

**SETTLEMENT PROPOSALS
BETWEEN**

**THE SCHOOL DISTRICT OF
THE CITY OF DETROIT**

AND

**THE MICHIGAN AFSCME
COUNCIL 25, LOCAL 345**

FEBRUARY 18, 2013

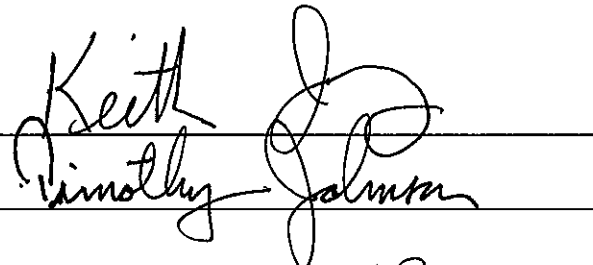
Settlement Agreement
Between
The School District of the City of Detroit
and
The AFSCME Michigan Council 25, Local 345

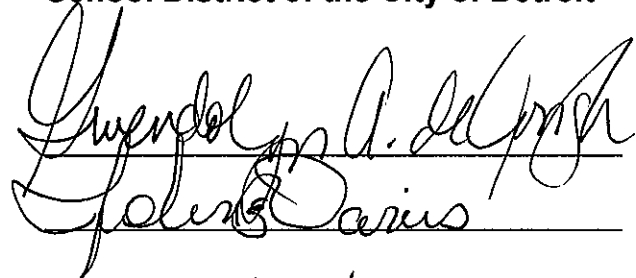
It is hereby agreed by and between the School District of the City of Detroit and the Michigan AFSCME Council 25, Local 345 in final settlement of all outstanding issues under negotiation as follows:

1. All provisions of the current Collective Bargaining Agreement ("Agreement") (January 1, 2004 through December 31, 2013) not specifically changed herein are carried forward into this Agreement.
2. The parties' new Collective Bargaining Agreement, the terms of which are fully set forth herein, shall be extended through December 31, 2016.
3. The parties commit to collaborate and consolidate the Agreement prior to December 31, 2013 in order to publish the terms in one collective bargaining agreement document.

AFSCME Michigan Council 25, Local 345

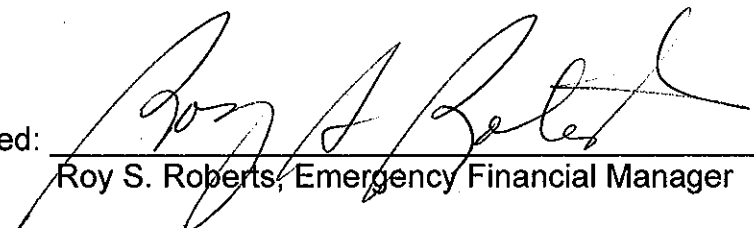
School District of the City of Detroit





Dated: 2-18-13

Dated: 2/18/13

Approved: 

Roy S. Roberts, Emergency Financial Manager

THE SCHOOL DISTRICT OF THE CITY OF DETROIT
AND
THE MICHIGAN AFSCME COUNCIL 25, LOCAL 345

Proposal Date: February 14, 2013 DPS Proposal: As Is__ Modified__

DPS Initials: _____

Union Initials: _____

TA'D Date: _____

ARTICLE XVIII
HOLIDAY PROVISIONS

- A. Ten-month employees will be paid straight time for all unworked hours of their regularly assigned shift up to eight (8) hours for the following eight (8) holidays: Labor Day, Thanksgiving Day, Day after Thanksgiving Day, Christmas Day, New Year's Day, Martin Luther King's Birthday, Memorial Day and Good Friday in each year.
- B. Employees who are less than 12-month employees, if assigned the additional work of summer school and also if they work both the day before and the day after July 4, will be paid for the July 4 holiday.
- C. Twelve-month employees shall be entitled to nine (9) holidays, which shall include the same holidays referred to above and Independence Day.
- D. A bargaining unit member who is eligible for holiday pay shall receive such pay, provided he/she works both the day before and the day after such holiday, or is receiving pre-approved sick pay or vacation pay, other than personal business.
- E. Holiday provisions shall also be applicable for regular emergency substitutes.

THE SCHOOL DISTRICT OF THE CITY OF DETROIT
AND
THE MICHIGAN AFSCME COUNCIL 25, LOCAL 345

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ARTICLE XXXIII
UNION MEMBERSHIP, AGENCY SHOP AND DUES DEDUCTION

- A. Employees covered by this Agreement at the time it becomes effective and who, at that time, are members of the Union shall be required as a condition of continued employment to continue membership in the Union for the duration of this Agreement.

The District shall deduct from the pay of each employee from whom it receives an authorization to do so, the required amount of fees for payment of Union dues and/or initiation fees.

Such fees, accompanied by a list of employees from whom they have been deducted, and the amount, shall be forwarded to the Union no later than forty (40) days after the deductions have been made.

The Union will notify the District forty (40) days prior to any change in such dues and/or initiation fees.

B. Agency Shop

1. All employees employed in the bargaining unit or who become employees in the bargaining unit who are not already members of the Union, shall within sixty (60) days of the effective date of this provision, or within sixty (60) days of the date of hire by the District, whichever is later, become members or in the alternative, shall within sixty (60) days of the effective date of this provision or within sixty (60) days of their date of hire by the District, whichever is later, as a condition of employment, pay to the Union each month a service fee in an amount equal to the regular monthly Union membership dues uniformly required of employees of the District who are members. This provision is effective July 1, 1969 for twelve (12) month employees and is effective September 2, 1969 for ten (10) month employees.

2. An employee who shall tender or authorize the deduction of membership dues (or service fees) uniformly required as a condition of acquiring or

obtaining membership in the Union, shall be deemed to meet the conditions of this Article so long as the employee is not more than sixty (60) days in arrears of payment of such dues (or fees).

3. The District shall be notified, in writing, by the Union of any employee who is sixty (60) days in arrears in payment of such dues (or fees).
4. If any provision of this Article is invalid under Federal or State law, said provision shall be modified to comply with the requirements of said Federal or State law.
5. The Union agrees that in the event of litigation against the District, its agents or employees arising out of this provision, the Union will co-defend and indemnify and hold harmless the District, its agents or employees for any monetary award arising out of such litigation.

THE SCHOOL DISTRICT OF THE CITY OF DETROIT
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ARTICLE XLIII
UNIFORM POLICY AND UNIFORM ALLOWANCE

Effective immediately the uniform allowance will be discontinued (which includes no payments for the 2012-2013 fiscal year). The Office of School Nutrition ("OSN") will provide the employees with four (4) polo shirts each year. At the beginning of the school year, OSN employees will receive four (4) polo shirts each year. Employees with less than 30 days of employment with the District will receive two (2) polo shirts. After 90 days or more of employment, Employees in the OSN will receive an additional two (2) shirts (not to exceed four (4) polo shirts annually).

Employees will wear an Office of School Nutrition ("OSN") uniform all year round which consists of a polo shirt (provided by the OSN), black pants or skirts and non skid black shoes effective 2012-2013 school year. Employees are required to arrive at work in uniform.

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ARTICLE XIX
EVALUATION

A. Performance Evaluation

The employer shall evaluate employees at least once a year using an established form. After consultation with the Union, the employer will provide a performance evaluation tool which will include but will not be limited to the following performance factors:

- Job Knowledge and Skill
- Quality of Work
- Efficiency of Work
- Attendance
- Team Effort and Leadership

Such evaluations shall be discussed in a conference between the employee and his/her administrator/supervisor. Employees retain the right to place rebuttal information in their file regarding an evaluation and to have copies of any and all items placed in their personnel records both at the local school and the central system.

B. Professional Development

Effective July 1, 2013, all Trainable Aides and Special Education Aides ("Aides") in the bargaining unit shall be required to participate in mandatory professional development annually. The Aides must attend and complete five (5) of the professional development courses which include but are not limited to the following:

1. Crisis Prevention Intervention*
2. Universal Precautions*
3. Sensitivity Training*
4. Special Tracking System and My Star
5. Proper Lifting Techniques
6. Safety Transport of Students
7. Teacher and Paraprofessional Collaboration
8. Common Core Essential Elements

Each year the Aides are required to attend the courses listed above which are indicated above with an asterisk (*). The District will, contingent upon funding and at its discretion, provide courses during District-wide Professional Development days and on Saturdays and breaks which includes the summer. For courses that are scheduled on Saturdays or during breaks (such as summer), the members will receive workshop pay for all hours attended. Attendance and participation in Professional Development will positively impact your performance evaluation.

The Aides will receive a Certificate of Completion for each training course attended. The Aides who complete 7 or more courses each year will receive a recognition letter from the Office of Specialized Services.

The District reserves the right to modify the professional development courses offered.

Failure to attend five (5) courses may result in disciplinary action.

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ARTICLE XL
HEALTH AND LIFE INSURANCE

All full-time bargaining unit members may elect to receive full family health, dental, optical and employee only life insurance as provided below.

Notwithstanding the above, bargaining unit members whose scheduled work hours are 20-29 hours per week and hired prior to May 1, 2010 will be eligible for health insurance coverage and dental insurance coverage for employee only, at the same annual premium cost as bargaining unit members whose scheduled work hours are 30 hours or more per week.

Employees must apply for coverage within thirty (30) days of initial employment or during open enrollment periods.

All bargaining unit members shall be required to pay a portion of the premium for health insurance as detailed below.

A. Health Care

Eligible employees may elect health insurance for himself/herself and eligible dependents.

Effective January 1, 2014 bargaining unit members who elect health insurance coverage will be eligible to receive coverage under a HMO plans or a PPO plans.

Employees choosing HMO coverage are required to pay 20% of the annual premium cost via payroll deduction.

Employees choosing PPO coverage are required to pay 20% of the annual premium cost of the chosen PPO plan, plus the difference in premium cost between the PPO plan selected by the employee and the higher cost HMO plan. Such premium cost sharing will occur via payroll deduction.

Employees choosing PPO coverage will have the following options available:

PPO Plan 1

\$250 (single)/\$500 (family) annual deductible
\$1,500 (single)/\$3,000 (family) annual out of pocket maximum
90% (in-network)/70% (out-of-network) co-insurance
\$20 office visit co-pay

PPO Plan 2

\$500 (single)/\$1,000 (family) annual deductible
\$3,000 (single)/\$6,000 (family) annual out of pocket maximum
80% (in-network)/60% (out-of-network) co-insurance
\$20 office visit co-pay

HMO Plans

\$20 office visit co-pay

B. Emergency Room and Urgent Care Co-Pay

The emergency room co-pay for non-emergency care will be one hundred dollars (\$100) per visit. The urgent care co-pay shall be fifty dollars (\$50) per visit.

C. Prescription Co-pay

The co-pay for generic equivalent prescription drugs will be five dollars (\$5) per prescription, the co-pay for generic, formulary prescription drugs will be twenty-five dollars (\$25) per prescription and the co-pay for non-generic, non-formulary prescription drugs shall be forty dollars (\$40).

Employees will have the option of utilizing mail order prescription service for maintenance medications prescribed for more than thirty (30) days. Employees utilizing the mail order prescription drug program will receive a ninety (90) day supply at a cost of two (2) prescription co-pays.

D. Dental Insurance

Eligible employees may elect dental insurance for himself/herself and eligible dependents. Eligible employees may choose one of two dental plans. Employees shall contribute 20% of the cost of the dental insurance selected.

E. Optical Insurance:

The District shall provide a comprehensive full-family optical care program to all full time employees.

Dependent children enrolled in school as full-time students shall receive optical coverage to age twenty-five (25).

F. Life Insurance:

The District shall underwrite the cost of group life insurance for all eligible members of the bargaining unit. The policy shall provide the payment of \$10,000 to the employee's designated beneficiaries or the employee's estate if the employee should die while in the active service of the District.

G. Health Insurance Reopener

There will be re-opener for health, dental, and optical insurance benefits for fiscal years 2014-2015 and 2015-2016.

THE SCHOOL DISTRICT OF THE CITY OF DETROIT
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ARTICLE XIV
DISCIPLINE

Consistent with "Just Cause" discipline procedures will be determined by the District. Such procedures will include:

- A. The bargaining unit member must be notified in advance in writing of the purposes of a conference or hearing with the administrator or unit head when discipline is contemplated. Such notice must include the statement of charges and/or work rule violation(s). The notice must also state that the bargaining unit member has the right to Union representation.
- B. Unless mutually agreed to by the parties, the hearing or conference of the bargaining unit member will be held no later than sixty (60) days from the date the investigation upon which the charges are based is concluded. The person bringing charges cannot chair a hearing. A written summary including the decision will be provided to the affected unit member. If it is serving in a representative capacity, a copy to the Union will also be provided.
- C. Disciplinary action taken against bargaining unit members considered improper by the member or the Union may be grieved in accordance with the grievance procedure as contained in Article XIII in this Agreement.
- D. In the use of past records, management may take into consideration the length of time between infractions and any evident improvements in work performance by the employee.

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ARTICLE XXII
GENERAL LEAVE POLICY

A. Sick Leave – Accrual Rate

Sick leave for unit members HIRED BEFORE RATIFICATION OF THIS CONTRACT BY THE DISTRICT shall accumulate in a sick bank at the rate of fifteen (15) days per year for 10-month employees and seventeen (17) days per year for 12-month employees .

Sick leave for unit members HIRED AFTER RATIFICATION OF THIS CONTRACT BY THE DISTRICT shall accumulate in a sick bank at the rate of one (1) day per month in their first year of employment and one and one-fifth (1.20) days per month for the next three (3) years. Starting in the fifth (5th) year, the employees will earn .65 per pay period each year thereafter. Days earned shall be credited each pay period beginning with July.

The District may implement a schedule of discipline based upon suspected abuse of sick bank by any member subject to the just cause provision of this Agreement.

B. Personal Business

The employee shall be able to use up to two (2) days for personal business. Personal business days shall be deducted from employee's sick leave bank. Personal business days may not be used to extend a holiday.

C. Catastrophe Bank:

When an employee's sick leave bank has reached the current allowable maximum as set forth in this Agreement, there shall be established a "Catastrophe Bank" into which all days over the maximum earned, commencing with the first pay period of the first month after this Agreement is approved by the District, shall be placed. When an employee has used all days accumulated in his/her sick bank for an illness extending more than six months, he/she may

thereafter draw from his/her "Catastrophe Bank" to the extent he/she had made contribution to said bank. The employer may require medical evidence of the illness/disability.

D. Retirement – Payment of Unused Sick Leave Days

Upon retirement with a retirement allowance, in accordance with the qualifications established by the Michigan Public School Employees' Retirement System School District of the City of Detroit, an employee will be paid an amount not to exceed one-half (1/2) her/his Sick Leave days, with a maximum allowance of thirty (30) days pay.

Effective for the duration of this agreement, payment of Unused Sick Leave days for all bargaining unit members shall be suspended.

E. Leaves of Absence

Leaves of absence without pay may be granted for a period of one (1) year with an extension for the leave within the discretion of the District for the purposes listed below:

1. Illness (with seniority accruing for a period of leave not exceeding one (1) year).
2. Maternity - (See FMLA).
3. Injury on the job (with seniority accruing for the entire period of leave).
4. Peace Corps term - (Seniority shall not accrue during period of leave). The employee's return to work shall be governed by existing procedures as set forth in the Administrative Handbook.

- F.** Leaves may be granted at the discretion of the District for reasons other than those listed above when they are deemed beneficial to the District. Such leaves granted, except for maternity leaves, may be granted for a period of one (1) year with an extension for the leave within the discretion of the District.

Probationary employees shall not be eligible for leaves of absence other than military leaves.

- G.** Members of the Union elected to Local Union positions or selected by the Union to do work which takes them from their employment shall, at the written request of the Union, be considered for leaves of absence for periods not to exceed two (2) years or the term of office, whichever may be shorter, and upon their return shall be re-employed with accumulated seniority. Such leaves of absence may be renewed upon the request of the employee.

- H.** Veterans who are reinstated as employees in the bargaining unit, in accordance with the Uniform Services Employment and Reemployment Rights Act and other

applicable laws and regulations, and remain in the employ of the District for at least one year after reinstatement, will be eligible to apply for leave of absence without pay for a period not to exceed a period equal to their seniority in order to attend school full-time under applicable federal laws in effect on the date of this Agreement. The seniority rights of such employees shall be protected but shall not accrue during the leave of absence.

- I. Members of this bargaining unit who have been granted Professional Service Leaves shall be eligible at their own (or Union's) expense for those fringe benefits generally offered to this bargaining unit. This eligibility shall be conditional to the agreement of the private carrier when such agreement is necessary.

A member who is on Professional Service Leave of Absence shall be entitled to return to a position of like status and pay to that he/she left immediately before going on Professional Service Leave, at the expiration of the leave, subject to the seniority provisions of this Agreement.

J. Sick Leave

An employee not able to return to work following four (4) consecutive days of absence for personal illness may be required to have a medical examination by the District's designated Physician and present the appropriate form for returning to employment, executed by his/her physician (Physician Certificate) before returning to his/her assignment. This regulation also applies to illness absences in June, regardless of whether they extend into September.

If procedures are followed, delays in scheduling the medical examination shall not be charged to the employee's sick bank.

- K. After four (4) consecutive work days of sick leave, an employee must furnish a statement from his/her physician on the fifth day of her/his absence from work on the appropriate District form which permits and secures release of his/her pay check. If procedures are followed, delays in scheduling the medical examination shall not be charged to the employee's sick bank.

L. Appeal to Medical Office Decision

The decision of the Medical Office in this Article is binding except that if an employee is not satisfied with the decision of the Board Medical Office, as to his/her ability or inability to work, the employee must appeal the decision of the Medical Office within three (3) business days from the receipt of the medical report under the following conditions.

The School District of the City of Detroit and the Union shall mutually agree within ten (10) business days as to who the appropriate specialist shall be. The employee shall consult the designated specialist and the School District of the City of Detroit shall pay one-half (1/2) of the cost of the evaluation and the employee shall pay the other half. Within twenty (20) business days the specialist shall furnish a report relative to his/her evaluation to the School District of the City of Detroit, to the Union and to the employee. The determination of the specialist shall be final and binding as to whether the employee is able or unable

to return to work. The time limits specified in this procedure may be extended by mutual agreement.

Failing agreement by the District and Union on selection of the appropriate specialist, the employee's physician and the District's designated physician shall select the appropriate specialist.

THE SCHOOL DISTRICT OF THE CITY OF DETROIT
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ARTICLE XXXII
SUPPLEMENTAL AGREEMENTS

1. **Reimbursement for Transportation Costs (Regular and Part-Time Bus Attendants)**

Effective August, 1987, the District will no longer provide bus tickets to regular part-time bus attendants.

Regular part-time bus attendants shall be compensated for their costs of transportation based on the following attendance records during the school year:

- a. If at the end of the school year not more than four (4) days have been used from his/her illness bank, a payment of \$300 will be made.
- b. If at the end of the school year not more than seven (7) days have been used from the illness bank, a payment of \$250 will be made.
- c. If at the end of the school year not more than ten (10) days have been used from the illness bank, a payment of \$200 will be made.
- d. Employees working at least one hundred fifty (150) days shall receive \$150.

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ARTICLE VI
CALL-IN TIME, STAFFING AND HOURS OF WORK

The staffing requirements and work schedule of unit members will be determined by the principal or designee and at locations other than schools, by the appropriate administrator or designee.

A. Hours of Work

All employees' Off Day hours and Sick Leave hours will be consistent with the number of hours they are scheduled to work.

1. Trainable Aide and Special Education Aide

- a. On or before June 30, 2013, the regularly scheduled hours of work for Trainable Aides will be 7.5. On or before June 30, 2013, the regularly scheduled hours of work for Special Education Aides will be 7.0. These work hours will not apply to the Summer School/Title I or Autism Spectrum Disorder Extended School Year programs.
- b. Reclassification 48 Week Trainable Aides – Due to the amount of days students are required to attend school effective 2012-2013 school year the 48 Week Aides will be reclassified to 39 Week Aides.

2. School Technicians

- a. Meetings of school technicians with the supervisor of school technicians shall be held as needed. The supervisor shall set the date, time and place of the meeting.
- b. Except in emergency situations, school technician shall not be assigned duties normally performed by teachers or administrators.

- c. Working Hours - School Technicians work eight (8) hours per day. Included in the eight (8) hours is a lunch time of one-half (1/2) hour in duration, during which time the technician is on call if necessary.
- d. The District will determine the numbers of hours and the quantity of school technicians that are needed for each community use or afterschool assignment. The District will acknowledge input from the school technician, but the District will make the final decision.
- e. The school technician may not utilize non District employees for work and/or community use assignments. The school technician engaging in this practice will be subject to discipline up to and including termination.

B. Notification of Sick Leave Absence and Return

When it is necessary to be absent, the employee must notify the school office or the person designated at the time established by the school. The school office should be informed of an expected absence early enough to be able to have a substitute, if applicable, arrive before the opening of the school day. The absent employee must report to the District's attendance program, if applicable, and notify the school by 2:30 p.m. of the day preceding his/her return.

Employees able to anticipate non-illness absence chargeable to sick leave must make application in advance on a form provided by the District for such purpose.

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ARTICLE XLIX
CHANGE AND TERMINATION

The collective bargaining agreement between the School District of the City of Detroit and the Michigan AFSCME Council 25, Local 345 effective January 1, 2004 through December 31, 2013 is modified, renewed and extended with an expiration date of December 31, 2016.

Change all relevant dates throughout the Agreement to reflect it being effective from January 1, 2004 through December 31, 2016.

THE SCHOOL DISTRICT OF THE CITY OF DETROIT
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ARTICLE XXVI
WORKERS COMPENSATION

The District shall provide Workers' Compensation insurance for all employees covered by this Agreement in compliance with the laws of the State of Michigan.

Benefit Termination or Limitation

1. An employee will maintain employment for a maximum period of one (1) year while receiving workers' compensation benefits. Upon termination from employment with the District all benefits will end (workers compensation will apply as provided by the laws of the State of Michigan).
2. If the employee rejects the report of the specialist and pursues a Workers' Compensation claim any recovery shall be Workers' Compensation benefits only.

**THE SCHOOL DISTRICT OF THE CITY OF DETROIT
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**ARTICLE XLVIII
MANAGEMENT RIGHTS AND RESPONSIBILITIES**

The District reserves all rights and powers conferred upon it by the Constitution and laws of the State of Michigan and the United States. In addition, the District reserves the right to govern and manage the District in all respects.

This Agreement is subject in all respects to the laws of the State of Michigan with respect to the powers, rights, duties, and obligations of the District, the Union and the employees in the bargaining unit. In the event that any provisions of this Agreement shall at any time be held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided for doing so, such provision shall be void and inoperative; however, all other provisions of this Agreement shall continue in effect.

**Letter of Agreement
between
The School District of the City of Detroit
and
The American Federation of State, County and Municipal Employees
AFL-CIO, Michigan Council 25, Local 345**

OFFICE OF SCHOOL NUTRITION - COMPENSATION

By their representatives' signatures below, the parties agree to the following:

A. Wage Increase

Effective January 1, 2013, the District will provide a 10% wage increase on pre-concession wages to all Office of School Nutrition ("OSN") employees who are members of the American Federation of State County and Municipal Employees ("AFSCME") union with wages currently paid out of Fund 25. The employees will be subject to the current 10% wage concession.

B. Efficiency bonus for 2011-2012 fiscal year.

The District will pay a one time "Efficiency Bonus" to Office of School Nutrition employees whose earnings are on Fund 25 based on actual earnings from the time period of July 1, 2011 through December 31, 2012 with the following terms:

- The bonus would be a percentage of earning for each employee as described more fully below.
- The bonus percentage would be calculated as follows: 2% for each \$1 million dollars of the OSN's net increase in fund balance (Fund 25) per the District's audited financial statements, with a maximum of 10%.
- To receive the bonus, an employee must have been a Fund 25 employee during the 2011-2012 fiscal year. Eligible employees must also have been employed by OSN on December 31, 2012.
- The OSN's Efficiency Bonus for the 2011-2012 fiscal year will be 10% of actual earnings.
- The Efficiency Bonus will be excluded from pension and related deductions, but will be subject to the normal statutory deductions such as FICA and federal, state and city income taxes.

C. 2013 "Efficiency" Bonus

The District will provide the 2013 "Efficiency" Bonus to OSN Fund 25 employees with the following terms:

- The 2013 "Efficiency" Bonus will be based on actual employee earnings for the time period of January 1, 2013 through June 30, 2013 and satisfactory performance evaluation, if applicable.

- The bonus percentage would be calculated as follows: 2% for each \$1 million dollars of the OSN's net increase in fund balance (Fund 25) per the District's audited financial statements, with a maximum of 10%.
- Employees must be on the payroll during the 2012-2013 fiscal year and an active employee as of June 30, 2013.
- The District will distribute the payment on or before December 31, 2013.
- The bonus will be excluded from pension and related deductions, but will be subject to the normal statutory deductions such as FICA and federal, state, and city income taxes.

D. Subsequent "Efficiency" Bonuses

Subsequent "Efficiency" Bonuses will be paid based on employee's earnings for the time period of July 1st through June 30th of the respective fiscal year and satisfactory performance evaluations, if applicable, payable in January of the subsequent calendar year.

- The bonus percentage would be calculated as follows: 2% for each \$1 million dollars of the Office of School Nutrition's excess fund balance, with a maximum of 10%, for the previous fiscal year.
- The bonus will be excluded from pension and related deductions, but will be subject to the normal statutory deductions such as FICA and federal, state, and city income taxes.

E. Termination/Modification Bonus Plan

The District reserves the right to modify the terms and amounts of the bonus payment. The District, at its discretion, may terminate or modify the incentive plan design (percentage calculation), eligible employees and distribution cycles. Upon termination of employment, other than for cause, the employee shall be paid her/his "Efficiency" bonus provided he/she meets the above requirements for the bonuses.

AFSCME Union:

Keith J.
Timothy Johnson

Date: 2-18-13

School District of the City of Detroit:

Quendelyn A. deCoy
John B. Davis

Date: 2/18/13

Approved: _____

Roy S. Roberts
 Roy S. Roberts, Emergency Financial Manager

THE SCHOOL DISTRICT OF THE CITY OF DETROIT
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ARTICLE _____
DIRECT DEPOSIT/DEBIT CARD

DIRECT DEPOSIT/DEBIT CARD

The District has the right to and will implement, at its discretion, the payment of wages to employees covered by this agreement through direct deposit or a payroll debit card and issue pay advices electronically in accordance with state law.

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ARTICLE XXXIX
WAGES

A. **Salary Schedules**

Salary step increments for all bargaining unit members shall be suspended for the duration of this Agreement.

B. The economic concessions currently in operation will remain in effect for the duration of this Agreement.

C. There will be a wage reopener for the 2014-2015 and 2015-2016 fiscal years.

D. **Adaptive Physical Education Aides Only**

Effective December 1998, and every December thereafter, the Adaptive Physical Education Aides shall be paid a \$500 bonus for the three Red Cross Certifications required for this position.

E. **Bonus**

To the extent that the District is able to generate a surplus after operating debt service payments and generate a reduction in the General Fund accumulated deficit, a one-time bonus would be paid to members of AFSCME, Local 345. The terms and conditions for payment of this one-time bonus are as follows:

1. For each \$7 million reduction (before the one-time bonus and with no proration) in the General Fund accumulated fund deficits generated during the fiscal year ended June 30, 2013, June 30, 2014 and June 30, 2015, each qualified AFSCME, Local 345 member will receive a 1% one-time salary and wage bonus.
2. The maximum bonus percentage is five percent (5%) of an eligible employees base salary earned during the respective bonus year.
3. The amount of any one-time bonus will be calculated based on the District's audited financial statements for the respective fiscal year ended. The bonus will be paid by December 31st following the end of the respective fiscal year in which the one-time bonus was generated.

4. To qualify for the bonus for a respective year, an employee would be required to be employed by the District on November 20th, following the year the bonus was earned. AFSCME Local 345 members who are eligible to receive the OSN "Efficiency" bonus will not be eligible to receive the bonus prescribed under this Article.
5. There is no guarantee that a bonus will be generated and the results of the District's audited financial statements for the respective fiscal year are final.

**Letter of Agreement
between
The School District of the City of Detroit
and
The American Federation of State, County and Municipal Employees
AFL-CIO, Michigan Council 25, Local 345**

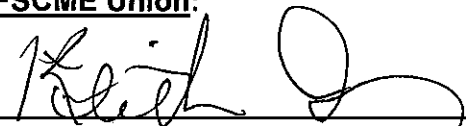

**RECLASSIFICATION OF 48 WEEK TRAINABLE AIDES
TO 39 WEEK TRAINABLE AIDES**

By their representatives' signatures below, the School District of the City of Detroit (the "District") and the American Federation of State, County and Municipal Employees ("AFSCME") agree to the reclassification of the current 48 Week Trainable Aides to 39 Week Trainable Aides (Grade 2) subject to the following requirements:

1. On or before June 1, 2013, the 48 Week Trainable Aide will be reclassified to 39 Week Trainable Aides Grade 2 (Grade 2 Aide).
2. The Grade 2 Aide will be assigned to the Center Based Schools and work the SCI/SXI 200 day program.
3. The Grade 2 Aide assigned to work the five (5) week SCI/SXI 200 day program during the months of July and August will receive the pay rate of \$18.07 an hour for that time period only.
4. If a Grade 2 Aide is released by the District through any means (e.g., retirement, termination, resignation, etc.), the individual will not be rehired into the Grade 2 Aide position and no employee will be placed into that position.
5. The Grade 2 Aide position will be eliminated through attrition.

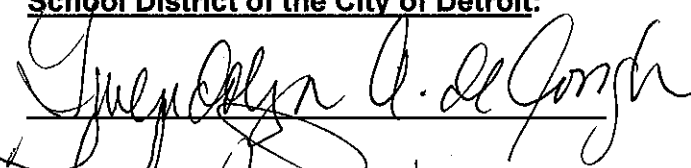

The Union and the District agree that any reference to 48 Week Trainable Aides remaining in the parties' Collective Bargaining Agreement will be removed when the parties collaborate and consolidate the Agreement prior to December 31, 2013.

AFSCME Union:

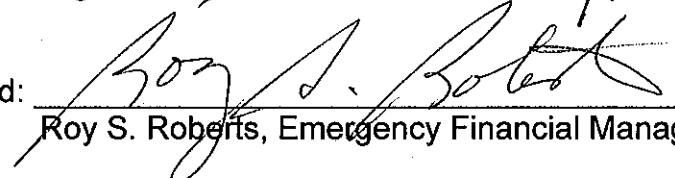



Date: 2-18-13

School District of the City of Detroit:

Date: 2/18/13

Approved: 
Roy S. Roberts, Emergency Financial Manager