



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2016-14

**APPROVING THE COLLECTIVE BARGAINING AGREEMENT WITH
THE DETROIT FEDERATION OF TEACHERS**

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, Section 6(9) of the Act requires that during the period of oversight, the Detroit Public Schools Community District (the “Community District”) shall submit new and amended collective bargaining agreements, to which it is a party, to the Commission for review and approval after approval by the Community District’s governing body and ; and

WHEREAS, Section 6(9) of the Act further requires the Commission to approve or reject collective bargaining agreements submitted to it within 45 days of submission; and

WHEREAS, the Tentative Agreement between the Community District and Detroit Federation of Teachers, AFT Local 231 (the “DFT CBA”) has been approved by the parties to the Tentative Agreement, which agreement shall be effective as of July 1, 2016 and shall continue in effect until the initial elected Detroit Public School Community District school board

takes office, and thereafter until June 30, 2017, subject to the limitations of MCL 380.12(b) (3); and

WHEREAS, the FRC is in receipt of an opinion letter from Clark Hill PLC addressed to the Community District, and with the permission of Clark Hill PLC, the Commission may rely on the opinion stated in the opinion letter. The opinion letter states, in part, that “by the express terms of the highlighted language above, (MCL12b(3)) the proposed collective bargaining agreement would not be binding upon the new school board, unless the new school board voluntarily chose to be so bound. Moreover, the ‘limitations in the MCL 12b(3)’ are expressly incorporated into both the tentative agreement and proposed collective bargaining agreement with the DFT, which establishes a contractual restriction in addition to the statutory limitation.

Accordingly, in our opinion the clear and unambiguous language in MCL 380.12b(3) highlighted above, which is incorporated by reference into the parties’ agreements, plainly provides that it is for the new school board alone to decide whether it wants to be bound in any way by the new collective bargaining agreements negotiated by the Transition Manager prior to the new school board taking office.”

WHEREAS, at the Commission meeting on September 16, 2016, the Community District presented the Detroit Federation of Teachers (DFT) collective bargaining agreement (CBA) to the Commission.

WHEREAS, the Community District also presented proposed budget modifications rectifying the economic impact of the Detroit Federation of Teachers (DFT) collective bargaining agreement (CBA) and the Community District’s budget for FY 2017 (the “Budget Amendments”)

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

1. That the DFT CBA presented to the Commission on September 16, 2016, is hereby approved.
2. The Budget Amendments are hereby approved.
3. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
4. This Resolution shall have immediate effect.

