



EMPLOYMENT RELATIONSHIP POLICY 2021-2023

The Grosse Pointe Public School System

Professional Support Group

*389 St. Clair
Grosse Pointe, Michigan 48230*

Paraprofessional Positions

Employees who work in the following roles are covered by the employment policies described below and in related benefit enrollment documents:

- Accompanist
- In-School Separation
- High School Student Activities Coordinator
- High School Attendance Clerk
- Science Coordinator

The Board reserves the right to identify and classify other roles under the Paraprofessional employment relationship policies as it deems necessary.

Trial Period

60 days from date of hire.

Work Year

184 duty days (200 paid days, including holidays)

7 hours per day (8:00 a.m. – 3:30 p.m. with ½ hour lunch)

1400 paid hour per year

Contract salary spread of over 26 pays starting with the first pay of each school year.

Paid Holidays

12 paid holidays per year including Labor Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve, Christmas Day, New Year's Eve, New Year's Day, Martin Luther King's Birthday, Monday of Mid-Winter Break, Friday Prior to Spring Break, Memorial Day.

LEAVES OF ABSENCE

Application for Leave of Absence

In personal illness cases of an emergency or unanticipated nature, personal or telephone notification shall be given to the Central Office or to the employee's immediate supervisor as soon as possible but normally one (1) hour before the employee reports for work. However, any employee who is scheduled to begin work after 11:00 a.m. will be expected to give three (3) hours' notice. Failure to meet this requirement may result in an appropriate deduction of pay unless failure to notify was beyond control of the employee. If the unanticipated illness appears that it will continue beyond the initial day, the employee shall notify her immediate supervisor by 3:00 p.m. of the first day of absence as to the approximate duration of their illness so that substitute arrangements can be made.

When an employee's leave of absence is anticipated to extend beyond ten (10) duty day, the employee may be required to provide the Human Resources Department with a physician's certificate, on a prescribed form, indicating the nature of such illness and the anticipated period of absence. The employee may be required to file additional certification each thirty (30) days thereafter and immediately prior to return to duty. During the period of confinement, and prior to return to duty, the board may require an examination by its physician at board expense. The decision of the board physician shall be final.

General Leave of Absence Information

Eligible employees on leave shall be paid at a daily rate determined by their base salary for regularly scheduled duty days during which they are absent from work by reason of illness or disability. Pay for use of Individual Roll Bank time will be paid at 75% of the hourly rate.

If benefits continue to be payable in a succeeding school year, such benefits shall be increased on the date the employee would have begun active employment in such succeeding school year had she not become ill or disabled, such increase to be determined by the employee's contracted base salary for such ensuing school year.

Leave benefits shall be reduced by benefits payable to the employee under the Michigan Workers' Compensation Act, for such period of illness (excepting payments under such laws specifically for hospital or medical expense, or for specific allowances for loss of members or disfigurements) and leave time will be charged on a pro rata basis. Any lump sum settlement in redemption of liability under such laws shall result in the reduction of leave benefits in amounts equal to the workers' compensation benefits the employee would have been entitled to had there been no lump sum redemption, but not to exceed in total the amount of the settlement. Moreover, fringe benefits (including vacation, holidays, insurance benefits, etc.) will not be extended beyond the commencement of long term disability except health insurance which shall be continued for a period of one year from the date of insurance carrier approval of long term disability benefits.

Return to Duty

Return to duty from extended leaves of absence will require satisfactory evidence of physical or mental health filed with the board as directed.

SHORT TERM LEAVES BEYOND THE CONTROL OF THE EMPLOYEE

Jury Duty

An employee who serves on jury duty will be granted a leave of absence. The employee will be paid for the days while on jury duty. When the employee is excused from jury duty for a half day or more he/she must notify his/her building administrator immediately and report to his/her work location. Employees will complete the proper form and submit official proof of the days served.

Funeral Leave

Employees who have successfully completed their trial period will receive up to five (5) days of paid funeral leave for death in the immediate family. Days may be taken non-sequentially within the current school year. Immediate family shall be defined as mother, father, mother-in-law, father-in-law, grandparents, grandchild, sister, brother, spouse, child, daughter-in-law, son-in-law, stepchild, foster child, step parent, or step-grandparents. This same leave will be granted to any employee serving as the legal guardian of a decedent. Leave for the death of an additional household member may be granted by the Deputy Superintendent of Human Resources or designee upon request.

Leave with pay for one day will be allowed for the death of an aunt, uncle, first cousin, niece, nephew, brother-in-law, sister-in-law, spouse's grandmother, and spouse's grandfather.

SHORT TERM LEAVES SUBJECT TO LIMITED CONTROL OF THE EMPLOYEE

Personal Illness Leave

For purposes of Personal Illness, illness or disability means the complete inability of the employee, due to sickness or injury, to perform any and every duty pertaining to his/her assignment with the Board. Illness includes cases where emergency medical procedures are required. Appointments for medical examinations and diagnostic testing or for other health or medical care appointments which cannot be scheduled outside the normal school day shall qualify for leave under the terms of sick leave. Illness or disability shall not exist where an employee is actively working for the Board, another employer, or in self employment, or is confined in a penal institution. (CCL)

Family Illness

Paid leave for emergency or serious illness in the immediate family. This leave is primarily for the purpose of making arrangements for necessary medical or nursing care. Immediate family for this purpose shall mean: grandparents, parents, siblings, child, spouse, stepparents and stepchildren.

Personal Business

Employees may use up to two (2) days annually of their Individual Leave Bank for Personal Business. It is agreed that personal business days are provided for the vast number of business, professional, family, and religious obligations a teacher regularly encounters which cannot be met outside the regular school day. Personal business days are not intended for casual or indiscriminate use. It is not permissible to use personal business days for: recreational or sporting events (hunting, fishing, athletic contests of all kinds), shopping, job hunting, vacation, and other employment of any kind. Normally, personal business leave applications shall be processed a minimum of two school days before the leave occurs, however, circumstances may arise that do not permit the employee the opportunity to provide two (2) day advance notice. When requesting a personal business day, employees shall provide the reason for the absence (as defined above). In the event administration needs further clarification, the employee shall provide such clarification as requested.

Funeral of a Non-Immediate Family Member

Leave to attend the funeral of a non-immediate family member. For the purposes of this category immediate family member is defined as a spouse, parent, spouse's parent, grandparents, sister, brother, child, grandchild, daughter-in-law, son-in-law, stepchild, foster child, step-parents or step grandparents of either the employee or their spouse.

Definition of Vested and Non-Vested

For the purpose of using leave time, paraprofessional employees are categorized as being in one of the following categories:

- *Non-Vested – Non-Vested employees are those who have not been with GPPSS for four full years.*
- *Vested – Vested employees are those who have been with GPPSS for four full years or more.*

Vested Employees Only:**Individual Leave Bank**

Each employee will be provided 10 days at the beginning of the school year an individual leave bank. Days in this bank may be used for personal illness, family illness, personal business (maximum of two per year) and the funeral of a non-immediate family member. While an employee is using days from their Individual Leave Bank they will be paid their regular rate of pay.

As a special provision of this agreement each vested employee shall receive 12 days instead of 10 days in their Individual Leave Bank for the 2013-14 and 2014-15 years only.

Individual Roll Bank

Each vested employee shall be provided an Individual Roll Bank for their use for Personal Illness absences in a school year once their Individual Leave Bank has been depleted. When using their Individual Roll Bank an employee may be required to provide a copy of a doctor's note substantiating that the medical condition prevents the employee from being at work. While an employee is using days from their Individual Roll Bank they will be paid at 75% of their regular daily pay through a payroll deduction. (The deduction will be prorated to reflect the actual amount of time absent from work. For example, if an employee is absent for ½ a day and uses an Individual Roll Bank day to cover that absence, they would receive 75% deduction on only those hours submitted as Individual Roll Bank.) This salary deduction after MPSERS and FICA is applied to the original compensation.

Employees may use their Individual Roll Bank days for absences that exceed their provided number of Individual Leave Bank days (10 or 12 days depending on the year) through their 29th day being absent. Once an employee is absent more than 29 days in a year they may not use Individual Roll Bank days even if they have Individual Roll Bank days remaining in their personal account.

Addition of Days to Roll Bank

Days will be added to the Individual Roll Bank on an annual basis using the following formula:

- Number of days remaining in the employee's Individual Leave Bank from the previous year divided by 3. All amounts less than .5 will be rounded down to the next whole number.

Short Term Disability Plan

The district shall create and fund a self-funded Short Term Disability plan for vested employees. This plan will be administered by a 3rd party of the district's choice. Employees will only be eligible to use the Short Term Disability plan for their own personal illness defined as when they are unable to perform the material and substantial duties of their own occupation because of sickness or injury, and are under the regular care of a doctor.

Employees may receive compensation from the Short Term Disability plan starting with their 30th day of absence of the school year through a maximum of their 89th day of absence. Absences starting with their 90th day of absence shall be covered by the district LTD plan.

Upon the 30th day of absence from the district the employee shall be provided 66 2/3rds of their daily rate up to \$290 per day whichever is smaller. Compensation through this plan will be paid through the 3rd party administrator. Compensation through this plan is not considered compensation by the Office of Retirement Services and will not be subject to MPSERS.

For the purpose of computing an employee's daily rate the salary plus any longevity payment will be used.

The following is an example intended to illustrate the effects above:

Betty Smith is a vested classroom assistant who had started the 2014-15 school year with 16 days in her Individual Roll Bank. Betty experienced the following absences: September 14 & 15 (2 days) – Personal Illness from Individual Leave Bank; October 12-14 (3 days) – Family Illness from Individual Leave Bank; January 10 (1 day) – Personal Business from Individual Leave Bank. On February 1st Betty suffers a medical condition that prevents her from attending work for 45 work days. The first 6 days of the absence, Betty uses her remaining Individual Leave Bank days (receiving her full pay). For absences number 7 through 22 (16 days) Betty uses her Individual Roll Bank days (receiving 75% pay). For absences 23 – 29 Betty applies and is awarded 7 days from the Community Roll Bank (this option is only available in the 13-14 and 14-15 school years) where she receives 75% pay. For absences 30 – 45 Betty is compensated via the 3rd party administered Short Term Disability plan at a rate of 66 2/3rds of her daily rate or \$290, whichever is less.

Long Term Disability Benefit

The district shall fund a long term disability plan that pays the employee 60% of their daily rate starting after the 90 day elimination period. In the event that the employee experiences a gap in compensation between STD and LTD, the district shall fund a bridge of continued STD.

Part Time Employees

When using days from their Individual Leave Bank, Individual Roll Bank or the Short Term Disability Plan part-time employees will be awarded and will use a fractional day equal to their current FTE. The following example is intended to illustrate this effect:

During the 2016-17 school year Barbara Smith is a .5 FTE vested employee with 8 days in her Individual Roll Bank to start the school year. Barbara becomes ill on October 1st and per her doctor's orders she must miss 3 weeks (15 days) of work. Barbara uses her 5 Individual Leave Bank days (10 days times her FTE of .5) for the first 10 half days of the absence. After these first 10 half days her Individual Leave Bank was exhausted. She uses 5 half days or 2.5 total days of her 8 available Individual Roll Bank days to provide her compensation (these days will be paid at .5 of her daily rate. The 75% pay deduction will only be applied to each day she uses an Individual Roll Bank day.)

Health Insurance Premium

The employee shall be eligible for Board Paid insurance coverage (health, dental and vision) while using Individual Leave Bank days, Individual Roll Bank days or Short Term Disability coverage. The employee will be responsible for paying the employee portion.

Worker's Compensation

Employees absent for work for an absence eligible for Worker's Compensation payments will receive their full pay (salary and longevity) through qualifying for LTD. If an employee is found eligible for Worker's Compensation payments, any Individual Leave Bank or Roll Bank days used by the employee for that absence reason will be restored.

Family & Medical Leave (FMLA)

The Board will grant up to twelve (12) weeks of family and medical leave during any twelve (12) month period to eligible employees in accordance with the Family and Medical Leave Act of 1993 (FMLA). Employees whose work day is considered full time (6 hours or greater) shall be eligible for the same benefits allowed other full time employees in accordance with the Family Medical Leave Act of 1993. All requests for such leave will be made to the Assistant Superintendent of Human Resources. When the need is foreseeable, notice will be given thirty (30) days before the start of the leave. If it is not possible for the employee to give thirty (30) days' notice, the employee must give as much notice as is practicable. Proper certification of the reason for the leave must be provided. An employee will be required to use all available paid leave time (i.e., sick leave, personal leave, and/or vacation leave) for all or part of the duration of the leave, with any balance of time being without pay. At the end of the leave, the employee will be returned to her/his position held prior to the leave or to an equivalent position with equivalent pay, benefits, and other terms and conditions of employment. All rules that govern FMLA shall apply to such leave other than the hour requirement which shall be understood to be a minimum of 1,050 within the previous year. This provision is effective as long as FMLA is not modified by law and remains effective in other district agreements.

The FMLA clock will begin on the day of the employee's absence from work for a FMLA eligible condition.

Paternity Leave

Employees may use their Individual Leave Bank for the purposes of paternity leave.

Adoption Leave

Female employees who are in the process of permanently, legally adopting a child may use available Individual Leave Bank Days and Roll Bank Days for the purpose of bonding with the new child. Employees may not use the Short Term Disability program for this purpose.

Male employees may use Individual Leave Bank days for the process of permanently, legally adopting a child.

Employees continue to have their rights under the FMLA for adoption purposes.

Non-Vested Employees

While in the first four years of employment in GPPSS, employees shall be provided 10 days in an Individual Leave Bank. During the first 4 years in the district, the employee shall have full roll into their Individual Roll Bank. During the first 4 years of employment, an employee may access their own Individual Roll Bank for

personal illness. Upon commencing employment with the district, an employee may elect to purchase access to a Short Term Disability plan. After 4 full years of employment, an employee shall be considered vested for personal leave.

Fringe Benefits

Effective first of the month following completion of 60 days of service

Health Plan

A plan equivalent to the Blue Cross Blue Shield Community Blue PPO Plan 10 with \$250 individual/\$500 family deductible, 10% coinsurance with coinsurance maximum at \$500 individual/\$1000 family with a \$20 copay for office and \$20 copay for chiropractic visits, \$100 emergency room visit, \$10/\$35 /\$60 prescription rider with mandatory generic, with MOPD 2x rider, P-D contraceptive rider and a routine mammography.

Full time Paraprofessional employees choosing Community Blue PPO Plan 10 as outlined above, will have 80% of the monthly cost of the plan for the staff member, spouse, and dependent children covered by the Board. The remaining 20% of the cost of the Blue Cross Blue Shield Community Blue PPO Plan 10 will be an automatic pre-tax deduction to be paid via automatic payroll deduction over 26 pays. The amount to be covered by the Board and the employee will be based on the illustrative rates established by Blue Cross for the plan year.

For any Paraprofessional employee who has a spouse that is primary insured on the GPPSS plan, a monthly surcharge of \$50 per month (\$600 for year) will be an automatic pre-tax deduction to be paid via automatic payroll deduction over 26 pays.

Paraprofessional employees working less than full time but at least 50% will be eligible for the health care plan. If health coverage is elected, the Board will calculate the FTE equivalent of the plan based on the percentage of time the Paraprofessional employee is employed with the district. For example, if the cost of the full family health plan is \$17,442, then the Board would contribute for a full time (1.0 FTE) Paraprofessional employee a total of \$13,954. For an 0.8 FTE Paraprofessional employee with the district, the Board would pay for 80% of the Board contribution to the health care and therefore, contribute \$11,163 with the remaining balance of \$6,279 being the responsibility of the 0.8 Paraprofessional employee with an automatic pre-tax deduction of this amount to be paid via automatic payroll deduction over 26 pays.

A Paraprofessional employee working 50% or more time may elect to waive participation in a district-sponsored health insurance plan; they will receive a cash incentive of \$2,200.

Payments will be spread over 26 pay periods per year. This stipend will be prorated for Paraprofessional employees working less than a full year and prorated based on their scheduled FTE in the district for that school year. Paraprofessional employees working less than 50% time are not eligible for this cash incentive.

Dental Plan

The dental insurance coverage for an out-of-network dental facility would be covered with \$1,200 maximum payment per routine visit per year and \$1,000 lifetime orthodontic per dependent with 90% coverage.

Dental insurance coverage for in-network dental facility would be covered with \$1,500 maximum payment per routine visit with 90% coverage and \$1,200 lifetime orthodontic per dependent with 90% coverage.

An opt out payment for declining the dental insurance would be provided in an amount of \$250 per year prorated by yearly FTE assignment.

Vision Plan

A choice of a Premium Vision Plan or Standard Vision plan will be available to Paraprofessional employees, with an allowance for annual exams in both plans. The Premium plan provides additional allowances for lenses, frames and

contact lenses. The Board covers the full cost of the Premium Vision Plan. A stipend is provided for Paraprofessional employees choosing the Standard Vision Plan.

Long Term Disability

After one year of service; 60% of base monthly earnings to a max of \$2,000 per month after 120 duty day waiting period.

Life Insurance

\$25,000 term coverage with AD&D

Salary Schedule

Level I salaries are to be used for employees who have not completed a Bachelor's degree. Level II salaries are to be used for employees who have completed a Bachelor's degree or higher.

	2017-2018 Salaries (0.0%)	2018-2019 Salaries 1.25% at the top only	2019-2020 Salaries 1.5% at the top only	2020-2021 No Change	2021-2022 2.0% increase	2022-2023 2.0% increase
Level I						
1	\$ 18,933.00	\$ 18,933.00	\$ 18,933.00	\$ 18,933.00	\$19,311.66	\$ 19,697.89
2	\$ 19,626.00	\$ 19,626.00	\$ 19,626.00	\$ 19,626.00	\$20,018.52	\$ 20,418.89
3	\$ 20,727.00	\$ 20,727.00	\$ 20,727.00	\$ 20,727.00	\$21,141.54	\$ 21,564.37
4	\$ 21,824.00	\$ 21,824.00	\$ 21,824.00	\$ 21,824.00	\$22,260.48	\$ 22,705.69
5	\$ 22,903.00	\$ 22,903.00	\$ 22,903.00	\$ 22,903.00	\$23,361.06	\$ 23,828.28
6	\$ 23,777.00	\$ 23,777.00	\$ 23,777.00	\$ 23,777.00	\$24,252.54	\$ 24,737.59
7	\$ 25,130.00	\$ 25,130.00	\$ 25,130.00	\$ 25,130.00	\$25,632.60	\$ 26,145.25
8	\$ 25,554.00	\$ 25,554.00	\$ 25,554.00	\$ 25,554.00	\$26,065.08	\$ 26,586.38
9	\$ 26,431.00	\$ 26,761.39	\$ 27,162.81	\$ 27,162.81	\$27,706.07	\$ 28,260.19
Level II						
1	\$ 20,402.00	\$ 20,402.00	\$ 20,402.00	\$ 20,402.00	\$20,810.04	\$ 21,226.24
2	\$ 20,732.00	\$ 20,732.00	\$ 20,732.00	\$ 20,732.00	\$21,146.64	\$ 21,569.57
3	\$ 21,824.00	\$ 21,824.00	\$ 21,824.00	\$ 21,824.00	\$22,260.48	\$ 22,705.69
4	\$ 22,903.00	\$ 22,903.00	\$ 22,903.00	\$ 22,903.00	\$23,361.06	\$ 23,828.28
5	\$ 23,777.00	\$ 23,777.00	\$ 23,777.00	\$ 23,777.00	\$24,252.54	\$ 24,737.59
6	\$ 25,130.00	\$ 25,130.00	\$ 25,130.00	\$ 25,130.00	\$25,632.60	\$ 26,145.25
7	\$ 25,554.00	\$ 25,554.00	\$ 25,554.00	\$ 25,554.00	\$26,065.08	\$ 26,586.38
8	\$ 26,431.00	\$ 26,431.00	\$ 26,431.00	\$ 26,431.00	\$26,959.62	\$ 27,498.81
9	\$ 27,302.00	\$ 27,643.28	\$ 28,057.92	\$ 28,057.92	\$28,619.08	\$ 29,191.46

Appendix A: Formula Language

Absent an agreement to the contrary, effective June 20, 2017, Appendix A shall return to full effect. Effective July 1, 2013 through June 20, 2017 Appendix A will not be in effect. Instead Appendix B shall be in effect from July 1, 2013 through June 20, 2017.

Salaries for the 2017-2018 school year shall be determined according to the formula set forth below. However, the District shall in all cases maintain a minimum general fund equity (defined hereafter) of at least 10% of Board-approved total general fund expenditures. Therefore, the formula works differently if the District's general fund equity falls below 10%. Revenue is defined as general fund revenue. Expenditures are defined as general fund expenditures and transfers.

The explanation of the formula below is done with respect to the 2012-2013 school year, but the same principles shall apply to following school years as well.

As used in this formula "general fund equity" is undesignated and/or unassigned general fund balance, and it would not include revenues generated by sale of capital and/or financial gifts given to the district. The 10% general fund equity threshold will be based upon the District's final and accepted audit for the 2011-2012 school year, which the parties should receive around November 1, 2012. For example, if in the final and accepted audit the District's approved general fund expenditures are \$100 million for the 2011-2012 school year, and the District's general fund equity as of June 30, 2012 is \$11 million, then the general fund equity is 11%, which would be above the 10% threshold.

A. General Fund Equity At Least 10%

If the general fund equity has not fallen below 10% of Board-approved total general fund expenditures, then the Board will allocate funds toward both direct and/or indirect compensation to Paraprofessional employees based upon the following factors that affect the revenues and expenditures for the District:

- Increase or decrease in net state foundation allowance per pupil based on the established amount for the 2009-2010 school year (\$10,019 per pupil).
- Increase or decrease in MPSERS retirement rate on the budgeted rate for 2010-2011 @19.41% (compared with rate for 2011-12 based on 2011-2012 personnel)
- Whether or not there has been reinstatement of 20J funds per pupil that year
- Step advancement per established salary grids in the Paraprofessional employee Employment Relationship Policy document (including MPSERS and FICA costs).

The Board will allocate funds toward both direct and/or indirect compensation to Paraprofessional employees in a percentage equal to the following formula, which incorporates the four factors above:

Increase in total revenues minus total expenditures from one year to the next (i.e., 2011-12 compared with 2010-2011) based upon the factors listed above

X (multiplied by)

the Percent of total expenditure budget represented by Paraprofessional employees direct and indirect compensation costs

equals

the total amount of revenue to be allocated toward both direct and/or indirect compensation for recognized Paraprofessional employee group members.

Example of Net Revenue Increase

The total net amount of revenue shall be allocated on the salary grid on a percentage basis (taking into account the then applicable MPSERS contribution rate and FICA), based upon this net amount divided by the total cost of the salary grid, unless the parties agree to allocate this revenue to the Paraprofessional employee's group differently.

For example, if the state foundation allowance per pupil in 2011-2012 is increased over the previous year (2010-2011) by \$300 per pupil (gain \$2,400,000 for 8,000 FTE students), 20 J funds are not reinstated in 2011-12, the MPSERS rate goes up 0.5% in 2011-12 (expense of \$325,000 on total direct compensation for all district employees at \$65,000,000), and the step/year advancements in 2011-12 result in an increase (expense at \$1,000,000, including MPSERS contribution and FICA costs), then the total additional available revenues year over year are \$1,075,000. If the cost of the Paraprofessional employee group's compensation represents 0.6% of total general fund expenditures, then the total net amount of revenue for direct and/or indirect compensation for the Paraprofessional employee

group would increase by \$6,450. Accordingly, this total amount would be spread equally over each of the groups/years on the salary grid by an equal percentage basis over the remaining payroll periods of the 2012-13 school year (again, unless the parties agreed to allocate the revenues to the Paraprofessional employees' group differently). This increase would carry forward to the following school year, although the percentage increase would be different because the number of payroll periods would be different.

It is further understood and agreed that any cost associated with new programs or new initiatives should not increase the total year-over-year total budgetary expenditures by more than 3% unless programs and initiatives are required by federal and/or state mandates.

Example of Net Revenue Decrease

The total net amount of revenue loss shall be allocated to reduce both salary grids on a percentage basis (taking into account the then applicable MPSERS contribution rate and FICA), based upon this net amount divided by the total cost of the salary grid, unless another option is found to allocate this revenue loss to the Paraprofessional employee group differently.

For example, if the state foundation allowance per pupil in 2011-2012 is decreased over the previous year (2010-2011) by \$50 per pupil (loss of \$400,000 for 8,000 FTE students), 20 J funds are not reinstated in 2011-12, the MPSERS rate goes up 0.5% in 2011-12 (expense of \$325,000 on total direct compensation for all district employees at \$65,000,000), and the step/year advancements in 2011-12 result in an increase (expense at \$1,000,000, including MPSERS contribution and FICA costs), then the total revenue loss year over year is \$1,725,000. If the cost of the Paraprofessional employee group's compensation represents 0.6% of total general fund expenditures, then the total net amount of revenue loss to be allocated to the Paraprofessional employee group would be \$10,350. Accordingly, this amount would be spread equally over each of the years on the salary grid by an equal percentage basis over the remaining payroll periods of the school year (again, unless the parties agreed to allocate the revenues to the Paraprofessional employee group differently). This reduction would carry forward to the following school year, although the percentage decrease would be different because the number of payroll periods would be different.

B. General Fund Equity Below 10%

If the general fund equity has fallen below 10% of Board-approved total general fund expenditures, then the Paraprofessional employee group's salary grid shall be reduced by a percentage equal to the following formula:

The amount of funds required to return general fund equity to the 10% threshold

X (multiplied by)

the Percent of total expenditure budget represented by the Paraprofessional employee group's direct and indirect compensation costs equals

the total amount of revenue loss to be allocated toward both direct and/or indirect compensation for recognized Paraprofessional employee group members.

This total net amount of revenue loss shall be allocated to reduce the salary grid on a percentage basis (taking into account the then applicable MPSERS contribution rate and FICA), based upon this net amount divided by the total cost of the Paraprofessional employee group's salary grid, unless there is an agreement to allocate this revenue loss to the Paraprofessional employee group differently.

For example, if general fund equity fell to 9%, and the funds required to return general fund equity were \$1,000,000, and if the cost of the Paraprofessional employee group's compensation represents 0.6% of total general fund expenditures, then the total net amount of revenue loss to be allocated to the Paraprofessional employee group would be \$6,000 ($\$1,000,000 \times 0.6\%$). Accordingly, this amount would be spread equally over each of the years/steps on the salary grids by an equal percentage basis over the remaining payroll periods of the school year (again, unless another option is found to allocate the revenues to the Paraprofessional employee group differently). This reduction would carry forward to the following school year, although the percentage decrease would be different because the number of payroll periods would be different.

C. General Fund Equity Above 15% After Implementation of Section A Above

As used in this formula, "General fund equity" is undesignated and/or unassigned general fund balance, and it would not include revenues generated by sale of capital/and or financial gifts given to the district. The general fund equity threshold will be based upon the district's final and accepted audit for the 2011-2012 school year, which the parties should receive around November 1, 2012. For example, if in the final and accepted audit, the district's approved general fund expenditures are \$100 million for the 2011-2012 school year, and the district's general fund equity as of June 30, 2012 is \$17 million, then the general fund equity is 17%.

If, after implementation of a change in compensation per Section A above, there continues to exist a general fund equity above 15%, then the following would occur. The amount of dollars above the 15% general fund equity level would be determined and 0.4% of that amount would be allocated in a percentage "off schedule bonus" distributed based on the following formula. This 0.4% amount of the dollars above the 15% general fund equity level would be divided by the total direct compensation for the Paraprofessional employee group for that given school year to determine the percent of an "off schedule bonus" to be given per the individual salary of each Paraprofessional employee.

This amount above the 15% general fund equity would be multiplied by 0.4%. In this example, if 1% of general fund equity represents \$1 million, then a general fund equity of 17% with a threshold of 15% would mean that there is a total of \$2 million above the 15% fund equity threshold. This \$2 million would be multiplied by 0.4% (.004) for an amount equal to \$4,000. The \$4,000 would be divided by the total of Paraprofessional employee salary expenses including MPSERS and FICA for that previous school year to determine the percentage of the "off schedule bonus" to be distributed based on the individual Paraprofessional employee's pay rate. This "off schedule bonus" would be distributed in the 26th pay of that school year. The "off schedule bonus" percentage increase per year would not exceed 6% of the Paraprofessional employee's pay rate (including MPSERS and FICA costs).

APPENDIX B: MODIFIED FORMULA

For the 2013-14 through 2016-17 school years, the current 'Formula' shall be modified as described as below. Absent an agreement to do otherwise, it is understood that on June 20, 2017 the current/original 'Formula' as described in Appendix A shall be in effect without modifications per the 2011-12 and 2012-13 school years.

For the 2013-14 through 2016-17 school years, the 'Formula' shall be modified as follows:

The district agrees that it shall use its best efforts to adopt a budget that results in June 30th fund equity (also called "fund balance") equal to the following targets for each year specified:

1. For 2013-14 – Actual Ending Fund Equity for 2012-13 + 3.57%
2. For 2014-15 – Actual Ending Fund Equity for 2013-14 + 3.3%
3. For 2015-16 – 11.53%
4. For 2016-17 – 11.62%

The following provisions regarding the targets above are only in effect for 2013-14 and 2014-15:

If the final audited fund equity is within 1% of the above target for a year, then Paraprofessional employees shall not experience any impact of the 'Modified Formula' during the following year.

If the fund equity falls below the target for a year in excess of 1%, then Paraprofessional employees will also not experience any impact of the Modified Formula during the following year, unless during that year one or both of the following situations occurred:

1. The district's MPSERS rate (defined as the effective district-weighted percentage retirement contribution rate which the district must pay to cover the cost of retirement benefits under MPSERS) increased from the currently anticipated district-weighted rate of 24.46%; or,
2. The district's annual per pupil state funding is decreased from its current per pupil level of \$9744.

In the event either or both of the situations above occur, then the district will meet with Paraprofessional employees within 30 calendar days of implementation of such change(s) to discuss adjustments to employee compensation and/or the district budget to potentially address the matter to help meet the fund equity target for the year.

(In the event the fund equity falls below the target for a year in excess of 1%, and either or both of the situations above occur, again the district will meet with Paraprofessional employees within 30 calendar days of receiving notice of the fund equity shortfall in excess of 1% to discuss options to remedy the problem. If no other options are found, it will result in the modified 'Formula' being placed in effect for the following school year. (Modified 'Formula' in this case means that Paraprofessional employees shall experience a salary reduction to bring the district's finances back to within 1% of the target as provided under the original 'Formula'.) The modified Formula would only recoup dollars lost due to a MPSERS change and/or Foundation Allowance reduction. The modified Formula would not recoup dollars below the fund equity target caused by something other than a MPSERS change or Foundation Allowance reduction (i.e., the Modified Formula would not recoup a shortfall in funds due to a decline in pupil enrollment or increases in staffing).

Illustrative Examples of Application of the Modified Formula:

Example 1:

Assuming an actual ending fund equity of 2.61% on June 30, 2013, if the district fund equity on June 30, 2014 is 5.5%, Paraprofessional employees would experience no impact of the modified 'Formula', since the final fund equity was within 1% of the target (the target being $2.61\% + 3.5\% = 6.11\%$).

Example 2:

Assuming an actual ending fund equity of 6.11% on June 30, 2014, if the district fund equity on June 30, 2015 is 7%, the target of 9.41% ($6.11\% + 3.3\%$) was not met. If the fund equity of 7% was due to the result of an increase in the district's MPSERS rate, and/or a reduction in the district's per pupil foundation allowance, the modified 'Formula' would reduce Paraprofessional employee salaries for the 2015-16 school year in an amount as provided in the Formula to help make-up the shortfall in fund equity to 8.41% (1% of the target.) If there was no increase in the district's MPSERS rate, and there was no reduction in the district's per pupil foundation allowance, then Paraprofessional employee compensation in 2015-16 would not otherwise be impacted by the Modified Formula.

For the 2015-16 and 2016-17 school years, while the district anticipates that fund equity will rise above 10%, the target for the purposes of the Modified Formula will be 10%, with Paraprofessional employees not being impacted by the Modified Formula unless the fund equity drops below 9% (less than 1% of the target of 10%).

For the duration of this agreement, if the final fund equity of a school year is in excess of 15%, the district will meet with Paraprofessional employees within 30 calendar days of notice of this situation to discuss possible actions to be taken. If an alternate agreement cannot be reached, Section E, "General Fund Equity Above 15% After Implementation of Section A Above", shall be implemented and go into effect.

This document has been prepared by the
Department of Human Resources of
The Grosse Pointe Public School System