

**DELTA COLLEGE
BOARD OF TRUSTEES
DINNER MEETING
August 14, 2012
Delta College Main Campus Room N 7**

Board Present: K. Ellison, R. Emrich, K. Higgs, K. Houston-Philpot, K. Lawrence-Webster, J. MacKenzie, E. Selby, R. Stafford, D. Wacksman

Others Present: B. Baker, D. Baker, E. "Q" Beckman, T. Boudrot, T. Brown, W. Childs, P. Clark, T. Clegg, E. Crane, C. Curtis, L. Dull, C. Dzurka, S. Enriquez, A. Givens, J. Goodnow, L. Govitz, P. Graves, G. Hoffman, L. Holoman, F. Hughes, T. Kienbaum, T. Lane, D. Lutz, D. Masud, J. Miller, M. Mosqueda, V. Przygocki, L. Ramseyer, S. Smith, J. Stahl, A. Ursuy, B. Webb, M. Wood

Press Present: Z. Reichard, Bay City Times

Board Chair Robert Emrich called the meeting to order at 6:00 p.m.

Dr. Goodnow introduced David Masud from the Masud Labor Law Group, who gave an update on, "What's New from Lansing – Changes to Michigan's Public Sector Labor Laws."

The legislature has been busy the last year or so passing numerous laws. David indicated that Delta has done a great job working together with its employee associations through the collective bargaining process. Many of the changes being proposed were for those entities that had not been doing such a good job. He highlighted some of the specific laws that could affect Delta. He began by discussing some background information including, Michigan's Public Employment Relations Act (PERA) which is patterned after the federal bargaining law, The National Labor Relations Act. PERA creates a commission called the Michigan Employment Relations Commission (MERC) which is the body that enforces the public sector labor laws. It also creates a duty to bargain in good faith for mandatory subjects of bargaining such as wages, benefits and terms of employment.

Amendments to PERA include a new "status quo" – no salary and/or benefit increases while negotiations continue following the expiration of the agreement. This also includes a prohibition on increases based on step increases mandated in an expired contract. The public employer is allowed to make payroll deductions necessary to pay the increases in insurance costs. This will help to move along contracts that, in the past, have gone on for years. Jack MacKenzie asked about employees signing a waiver before more deductions come out of their paycheck. David explained that the statement is correct but this provision is carved out in the statute. Jack MacKenzie also asked about employees having the option to opt out of an increase in benefits. David Masud explained that during bargaining no changes can be made to the coverage but any additional costs for the current coverage are passed on to the employee.

The Governor, based on certain criteria, can appoint an emergency manager to take over a local unit of government's operation. In 2011, it was changed to allow the emergency manager to deal with collective bargaining agreements. This change has been challenged and in November a ballot question may be proposed as to whether or not to repeal the statute. The law has been suspended and has been widely criticized. There is a provision that all public employers must put into their agreements the powers of the emergency manager and even further recognize that the emergency manager can cancel the collective bargaining agreement.

The collective bargaining agreement is no longer a stumbling block in regards to consolidation of services. PERA was amended to make collective bargaining a prohibited subject in this case.

There are revised limitations on public sector "union only" project labor agreements so that it would not prohibit a governmental until from awarding a contract, etc., to a contractor who was a party to a project labor agreement. David noted that this would not be a problem for Delta since Larry Ramseyer and other staff have done a good job at selecting contractors based on best price and qualification. Robert Emrich asked about prevailing wage. David noted that it is still in play and that state has issued some new regulations. Larry Ramseyer noted that we have always used prevailing wages in our construction agreements.

David indicated that most public employers have not done a good job at managing health care costs. He noted that Delta College has done an excellent job in this area. The legislature has given public employers three options:

- 1) statutory cap on employer healthcare spending, allows employers based on a formula a bucket of money in which they can draw from for health care expenses
- 2) by majority vote by trustees adopt an 80/20 plan where the employer will not pay for more than 80% of health care expenses;
- 3) by 2/3 vote by trustees can annually opt-out.

All employees within an employee group have to have the same option and no changes can be made during the contract year. Karen Lawrence-Webster asked about Delta's retirement. David noted that it is not covered under this law.

There is a prohibition on domestic partner benefits and it is an illegal subject of bargaining. Currently in Michigan we cannot provide these benefits. An item listed under benefits is "other fringe benefits" which has not been defined within the statute. However other state and federal statutes including the IRS have defined fringe benefits in the broadest terms and that is the recommended interpretation to be used here as well. Robert Emrich asked what U of M was doing since they had been providing these benefits. David indicated that universities fall under a special section of the Michigan constitution and U of M doesn't feel that this statute applies to them.

Changes made to employer's right to medical claims data require that public employers with 100 or more employees in a medical benefit plan be provided with certain claims utilization and cost information.

A proposal for a constitutional amendment that would establish collective bargain rights as a constitutional right may be on the November ballot after a decision made by the Board of Canvassers as soon as August 15, 2012. It would take it out of PERA and place it in the Michigan constitution that would apply to both public and private sectors. The Attorney General has issued an opinion that this is not appropriate as a ballot question.

There being no further business, the dinner meeting was adjourned at 6:56 p.m.

Talisa Brown, Board Assistant Secretary

Andrea Ursuy, Board Secretary