

The following attacks are all coming at MEA members. But none are law...YET. Right now, they're just proposals and bills – bad ones at that. It will take collective action by MEA members to keep these bad ideas from becoming law. To stop these attacks, we all have to work together toward a common goal – securing adequate, equitable and stable funding for public schools. We have to speak with one voice – **ENOUGH IS ENOUGH.**

1. “Forced” retirement and cuts to retirement benefits

Senate Bill 1227 & House Bill 5953 would:

- Coerce up to 40,000 school employees to retire, forcing them to choose between a minor increase in pension payments or penalties if they stay.
- Penalize those who keep working with a 3 percent increase in employee contribution, and eliminating dental and vision retirement benefits and capping service credit at 30 years.
- Put new hires into a blended retirement system, leading to fewer benefits.

FAQs:

What’s the real impact of these bills?

Aside from forcing out thousands of school employees before they are ready to retire, the bills would impose a new 3 percent “tax” (in the form of higher contributions) on the salary of school employees. That’s \$300 for every \$10,000 you earn – or a total of almost \$200 million per year taken out of school employees’ wallets. The bills also cap service credit at 30 years and drop dental and vision insurance for anyone who retires after Oct. 1, 2010.

What is the difference between defined benefit and defined contribution retirement plans?

Defined benefit plans guarantee a particular pension amount to be paid out to you in retirement. Defined contribution plans only guarantee the money going IN to your retirement savings – not what comes OUT once you retire. What you get in retirement is subject to the stock market and other risk factors that you are subject to, instead of your employer.

What’s a blended retirement system for new hires employed after Oct. 1, 2010?

It will be a reduced pension plan that’s a combination of a defined benefit plan and a defined contribution plan. The defined benefit plan will no longer allow for the purchase of service credit. The pension would be based on the average compensation during nine consecutive years of employment, rather than the best three consecutive years used now.

When do I have to decide whether or not to retire?

In the introduced bills, the application period runs from April 15, 2010 to May 15, 2010. Written application can be withdrawn on or before May 31, 2010. After that the application is irrevocable. But please remember, **these bills are not yet law.** Retirement decisions should not be made one way or the other based on something that is still just an idea in Lansing.

2. Shifting costs and reducing benefits for school employee health insurance

- SB 1046 would require school employees to pay 20 percent of their health insurance premiums—including higher co-pays and deductibles—regardless of what they’ve already negotiated locally, including higher co-pays and deductibles.
- HB 5345 would enact Speaker Dillon’s mandatory health insurance pool for public employees, despite research that shows it would actually cost more than it would allegedly save.

FAQs:

I’m already paying for my insurance – would I have to pay more?

If you’re paying less than 20 percent of your premium—yes. The 20 percent premium share would be in addition to higher copays and/or deductibles that almost all MEA members currently pay.

Under Dillon’s plan, could I keep my current insurance?

Unlike the federal insurance reforms that would let you keep your current insurance, the Dillon plan would require you to be in one of the plans chosen by state bureaucrats.



3. Outsource/privatize education support professional jobs

- SB 1074 would require that custodial, food service and transportation services in a school district be put out for competitive bid by June 2010, essentially mandating the outsourcing of most ESP jobs.
- SB 1229 mandates all pupil transportation be turned over to the ISD no later than July 1, 2010. The ISD would either provide the service or outsource it.

FAQs:

I'm a teacher – why should I care?

The current law that restricts privatization of instructional services could be changed by lawmakers – the simple fact is that you are only a few votes and one signature away from getting privatized yourself. If one classification of school employees can be privatized with new legislation, they could come after you next. With school districts desperately looking to save money, every job eliminated or privatized means money saved – regardless of the cost to the students or the community. We have to stand together to protect all of our jobs.

Can we demand to bargain over privatization?

We can demand to bargain over the bidding process—how and when bids are submitted; whether or not you have access to request for proposals (RFPs), etc.—but not the actual decision whether or not to privatize and the effects it would have on current employees.

Who would I be working for?

You would either be an ISD employee if it's providing transportation, or you would work for a private company if the ISD is outsourcing services and that private company hires you.

Could I still belong to the MEA?

Yes, if the ISD transportation employees are MEA members or if those employees become MEA members through a subsequent election or voluntary recognition by the employer.

How does consolidation fit in to all this?

Consolidation and shared service plans have to be submitted to the Michigan Department of Education under current budget law. Those plans could mean combining districts, sharing administrators, and/or sharing non-instructional support service employees. If the MDE's history is any indicator, there's very little consolidating or sharing of administrators. But there's been plenty of forced elimination and/or outsourcing of support service employees and their jobs.

4. Control school employee salaries – bypassing bargaining rights

- Senate Joint Resolution U (SJR U) calls for a constitutional amendment that mandates a three-year, 5 percent pay cut for all public employees.
- Senate Bill 1148 would limit superintendent salaries to the governor's salary (\$177,000) and put a cap on teacher salaries at those of legislators (\$79,650).

FAQs:

I already took a wage cut or a freeze – would this 5 percent cut still apply to me?

Your cut would move to 5 percent. So, if you already took a 2 percent cut, you'd take another 3 percent hit if SJR U becomes law.

Would my salary move up to \$79,650 under SB 1148?

We wish—but no. It would simply artificially cap your salary at that of legislators (regardless of their training and job performance), not set a new standard.

5. Arbitrary school spending limits that undermine local control and collective bargaining

- Senate Bill 1073 would cap school spending on “supporting services” at 28 percent. Those services include a host of activities that are essential to quality education, such as counseling services, psychologists, social workers, speech therapy, transportation, custodial, food service and more.

FAQs:

I thought the 28 percent cap was on “administration”?

That's a common misconception being pushed in the media. But the way the bill is written, it clearly targets many more people than just administrators.

All this is on top of the constant attacks you are already experiencing locally, including:

- Salary and benefit concessions
- Contract reopeners
- Layoffs
- Program cuts
- Privatization
- RTTT
- NCLB

And the list goes on. It's time to stand up and say **ENOUGH IS ENOUGH!**