



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2016-21

**APPROVING THE COMMUNITY DISTRICT'S PROPOSAL TO ALLOW
OPT-OUT PAYMENTS ON MEDICAL INSURANCE NOT TO EXCEED A
TOTAL OF \$850,000**

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the "Act"), allows for the creation of the Detroit Financial Review Commission (the "Commission") within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the Detroit Public Schools Community District (the "Community District") beginning on June 21, 2016; and

WHEREAS, the Act provides that during the period of oversight, the Commission approve all Community District amendments or modifications of any collective bargaining agreement; and

WHEREAS, at the Commission meeting on October 31, 2016, the Community District presented a proposal that allows members of its unions to opt-out of health insurance coverage and be compensated for opting out, provided the total amount spent on opt-outs by the Community District will not exceed \$850,000 for the current fiscal year only, and in exchange the unions will accept a dental insurance policy with benefits different than that currently proposed, which policy will cost the Community District \$850,000 less than a policy with the currently negotiated benefits. The explanation of the current proposal as explained in an exchange of emails that is attached as Exhibit A.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the Community District's request as outlined in **Exhibit A** to this Resolution and as set forth above is hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.