

**Bargaining and Negotiations Trends**  
 School Finance Services Committee  
 Michigan School Business Officials  
 Timothy T. Gardner, Jr.  
 March 20, 2026





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These slides reflect general legal standards and are not intended as legal advice.

Future legal developments may affect these topics.

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**Topics**

1. MEA Membership Loss
2. New Unit Elections/Accretions
3. Long-Term Implications of Unprohibiteds
4. Contract Language
5. Strategic Language for Health Insurance

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## MEA Losses

2010 Revenue = \$132 million (130,000 members)

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2024 Revenue = \$109.2 million

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2025 Revenue = \$88.3 million (79,465 members)

<https://www.michigancapitolconfidential.com/news/state-teachers-union-loses-members-revenue>

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## MEA Losses (cont.)

- UniServs consolidated
- Arbitrations delayed
- Consider bargaining mediation in lieu of board level grievance step

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## Union Elections

- Elections administered by MERC
- Employees file representation petition
- Bargaining unit eligibility defined in petition

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## Union Elections (cont.)

- At least 30% of proposed members must sign petition
- Majority vote of those who vote wins, and all members of unit are represented.
- ER is not required to voluntarily recognize a new unit outside the MERC process.

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## Accretions

- Bargaining unit may request to “accrete” or add new positions to its unit.
- Bargaining unit members must have “community of interest” including similarities in duties, skills, working conditions, wages, benefits, reporting relationships, etc.
- EE may bargain working conditions of new group.

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## CONTRACT LANGUAGE TO REMOVE OR ADD FOR SUCCESSOR AGREEMENT

- Non-Discrimination
- Cash-in-Lieu
- Negotiations start date
- Overage language

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## Sample Language

- Non-Discrimination sample language:

This Agreement shall not be applied to violate civil rights of employees and/or state and federal law, on account of race, age, sexual orientation, disability, or marital status

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## Reasons for Elimination

- It is likely in Board Policy already
- Discrimination claims should go through the Michigan Department of Civil Rights or other agencies
- If maintained, multiple avenues for employees

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## Cash-in-Lieu Language

- Benefits District and helps save health care costs
- Must ensure legally compliant language is added
- Some Districts have increased cash-in-lieu amount to encourage employees to transition

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## Sample Cash-in-Lieu Language

- In order to ensure that eligible employees receive cash-in-lieu in compliance with the PPACA, the following conditions must be met: (a) the employee voluntarily and in writing opts out of the available medical health care plan; and (b) provides documentation to the Superintendent or his or her designee that the employee has other medical health care coverage that meets the minimum value and coverage requirements of the Affordable Care Act.

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## Requirement to Begin Negotiations before Expiration

- Parties usually include requirement to begin bargaining by 3 months prior to expiration
- Massive administrative turnover may be challenging
- Unions can grieve

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## Potential Solutions

- Add in “as mutually agreed upon”
- Eliminate the language if it does not apply to the circumstances

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## Class Size Overage

- Language can be costly
- District should have time to address overage before compensation is due to teacher

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## Solutions

- Require teachers to notify administration immediately of overage
- Give District 30 days to create a committee to address overage

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## Long-Term Implications of the Unprohibiteds

### May Bargain

- Dues, PAC
- Teacher Discipline
- Teacher Merit Pay
- Teacher Evaluation
- Teacher Placement
- Teacher Layoff/Recall
- Retro Pay

### CBA Must Address

- RSC 1248: TOR Placement System ("effectiveness")
- RSC 1248: TOR Layoff/Recall System ("effectiveness")
- RSC 1249: TOR Evaluation Tool (+) Student Growth Measurements

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### Lessons Learned (Teacher Placement)

1. Start from policies
2. Do not limit involuntary transfers
3. "Effectiveness" and other factors such as discipline, training, and seniority (MCL 380.1248)
4. Allow grievance, but no arbitration

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### Lessons Learned (Layoff/Recall)

1. Keep full discretion to layoff
2. Limit recall to 18 months
3. Limited challenge system
4. Allow arbitration in limited, expedited circumstances

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### Lessons Learned (Teacher Discipline)

1. No complex discipline procedures
2. No Just Cause
3. Add arbitrary/capricious

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**Standards for Discipline**

- Just Cause
- Not Arbitrary or Capricious
- At Will

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**Lessons Learned (Teacher Discipline)**

- No expunging past discipline
- Weingarten* rights addressed by law
- Allow grievance, but no arbitration

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**Lessons Learned (Third Party Contracting)**

- Retain discretion to contract with third parties.
- Possible CBA Language:  
*The employer may contract or subcontract with a third-party to perform work that (1) is not exclusively performed by the Association and that (2) would not directly cause a reduction of a member's regularly scheduled work hours.*

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## Lessons Learned (No PA 54)

1. Longer negotiations
2. Retro is optional, not required
3. Precise wage language
4. Impact of proposal to embed § 15b

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## Possible CBA Language

*Upon expiration of this Agreement, the bargaining unit shall not receive lane, step, or longevity advancement, or increased benefits, unless expressly ratified by both parties.*

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## PA 152: Current Version

- Currently, Publicly Funded Health Insurance Contribution Act ("PA 152") requires public employers to limit their contribution toward employee health insurance plans by implementing **either** a "hard cap" formula **or** an "80/20" cost-sharing formula arrangement.
- PA 152 Section 3 establishes the hard cap formula based on the change in the medical care component of the U.S. Consumer Price Index for the most recent 12-month period.

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## PA 152 Amendments

- HB 6058 would have amended Publicly Funded Health Insurance Contribution Act (PA 152)
- 2025 Hard Cap would have increased 7%
  - Future increases would be based on medical care component of average of Michigan health insurance rates, or 3%, whichever is greater
- Employers would be required to pay at least 80% of total annual costs of medical benefit plans they offer to employees
- Exception: current conflicting CBA or contract

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## 2025 Health Insurance Rate Increase

- 8 to 24% health insurance increase in 2025
- Union requests to change health care plans
- As a reminder, changing health plans is a mandatory subject of bargaining

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## 2026 Hard Caps

Possible CBA language

Effective January 1, 2026, the Employer shall contribute the following to an employee's election of insurance coverage for a medical benefit plan:

- \$7,942.09 per year for single subscriber
- \$16,609.38 per year for 2-person subscribers
- \$21,660.3f0 per year for full family subscribers

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## 2027 Hard Caps

- Department of Treasury issues hard cap numbers every March
- 2 to 3% increase each year

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# QUESTIONS



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