



# COLEMAN COMMUNITY SCHOOLS

## *Academics, Arts, Athletics, Agriculture – Growing for the Future!*

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The Regular Meeting of the Board of Education took place on Monday, July 17th, 2017, at 6:30 p.m. During the meeting's Public Comment section, questions were directed to the Board regarding Coleman Education Association (CEA) teachers' and Coleman Education Support Personnel Association (CESPA) negotiations. The following is a list of questions that were asked either at or subsequent to the meeting by community members.

**Q: Why are you asking us to write our questions down to be answered later?**

**A:** Currently, both Associations are in formal negotiations with the District. Therefore, the Board is required to follow PERA (Public Employment Relations Act) which requires public employers to "bargain in good faith". Discussing contract negotiations could put the Board in violation of PERA if the information had not already been shared with the Association teams. By writing it down, the Board hopes to ensure clear, consistent communication to the all community members and staff.

**Q: If negotiations are not settled, when will school start?**

**A:** School will start for students on Tuesday, September 5<sup>th</sup>, 2017, as published. All contract terms and conditions continue while negotiations are on-going.

**Q: How will staff start school when they do not have a contract?**

**A:** Staff members continue to be paid the salary and benefits based on the previous contract which ended June 30, 2017.

**Q: What is fund balance/ equity and why is it important to keep a healthy fund equity?**

**A:** Fund balance is commonly mistaken to be 100% spendable cash, when in fact it is an accounting term indicating the difference between total asset and total liability. A 15% fund equity/ balance is about 2 months' worth of district expenditures, 84% of the district's expenditures are salaries and benefits. It is not a "slush fund", but assists when catastrophic events occur such as a roof collapse, severe storms, boiler breakdown or until State Aid funding or tax levies arrive. The fund balance dropped from 27% (end of 2014-2015) to 22% (end of 2015-2016). We continue to use between \$200,000-300,000 of our fund balance per year. Audit for 2016-2017 occurs in August with the final report in October/ November.

**Q: Why would we have to possibly borrow?**

**A:** The Winter Tax Levy given to districts is not sent until January; State Aid payments do not begin until October even though the district has payroll to meet year round along with bills for school supplies, textbooks, etc. Bus repair and building maintenance all occur in the summer. These are significant portions of its revenue and expenditures. We are forced to spend before we receive revenue. The fund balance helps to make payments but when it is diminished there is not enough to meet monthly expenditures. Even at 22% fund balance this year, we came close to borrowing for a few months in December 2016 to meet payroll until the Tax Levy arrived. The district's credit rating with Moody's also dropped in June 2017. Decreased credit ratings impact borrowing interest rates. Even borrowing for a few months will cost several thousand dollars that could be spent elsewhere. The district has not borrowed since 2010-2011, saving the district money.

**Q: Why can't we have a 1-year deal?**

**A:** A 1-year deal is a subject of negotiations and is dealt with through that process.

**Q: When does the Board get the (audit) fund balance numbers for the 2016-2017 budget to negotiate the teacher's .5% we are told you are not giving?**

**A:** The District Annual Audit will take place in August 2017 with final report from the third party auditors coming in October/ November 2017. The .5% off-schedule referred to in the question above was one part of an offer to teachers and support staff, should fund balance reach a certain percentage. No agreement has been reached by either party, so this is still a point of negotiation.

**Q: Why is this the first time the Board has hired a lawyer?**

**A:** This is not the first time the Board has had representation for the district. Each school district has a law firm on retainer and approved annually. The attorney is always contacted during negotiations and the contracts reviewed by them.

**Q: Why was a lawyer hired for negotiations? Attorney fees?**

**A:** The District met with both associations off-the-record on 6 or more occasions. The CEA met with the District's team on its own. CESA invited its Uniserve Director to those off-the-record discussions. When an agreement could not be reached after two more meetings with each association and the district, they moved to formal bargaining. At that point, each association indicated its Uniserve Director, a full-time professional negotiator, would provide representation at the table. Formal bargaining involves particular procedures and processes and it was important that the district also have outside representation. Thrun Law Firm is on retainer as the district's law firm year-round and was asked to serve as representation.

**Q: Why can't the contract be settled?**

**A:** Contracts are settled through negotiations and both sides coming to an agreement. Any contract must provide for a district's long-term financial stability.

**Q: Why isn't there air conditioning in the classrooms not just the administration offices?**

**A:** Air conditioning added to school buildings is extremely expensive and in conferring with the facilities company, 98% of school districts they work with, even new builds are not putting in air conditioning because of the cost. In addition to the cost of air conditioning system install, there would be on-going increased cost in utilities, maintenance, etc. It is something that could be quoted should the community see it as a priority and would likely require a bond issue. Central Office operates throughout the summer.

**Q: What are the classes sizes in 2<sup>nd</sup> through 4<sup>th</sup> grade?**

**A:** Classes sizes currently stand at 26 to 29 students if every single child returns in Fall 2017. There is movement in and out of every district over the summer, changing those numbers. These numbers are watched during the registration period and throughout the year for changes and decisions on class sizes are made based on that data and grade levels of the students. These class sizes are comparable with the surrounding area districts.

**Q: If Coleman Schools continue to have such a great reputation, wouldn't this generate revenue to cover expenses and to take care of teachers and students as School of Choice brings more students to the Coleman Community?**

**A:** Data at [www.MISchoolData.org](http://www.MISchoolData.org) a Michigan Department of Education website indicates from 2009-2010 until 2016-2017 between 34-45 students come to Coleman yearly as School of Choice and 130-185 leave to go to other districts. The District Improvement Team Strategic Planning Committee recently formed an Enrollment Goal Area Action Team which will address, through the 3-5 year plan being created, how to bring more students back. Opportunities to join this committee along with the 4 other Goal Area Committees were sent to all parents and employees and posted for and handed out to community members.

**Q: How much are we losing per student if they leave?**

**A:** The State "Per Pupil" allowance in 2016-2017 is \$7511. The proposed State budget for 2017-2018 indicates a possible \$120 per student increase raising the allowance to \$7631 per student, if the budget is approved.

**Q: Why can't we create a fund for teachers to help with students with an amount sufficient enough that makes it so the teachers don't have to dig in their own pockets?**

**A:** Each teacher receives a \$75 stipend annually for supplies; for the Jr./Sr. High this is an increase from \$50 in years prior to 2017-2018. At the elementary, classrooms are provided pencils, glue sticks, various paper types, homework folders, crayons, construction paper, band aids, planners, 3-ring binders, erasers, markers, scholastic magazines, stapler/ staples, pencil sharpeners, Kleenex, etc. If more of these supplies are needed teachers are able to ask the secretary in the office throughout the year. In both buildings, should the teachers need other items and let the principals know and principals purchase it from the building budget line items. For example, batteries for calculators, posterboard, whiteboards, resources for teaching, pencils, desks, tables or chairs have been recent needs. When funding isn't available, Parent/Teacher Organization (PTO) provides support when asked or other resources are sought. Information is forwarded to teachers from administrators about grants that are available; Title and other grant funding is applied for by administration to provide resources needed. Local organizations also donate supplies that are distributed for our students. Should teachers choose to purchase other items from their own money, they are entitled to an automatic \$250 deduction in their federal income tax plus reimbursement under "unreimbursed employee expenses".

**Q: Does the School Board make the decision on how much of the budget gets to be used for a lawyer?**

**A:** The district has an annual budget line item for legal fees. The attorney on retainer is approved at a School Board Meeting and the Board is kept apprised of issues as they arise and an attorney is necessary. The annual budget line item can include the annual retainer fee, negotiations representation, consultation for personnel and Human Resource issues, consultation for bond issues, election information and updates and training on new legislation among other times. The teacher's contract cost is \$2.96 million per year with 3 years of a contract costing the district \$8.88 million. Support staff contract is a \$992,000 annual contract. Any contracts amounting to \$9.87 million total, logically should be reviewed and negotiated by an experienced professional who understands the legal and practical impact. Both the CEA and CSPA choose to have a full-time professional negotiator represent their interest at the table. The Board then likewise chose to have a professional negotiator to represent the district.

**Q: What is the district and staff member spending on MESSA insurance vs. Blue Cross/ Blue Shield being offered?**

**A:** See attached chart for staff member spending. In the 2016-2017 budget the district spent over \$637,000 for CEA insurance and \$49,700 for CSPA insurance.