

SEIU Local 517M E-Former – September 2011

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State Employee Bargaining Update

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Citizens Protest Rep. Camp in Midland for Failing to Create Jobs, Attacking Medicare

On August 23, 2011, SEIU members and other groups of the We Are The People Coalition called on voters in the 4th Congressional District to hold their congressman, **Dave Camp**, accountable for his failure to create jobs and his attacks on vital public services that protect seniors, children and middle class families. Camp is a member of the Super Committee tasked with coming up with a plan to reduce the federal deficit by Nov. 23.

In Congress, Camp has been one of the most vocal opponents of laws that protect health care coverage for people. He has supported plans to gut Medicare and Medicaid and pledged to repeal the Affordable Care Act that expands health care access.

Camp voted for a House Republican budget earlier this year that would cause the loss of roughly 700,000 jobs and force deep cuts to Social Security and Medicare, according to the Center on Budget and Policy Priorities.

“Congressman Camp has enormous power as one of only 12 legislators on the Super Committee, and he should be using that power to create jobs, protect health care and get our economy moving again,” said **Zack Pohl** of We Are The People. “While people across the 4th District are searching for jobs and struggling to pay for groceries, the Congressman has been protecting tax breaks for millionaires and giant corporations. He has to change his priorities and start putting our seniors and workers first.”

The demonstration was part of a growing number of protests against members of Congress this month by Americans who are fed up with politicians who side with CEOs and Wall Street bankers over middle class families and have failed to create jobs. The protesters are vowing to hold Rep. Camp and other politicians accountable in next year’s elections and vote out anyone who doesn’t invest in creating quality jobs for the middle class and protecting Medicare and other vital services.

“It’s disturbing that Dave Camp is making decisions about health care that affect millions of Michigan while being supported by health-care companies like Pfizer, which is sponsoring a fundraiser for him next month,” said **John Freeman** of Protect Your Care Michigan. “He needs to remember that he is accountable to the people he represents – not the donors that write the biggest check. His plans to cut Medicare and other vital programs would cause serious harm to tens of thousands of seniors and families in his district and take our country in the wrong direction.”

While 30 million Americans are looking for work, corporate profits are at a record high and Wall Street banks have made over \$100 billion in profits since taxpayers bailed them out. Protesters want Congress to end tax breaks and loopholes for CEOs, hedge fund managers and others,

and make giant corporations pay their fair share of taxes so America can invest in creating quality jobs and protecting essential services.

Health Care Now Being Bargained in the Legislature

The Michigan Legislature has passed a law which the Governor is expected to sign that would impose spending caps on employers' share of health insurance premiums for local government and school employees. The law passed by Republican controlled House and Senate by partly line vote, limits the amount the local government and school districts pay for an employee's annual health insurance premiums to \$15,000 for a family, \$11,000 for employee and spouse, and \$5,500 for single person coverage. The alternative is that they could choose to adopt an 80% employer- 20% employee split of premium costs. Refusal to comply with the law could cost local units of government and school district up to 10% of their state aid payments.

The law also recognizes that where there is collective bargaining agreements currently in place, that limiting the amount of employer paid health insurance would not immediately apply. The bill requirements would take effect only after the collective bargaining agreements have expired, amended, extended, or renewed. However, a collective bargaining agreement that is agreed to on or after September 15, 2011 must comply with the law.

Requirements of this law do not apply to employees of the State whose pay and benefits are controlled by the Michigan Civil Service Commission as established by the State Constitutions. However, State employees hired on or after April 1, 2010 already pay 20% of the health premium. The Civil Service Commission could adopt the requirements of this legislation that would then affect all State employees. Impact on State retiree's premium co-pays is yet to be determined since the State Employees Retirement Act ties the maximum State contribution to the health care premium for retirees to the level provided to active State classified employee benefit.

Official Notice of Election for Technical Unit Vice President

Candidates are now being sought for the Technical Unit Vice President. Names may be placed on the ballot for election by sending a completed Candidate Petition Form to the SEIU Local 517M Lansing Office. Forms must be signed by the candidate and received by mail, personal delivery or fax (517-482-7870) no later than Monday, September 12, 2011. Information from the Petition Form, along with candidate's picture, if desired, will be distributed with the ballots prepared by the Election/Tally Committee. Ballots will be available to all Technical Bargaining Unit members no later than Friday, September 16, 2011 and must be received by the SEIU LOCAL 517M Lansing Office for counting by noon on Monday, October 3, 2011. There is no provision for write-in candidates.

The election calendar is:

Candidate Petition Forms Deadline: Monday, September 12, 2011

Ballots Available Online or Mailed: Friday, September 16, 2011

Ballots Counted: Monday, October 3, 2011

Candidate Petition Form is Available at: <http://www.seiu517m.org/files/2011/08/2011-vp-nomination-form.pdf>

Chamber Files Brief Supporting Snyder Tax Plan

On Monday, August 22, 2011, the Michigan Chamber of Commerce filed an amicus brief with the Michigan Supreme Court supporting the tax reform plan passed by the Michigan Legislature and signed in May by Gov. **Rick Snyder**.

Snyder requested an advisory opinion from the court in early June on the constitutionality of the law, parts of which take effect Oct. 1. The law replaced the Michigan Business Tax (MBT) with a corporate business tax while eliminating several income tax exemptions for individuals.

SEIU and other state employee unions sued on the basis that taking away the exemption on public pension income and making it subject to the income tax is a violation of the constitutional provision that bars state government from "impairing or diminishing" a vested public pension.

The Governor said the lawsuit against what is referred to as "the pension tax" would take years to wind its way through the legal system and leave the state's financial situation in limbo.

Court Rules 3% Retiree Health Care Contribution Unconstitutional

On Friday, August 26th the Michigan Court of Appeals concurred with a decision by the Court of Claims that the three percent retiree health care contribution the Legislature asked of state workers contravened the power of the Civil Service Commission and is therefore unconstitutional.

SEIU, AFSCME, MSEA, and the UAW filed lawsuits that call into question the decision by the Michigan Legislature to enact a three percent contribution in the face of collective bargaining agreements that provided the workers with a three percent wage increase.

SEIU Local 517M President **William Ruhf** stated "We were well affirmed and Governor and Legislature was taken to task. If the Michigan Supreme Court follows the strict interpretation as they like to say, then we will win again. If not, then the Supreme Court will just be seen as a politics as usual body."

The decision made by Court of Appeals Judges Hood, Beckering, and Stephens determined that the Civil Service Commission (CSC) has the authority in the state's constitution to determine state employee pay and provides for a legislative override of their findings.

The Court sided with the Unions argument that the Legislature failed in obtaining the two-thirds vote to reject a negotiated three percent wage increase, therefore it enacted the three percent retiree health contribution in order to balance the budget.

"When a statute contravenes the provisions of the Michigan Constitution it is unconstitutional and therefore void," wrote the court.

The parties have already been notified that the State intends to appeal this decision to the Michigan Supreme Court.