



A Union of Professionals

AFT Michigan
AFL-CIO

REPORT

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Lobby Day 2009 - Huge Success

We want to thank our members and staff for making "Lobby Day 2009" a huge success! A record number of members (232) registered to attend, representing 36 of our K-12 teachers and support staff, intermediate school districts, and higher education locals throughout Michigan. This gave legislators a good view of all aspects of public education within AFT Michigan.

Sixty-six legislators planned to attend the luncheon with our members, unfortunately, several house and senate committee meetings ran longer than expected, delaying or preventing some of them from joining us for lunch.

Thank you to our members for their PAC contributions totaling \$1,321. This does not include the money raised by Crawford AuSable Teachers, who presented their check at the event.

If you took nothing else away from Lobby Day, we hope you realize how important it is to communicate *continuously* with legislators so they are aware of what you need to better prepare Michigan's students to become productive citizens.

It is extremely effective to personally contact your Legislators and invite them to lunch. They need to know you are here in Lansing and waiting to talk to them! You will have better legislator attendance if you personally contact your legislators before Lobby Day next year.

Foundation Allowance Cuts Likely for 2010:

At Lobby Day 2009, **Senator Ron Jelinek (R-Three Oaks)**, chair of the Senate Appropriations Committee, told our members that there is **an 80-percent chance that K-12 foundation grants will be sliced next fiscal year**. Even though cuts were avoided this year because of federal stimulus money, he warned that would not be the case next year.

The Governor proposed a \$59-per-pupil cut in the School Aid Fund for FY 2010, with \$94.4 million cut backfilled with federal stimulus money. But with the latest revenue estimating conference projecting \$732.8 million less in the School Aid Fund for 2010, more cuts to the foundation allowance are expected. **Michigan is expected to receive \$1.3 billion in federal economic stimulus money for K-12 and higher education.**

Revenue Estimates Forecast Falls \$1.7B For FY 2010

A Revenue Estimating Conference was held on May 15, where state fiscal experts and economists reached a consensus on revenue estimates for the rest of 2009 and 2010. The conferees predicted that Michigan's revenues will fall by \$1.25 billion for Fiscal Year 2009 and by \$1.7 billion for next year due to rapidly declining tax collections. These estimates do not take into account the possibility of a *prolonged* bankruptcy for Chrysler and General Motors.

The General Fund, which contributes to community colleges and higher education funding, is running \$870.8 million short this fiscal year and will be \$984.8 million short for FY '10. The General Fund estimated revenue for FY '10 is \$6.9 billion, down from \$9.3 billion just last fiscal year. The School Aid Fund is estimated to be \$425 million shy in FY 2009 and \$732.8 million short in FY '10.

With the state expected to be \$9 billion below its constitutional revenue limit in 2010, it is increasingly clear that **lawmakers need to examine the state's tax structure**. The revenue limit is tied to personal income levels.

These revenue estimates are used as a basis for determining next year's budgets. This data is also used to determine whether *to cut current-year budgets*. So far, there seems to be a willingness to use federal stimulus money to plug the budget holes for this year. But, we are starting to hear rumblings of cutting the 2009 - 2010 budget by hundreds of millions of dollars in order to save some federal stimulus money for 2010 - 2011. Our past experience suggests these reserved funds will be used for other purposes and not education. We will keep you posted.

Explaining the Revenue Loss:

In making the revenue estimates, the agencies and Treasury outlined how tax collections have rapidly declined over the year with the sales tax falling off 8.5 percent in three months of 2009 ending in April, compared to a 3.3 percent decline in the last three months of 2008.

The state's earned income tax credit will also lower revenues by \$315 million in 2010.

The inflation-adjusted 2009 general fund decline is the largest one-year percentage drop since 1961.

The agencies estimated, on average, 94,900 jobs will be lost in the automotive sector between 2008 and 2010.

Unemployment is expected to rise in 2010 to 15.3 percent, with 3.6 million people working, compared to 4.27 million in the workforce in 2007 when the unemployment rate was 7.1 percent.

Personal income is also expected to drop again next year, and with that, another decline in income tax collections.

Campaign Finance Reform

Representative Fred Miller, D-Mt. Clemens, has introduced House Bills 4245 and 4284 which revise current law regarding campaign finance contributions and expenditures. **Representative Douglas Geiss, D-Taylor, later introduced House Bill 4997**, which also revises current campaign finance laws. The bills await action before the House Committee on Ethics and Elections. **AFT Michigan supports House Bills 4245, 4284 and 4997.**

House Bill 4245 would allow public employee **payroll deduction** for donations to union political action committees. This includes public university employees. **House Bill 4284** would **eliminate annual signature** requirements for donations to union political action committees.

House Bill 4997 would incorporate the two above-mentioned items, and in addition it would:

- ▶ Change reporting threshold to \$20, as it was prior to Public Act 237 of 1999.
- ▶ Require all campaign and ballot proposal committees to submit a quarterly report in even numbered years.
- ▶ Prohibit campaign committees from paying wages, salary, or other employment compensation to a candidate, specify penalties, and change enforcement to Attorney General.
- ▶ Remove the limit on the amount a union can give to a candidate to an aggregate total from all locals, allowing donations per local.
- ▶ Require disclosure on any electronic or telephone campaign contracts.

Failing Schools & Turnaround Schools

Representatives Tim Melton (D-Auburn Hills) and Bert Johnson (D-Highland Park) have introduced a package of bills that would define a failing school which would trigger a process to restructure those schools, restrict collective bargaining rights, modify collective bargaining agreements, and set up a separate “turnaround” charter school within 4.9 miles.

Listed below is a brief summary of House Bills 4787, 4788 and 4789, as introduced:

- ◆ Require the State Superintendent of Public Instruction to appoint a school reform/redesign officer to be chosen on the basis of the individual's competence and experience in educational reform. Certain "failing" schools would be placed under the control and supervision of the reform/redesign officer.
- ◆ Define a "failing" school in such cases as one that has been unaccredited for four consecutive years; or has failed to achieve adequate yearly progress for four or more consecutive years; and has fewer than 35 percent of its students scoring at least "proficient" for both mathematics and English language arts on the most recent MEAP assessments or Michigan Merit Examination. This definition would capture approximately 80 to 85 schools, mostly high schools.

- ◆ Establish a process to identify and restructure "failing" schools. If a school meets the criteria for a failing school and is placed under the control of the reform officer, a review board would be appointed to identify the causes of the failure and recommend actions to remedy the situation. Such remedies could include appointing a new school administrator or principal, allowing parents to send children elsewhere, contracting with an educational management organization, aligning the school with an existing school improvement model, or closing the school.
- ◆ Allow, as an alternative, a "failing" school to be placed under the oversight of a state reform/redesign officer and operated as a "redesigned school" with modified staffing rules, either (1) under a memorandum of understanding with the school district that allows a renegotiation of collective bargaining agreements regarding staff assignments, seniority, and work rules, or (2) under a performance contract with a "qualified entity," meaning a charter school that meets certain performance criteria and that was selected after a request for proposals.
- ◆ Provide for the creation and funding of "turnaround" charter schools. A "turnaround school" would be classified in statute as a new kind of charter school. It would be organized under the Nonprofit Corporation Act and be administered by a board of directors. It could not be organized by or affiliated with a religious organization. A "turnaround school" would be subject to the leadership and general supervision of the State Board of Education. A "turnaround school" could be authorized by a state public university, a community college, an intermediate school district, or a school district.
- ◆ Specify that there could be one "turnaround school" per failing school; that it would have to be located within 4.9 miles of the corresponding failing school and within the same school district; and that it would operate under a five-year contract that could be renewed if certain performance criteria are met. A "turnaround school" would have to enter into a contract with an approved educational management organization.

House Bill 4787 is the main bill in the package and would amend the Revised School Code to add a new section entitled "Turnaround Schools," and other provisions on school reform and redesign.

House Bill 4788 would amend collective bargaining and employee relations for public school employees (P.E.R.A.) to specify that a collective bargaining agreement would be subject to new provisions. These provisions include staff placement, work rules, seniority, with school leaders having full autonomy.

House Bill 4789 would provide for the funding of "turnaround schools," by including "turnaround schools" within the definition of "public school academy."

House Bills 4787, 4788, and 4789 are tie-barred to each other, which means, essentially, that all the bills must be enacted for any to take effect. They are currently before the House Education Committee.

AFT Michigan, along with other education and labor organizations have been working with Representatives Melton and Johnson to modify this package of bills. We agree that, as defined, these schools are in crisis and need immediate help. **AFT Michigan recommends the following changes to this legislation:**

1. We believe that approximately 85 schools is too large a number to provide immediate help and intervention.
2. The Michigan Department of Education should conduct all audits and reviews as required under current law and rules, before reform occurs.
3. A warning list should be established and published.
4. The State Superintendent should send in a review team to each school to conduct a review and issue a report with recommendations.
5. Using these recommendations, the district should have the option to enter into a memorandum of understanding with the State Superintendent to restructure on its own.
6. If a “failing” public school is currently undergoing restructuring, it should be removed from the list.
7. If a failing school is a public school academy, it should be closed.
8. It should be ensured that any CEO, reform officer and educational management organization decisions are fully transparent and subject to all Michigan laws such as the Freedom of Information Act and Open Meetings Act, etc.
9. “Turnaround charter schools” should be removed from the legislation.
10. Provisions that allow for unilateral changes or nullification of local contract specifications and/or work rules by the State Reform Officer should be removed from this legislation.
11. School employees of a “failing school” listed for restructuring must remain public school employees of that school district.
12. “Sufficient improvement” at these schools needs to be defined with reasonable thresholds.
13. An educational management organization may be hired to manage the building and the employees within the building, but will not be the employer.
14. If a local school district enters into a memorandum of understanding with the State Superintendent and makes sufficient progress for two years, it should continue with that memorandum of understanding. If there is insufficient progress after two years or no memorandum of understanding between the state superintendent and district can be reached, a reform officer may take over the school.
15. After two more years of insufficient improvement, the reform officer may turn the school into a public school district authorized charter school.
16. A reversion procedure should be provided for schools that have been successful implementing their recommended changes.

Public School Collective Bargaining

Prior to 1994, Michigan's Public Employee Relations Act (PERA) afforded public employees the right to collectively bargain over matters of wages, hours, terms and conditions of employment. Public Act 112 of 1994, put severe restrictions on those rights. One of those restrictions made the question of out-sourcing of any "non-instructional" services non-negotiable.

House Bill 4219 (Miller, D-Mt. Clemens) would restore the right to bargain collectively over the issue of whether or not to contract with a third party for one or more non-instructional support services and the procedures of such contracting efforts. It would restore the right to bargain collectively on the question of the impact of such contracts on current employees.

- ▶ House Bill 4219 does not eliminate the ability to out-source work, but rather allows current employees to be involved in the discussion, allowing school districts to hear the true costs of out-sourcing, and the value of the current workforce.
- ▶ House Bill 4219 would eliminate the ability of school districts to unilaterally void labor contracts already in place.
- ▶ House Bill 4219 would allow non-instructional staff to exercise the same rights other employees have in providing good work for fair wages, benefits and other terms and conditions of employment.
- ▶ House Bill 4219 would end the practice currently sanctioned by state law that allows school districts to discharge groups of loyal hardworking employees without cause, notice or opportunity to plead their case.

We want to thank **Leonard Zabawski, Detroit Federation of Teachers**, for testifying in support of House Bill 4219 at the House Labor Committee hearing on behalf of AFT Michigan. **House Bill 4219 has been reported out of the House Labor Committee and is currently on the House floor.**

Youth Employment

Senate Bill 25 (Stamas, R-Midland) would allow a 16- or 17- year-old student to work more than 20 hours in one week when school is in session. Currently, when school is in session, a student who is 16 or 17 **may not work** a combined school and work week of more than 48 hours.

Current law also provides that a minor who is 16 or older may not work more than six days in one week; 10 hours in one day; or "a period longer than a weekly average of 8 hours per day or 48 hours in 1 week." Under the bill, the last provision would be changed to "an average of 8 hours per day in 1 week."

Senate Bill 25 has passed the Senate and is currently before the House Labor Committee. AFT Michigan opposes this bill.

House Approves Voter Preregistration for 16-Year-Olds

House Bill 4261 (Liss, D-Warren) and House Bill 4337 (Robert Jones, D-Kalamazoo) would allow young people to preregister to vote beginning at age 16 when they apply for a driver's license at a Secretary of State office, if he or she:

- is 16 years of age but less than 17 ½ years of age;
- holds either a graduated driver's license or an official state personal identification card;
- is a citizen of the United States.

Under House Bill 4337, a person who preregistered would become a registered voter at age 17 ½, and would become eligible to vote at the first election after turning 18 years of age. The legislation requires a youth's preregistration information to be kept in a separate file in the qualified voter file until that person is eligible to vote.

The House has passed House Bills 4261 and 4337 and they now go to the Senate for consideration. These bills are tie-barred to each other so neither will become law unless both are enacted.

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