/](http://www.legislature.mi.gov/((lr0fpg55ce3pcy455ysp2b55))/), (then type in HB 4214 for the bill number). **Public Act 4 of 2011, contains the following provisions:**

Preliminary Review

- This law allows the State Financial Authority (*State Superintendent of Schools for school districts*) to conduct a preliminary review to determine the existence of a local government financial problem under certain circumstances.

Preliminary review triggers include:

- A written request from the governing body or the chief administrative officer of a local government
- A written request from a creditor with an undisputed claim that ***remains unpaid 6 months after its due date*** against the local government that exceeds the greater of \$10,000.00 or 1% of the annual general fund budget of the local government, provided that the ***creditor notifies the local government in writing at least 30 days before his or her request*** to the state financial authority of his or her intention to submit a written request under this subdivision.

●A petition containing specific allegations of local government financial distress signed by a number of registered electors residing within the local government's jurisdiction equal to not less than 5% of the total vote cast for all candidates for governor within the local government's jurisdiction at the last preceding election at which a governor was elected. Petitions shall not be filed under this subdivision ***within 60 days before any election of the local government.***

●A written notification that a local government has not timely deposited its minimum obligation payment to the local government pension fund as required by law

A written notification that the local government has failed for ***a period of 7 days or more after the scheduled date of payment*** to pay wages and salaries or other compensation owed to employees or benefits owed to retirees.

●A written notification from a trustee, paying agent, bondholder, or auditor engaged by the local government of a default in a bond or note payment or a violation of 1 or more bond or note covenants.

●A resolution from either the Senate or the House of Representatives requesting a preliminary review under this section

●A local government has violated a requirement of, or a condition of an order issued pursuant to, former 1943 PA 202, the Revenue Bond Act of 1933, 1933 PA 94, the Revised Municipal Finance Act, 2001 PA 34, or any other law governing the issuance of bonds or notes.

●A local government has violated a requirement of sections 17 to 20 of the Uniform Budgeting and Accounting Act, PA 2 Of 1968.

●A school district, the school district fails to provide an annual financial report or audit that conforms with the minimum procedures and standards of the superintendent of public instruction and is required under the revised school code, PA 451 of 1976, and PA 94 Of 1979.

●A local government is in breach of its obligations under a deficit elimination plan or an agreement entered into pursuant to a deficit elimination plan.

●A court has ordered an additional tax levy without the prior approval of the governing body of the local government.

●A school district ended its most recently completed fiscal year with a deficit in 1 or more of its funds and the school district has not submitted a deficit elimination plan to the state financial authority ***within 30 days after the district's deadline for submission of its annual financial statement.***

- A local government has been assigned a long-term debt rating within or below the BBB category or its equivalent by one or more nationally recognized credit rating agencies.
- The existence of other facts or circumstances that in the state treasurer's sole discretion for a municipal government are indicative of municipal financial stress, or, that in the superintendent of public instruction's sole discretion for a school district are indicative of school district financial stress.
- Before conducting the preliminary review, the State financial authority would have to give the local government specific written notification. Elected and appointed officials would have to provide prompt, full assistance and information requested by the State financial authority. ***The review would have to be completed within 30 days.***

Review Team

- The Governor must **appoint a review team** if a finding of probable financial stress is made. *(The review team for a school district would consist of the State Treasurer or his or her designee, the Director of the Department of Technology, Management, and Budget or his or her designee, a nominee of the Senate Majority Leader, a nominee of the Speaker of the House and the Superintendent of Public Instruction. The Governor could appoint other State officials or individuals with relevant professional experience.)*
- With the approval of the State Financial Authority, the review team can appoint an individual or firm to carry out the review and submit a report to the team for approval. The Department of Treasury can enter into a contract with the individual or firm respecting the terms and conditions of the appointment.
- The review team must **report within 60 days** that the local government is ***not in financial stress, is in mild financial stress, or is in severe financial stress*** (and a consent agreement has or has not been adopted); or that a ***financial emergency exists***. The State Treasurer would have to send a copy of the report to the chief administrative officer and the governing body of the local government, the Senate Majority Leader, and the Speaker of the House, as well as the State Superintendent if the local government were a school district.
- The Governor must make a similar determination after receiving the review team's report and, following the opportunity for a hearing, **confirm or revoke a determination that a financial emergency exists.**

Consent Agreement

- The review team is authorized to negotiate and sign a consent agreement with the local government's chief administrative officer, which must be approved, by resolution, by the governing body of the local government and executive by the State Financial Authority.

- *The State Treasurer, in a consent agreement, may grant local officials the powers prescribed for an emergency manager, except the power to reject, modify, or terminate CBAs.*
- ***Beginning 30 days after a local government entered into a consent agreement,*** the local government will not be subject collective bargaining requirements during the remaining term of the agreement, unless the State Treasurer determined otherwise.
- The consent agreement may include either a continuing operations plan or a recovery plan. If the State Treasurer required a consent agreement to include a **continuing operations plan**, the local government would have to prepare and file that plan with the State Treasurer.
- The State Financial Authority (*State Superintendent of Schools*) would have to **approve or reject it within 14 days**. If the plan were rejected, the local government could file an **amended plan within 30 days**.
- If the amended plan were rejected, the local government would be considered to be in **material breach** of the consent agreement. A material uncured breach of a consent agreement **will result in receivership**.

Determination by Governor

- ***Within 10 days after receiving a review team's report,*** the Governor must determine if a local government is in severe financial stress.
- If the Governor determined that a financial emergency existed, the governing body and chief administrative officer of the local government will be given a written notification of that determination and notice that the chief administrative officer or the governing body has **seven days to request a hearing**.
- After the hearing, the Governor has to confirm or revoke the determination of the existence of a financial emergency.
- If confirmed, the Governor has to give a written report to the governing body and chief administrative officer.

Within 10 days, the local government could appeal the determination of a financial emergency to the Ingham County Circuit Court, by resolution adopted by a vote of two-thirds of the members of the local government's governing body.

- When a finding of a financial emergency is confirmed, the Governor is required to **declare the local government in receivership and to appoint an emergency manager**.

- The emergency manager's compensation and reimbursement for actual and necessary expenses shall be paid by the local government and shall be set forth in a contract approved by the state treasurer. The contract shall be *posted on the Department of Treasury's website within 7 days after the contract is approved by the state treasurer.*

Emergency Manager

- A currently serving emergency manager may continue to serve under this new law. **The duty to bargain in PERA shall remain in force for sixty days.**
- The emergency manager must develop a financial and operating plan for the local government, and for school districts, an academic and educational plan.
- The emergency manager's plan must provide for, among other things, the **modification, termination, or renegotiation of contracts.**
- The emergency manager may **reject, modify, or terminate the terms** of an existing contract.
- After meeting and conferring with appropriate bargaining representatives, the emergency manager may reject, modify, or terminate the terms of the **existing collective bargaining agreement if certain conditions are met (Section 19k).**
- The emergency manager may order **millage elections, borrow funds, and apply for a loan from the state.**
- The emergency manager's authority to *sell assets* is limited to less than \$50,000, without State Treasurer's approval.
- The emergency manager must submit contracts valued at \$50,000 or more to *competitive bidding*, except as authorized by the State Treasurer.
- The emergency manager is required to adopt a two-year budget (including all contractual and employment agreements) for the local government before the receivership terminated.
- The emergency manager must post a report containing financial plan, expenditures, contracts, and emergency manager compensation, etc., every three months beginning six months after their appointment.
- An emergency manager serves at the *pleasure of the Governor* but will be subject to impeachment by the Legislature as provided in the Constitution.

- An emergency manager is allowed to recommend to the Governor and the State Treasurer that a local government be allowed to proceed **under Federal bankruptcy law**. The recommendation to the Governor and State Treasurer must include a determination by the emergency manager that ***a plan in effect for at least 180 days*** cannot be implemented as written or as it might be amended in a manner that can satisfactorily rectify the financial emergency in a timely manner.

The chief administrative officer and governing body members' ***salary and benefits will be eliminated*** during a receivership, except as restored by the emergency manager.

- The local governing body and chief administrative officer cannot exercise any of the powers of those offices during the receivership.

A local government in receivership is exempt from collective bargaining requirements for five years or until the receivership is terminated, whichever occurs first.

House Bills 4216, 4217, and 4218 (*Public Acts 5, 6, & 7 of 2011*) amend the Revised Municipal Finance Act, the Michigan Election Law, and the Home Rule City Act, respectively, to replace references to the Local Government Fiscal Responsibility Act with references to the proposed Act.

Senate Bill 157 (*Public Act 8 of 2011*) provides that if a school included on the list of lowest-achieving 5% of public schools is operated by a district in which an emergency manager is placed under the Local Government and School District Fiscal Accountability Act (created by House Bill 4214), the Superintendent of Public Instruction ***cannot place*** that school under the supervision of the State School Reform/Redesign Officer.

Senate Bill 158 (Public Act 9 of 2011) amends the *Public Employment Relations Act (PERA)* to do the following:

- Require all new *collective bargaining agreements* between public employer and public employees to include a provision allowing an emergency manager to reject, modify, or terminate the collective bargaining agreement.

Also state this provision is a prohibited subject of bargaining.

- Specify that *collective bargaining agreements* may be rejected, modified, or terminated pursuant to the Local Government and School District Fiscal Accountability Act.
- Provide that the PERA does not confer a *right to bargain* that will infringe on the exercise of powers under the "Local Government and School District Fiscal Accountability Act."
- Exempt a local government from *collective bargaining* requirements during the term of a consent agreement as provided in the "Local Government and School District Fiscal Accountability Act," unless the State Treasurer determines otherwise.