

**TENTATIVE AGREEMENT  
BETWEEN  
FRANKENMUTH SCHOOL DISTRICT  
AND  
FRANKENMUTH TEACHERS' PROFESSIONAL ORGANIZATION  
November 5, 2025**

This Tentative Agreement is entered into by and between the Frankenmuth School District and the Frankenmuth Teachers' Professional Organization, on the 5<sup>th</sup> day of November, 2025.

**The parties agree to the following regarding Professional Compensation:**

- The parties agree one step will be earned effective January 1, 2026 for all eligible current members employed during the 2024/25 school year. In addition, the Salary Schedule will be adjusted with a 3.5% increase effective January 1, 2026. These changes will be reflected beginning with the January 2, 2026 pay date.
- In addition, the parties agree all FTPO members will receive an off-schedule bonus in the amount of \$1,000. The pay date for the off-schedule bonus will be March 13, 2026.
- The District recognizes there is a new funding source 271 Educator Compensation Program. At this point in time the District is awaiting additional guidance from MDE.

***388.16271 Educator compensation program.***

*Sec. 271.*

*(1) From the state school aid fund money appropriated in section 11, there is allocated \$203,000,000.00 for 2024-2025 only, and from the MPSERS obligation reform reserve fund money appropriated under section 11, there is allocated the remaining balance, estimated at \$147,300,000.00 for 2024-2025 only to districts and intermediate districts for the purposes of this section. The state school aid fund allocation in this section is conditional on the effective issuance of a directive by the state budget director, pursuant to section 451a of the management and budget act, 1984 PA 431, MCL 18.451a, to lapse all remaining funding from a work project that was established under section 27k in 2023-2024. The amount allocated from the state school aid fund under this section may not exceed the amount lapsed from the work project as described in the immediately preceding sentence.*

*(2) The state school aid fund money allocated in subsection (1) is allocated to districts and intermediate districts in an equal amount per pupil. Subject to subsection (3), a district or intermediate district shall use all of the funding allocated under this subsection to increase compensation for educators in the district or intermediate district.*

*(3) If there are 1 or multiple labor unions representing educators in the district or intermediate district, the district or intermediate district shall bargain any increases in compensation under subsection (2) with those unions. All payments to educators made by districts or intermediate districts with funds allocated under subsection (2) shall be in addition to any existing compensation negotiated in a collective bargaining agreement.*

*(4) The MPSERS obligation reform reserve fund money allocated in subsection (1) is allocated for payments to participating entities to offset normal costs associated with retiree health benefits. The amount allocated to each participating entity under this subsection must be based on the participating entity's proportion of the total funding distributed in 2024-2025 under section 147g. Participating entities must use funding distributed under this subsection as an offset for normal costs associated with retiree health benefits.*

*(5) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.*

*(6) The funds allocated under this section for 2024-2025 are a work project appropriation, and any unexpended funds for 2024-2025 are carried forward into 2025-2026. The purpose of the work project is to increase compensation for educators and offset normal costs associated with retiree health care benefits. The estimated completion date of the work project is September 30, 2026.*

*(7) As used in this section:*

(a) "Educator" includes, but is not limited to, teachers, librarians, speech therapists, language therapists, physical therapists, occupational therapists, school counselors, school social workers, school psychologists, school nurses, paraprofessionals aids, food service workers, custodians, bus drivers, and literacy coaches. Educator also includes any other school employee covered under a collective bargaining agreement.

(b) "Participating entity" means a district, intermediate district, district library, or community college that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

The parties agree to the following regarding Fringe Benefits:

## I. FRINGE BENEFITS

The Board agrees to furnish certain fringe benefits as set forth in this section pursuant to its authority under applicable State and Federal law.

In November/December of the current school year, each eligible employee will complete an Enrollment Cafeteria Plan Election Form.

- New hires will have insurance coverage initiated by the Board on their date of hire through December 31<sup>st</sup> and then they may elect to be fully vested in the Hospitalization /Health Care plan or may choose the cash option.
- ~~The parties agree to negotiate single, two person and family coverage healthcare contribution caps on the part of the District each fall with an implementation effective date of January 1<sup>st</sup>. All District payments toward the cost of healthcare benefits (premiums, health savings accounts, flexible spending accounts or similar accounts used for health care costs) are subject to the allowable limits permitted by the State of Michigan Publicly Funded Health Insurance Contribution Act.~~
- ~~All ratified Agreements for Health Care will be posted on the District's Transparency Reporting webpage under Current Bargaining Agreements.~~
- ~~The employer will deduct pre-tax from the employee's pay the remaining balance in equal installments over 22 or 21 pays as designated by the employee.~~
- If two (2) or more members of a family are employed by the district and are covered by a District-provided hospitalization/health care plan, the deductions will be made from the payroll account of the principal insured and will be based on the coverage type. If the employee changes coverage type during a year, adjustments in deductions and board provided deductible will be made accordingly.

### ~~Blue Cross Blue Shield of Michigan (BCBSM) PPO HSA & Blue Care Network (BCN) HMO HSA~~ MESSA Medical Benefit Plans

- For the period beginning January 1, 2026, the Board will offer the option of MESSA ABC PLAN 1 PPO HSA \$1700 0%, MESSA ABC PLAN 2 PPO HSA \$2,000 0%, MESSA ABC PLAN 2.5 HSA \$2,500 0% and MESSA ABC PLAN 2.5 \$2,500 20%. ~~BCBSM PPO HSA \$3,300 0% with a \$10/\$40/\$80 Rx, BCBSM PPO HSA \$3,300 20% with a \$10/\$40/\$80 Rx or BCN HMO HSA \$3,300 0% with a \$4/\$15/\$40/\$80 Rx 20%.~~
- ~~The BCBSM PPO HSA Plan Options and the BCN HMO HSA option will both include a debit account (Health Savings Account) provided by the District at a financial institution of the Board's choice. On the 1<sup>st</sup> business day in January, \$3,300 (Single) or \$6,600 (Two Person or Family) will~~

~~be credited to the employee's debit account, which will cover the yearly deductible for the plan in which the employee is enrolled in.~~

- All District payments toward the cost of healthcare benefits (premiums, health savings accounts, flexible spending accounts or similar accounts used for health care costs) shall be "capped" at the amounts set each year in accordance with Section 3 of the State of Michigan Publicly Funded Health Insurance Contribution Act (PFHICA). In the event the total plan cost (premium cost-plus applicable deductible) falls under the agreed upon healthcare contribution caps on the part of the District, the District will fund the difference into the employee's Health Savings Account up to the maximum annual contribution limit as determined by the IRS.

Single Person Coverage Cap: \$7,942.09

Two-Person Coverage Cap: \$16,609.38

Family Coverage Cap: \$21,660.30

- Teachers will be given the choice of the District fully pre-funding their insurance deductible into their Health Savings Account (HSA) for the calendar year or not funding it at all. For those who choose the fully funded deductible, the funds will be deposited into their HSA account on the 1<sup>st</sup> pay date of January.
- The employer will deduct pre-tax from the employee's pay the remaining balance in equal installments over 22 or 21 pays as designated by the employee.
- All ratified Agreements for Health Care will be posted on the District's Transparency Reporting webpage under Current Bargaining Agreements.

- A. Forfeiting the rights to the Cash Option plan listed below until balance of the district HSA contribution not met has been reimbursed.
- B. Employees who have dropped the PPO HSA ~~or HMO HSA~~ Plan during the coverage period and then later choose to re-enroll in the PPO HSA ~~or HMO HSA~~ Plan before fully reimbursing the district will receive the ~~\$3,300 (Single) or \$6,600 (Two Person or Family)~~ credit as described above minus the remaining amount to reimburse the district.
- C. This reimbursement language is specifically meant to prevent employees from opting in and out of the ~~HSA or HMO Plan~~ medical benefits during the coverage period in an attempt to gain a financial advantage. It does not apply to teachers who drop the plan because they are resigning their position and leaving the district.

The Board and FTPO shall meet to review the Health Care Benefit Plan when the January renewal rates are available. The purpose of the meeting will be to review the increase in renewal rates and determine if the group wishes to pursue a different plan.

### Cash Option

- Subject to the terms and conditions of this section, an eligible employee may elect not to participate in District-paid hospitalization/health care coverage and to receive additional compensation in lieu of such coverage (hereinafter called "cash option") in the event such employee receives hospitalization/health care coverage through an approved alternative source (such as through a spouse's employer-sponsored plan). An eligible employee wishing to receive the cash option must, ~~on or prior to November 24th of each calendar year,~~ (i) complete and submit a Cafeteria Plan Election Form and a Waiver of Health Insurance and Cash Option Form and (ii) provide documentation sufficient to confirm that such employee is at such time covered through another major medical plan that meets the Minimum Essential Coverage requirement of the ACA's Individual Mandate.

- Provided an eligible employee wishing to receive the cash option timely submits the forms and documentation as required by the preceding paragraph, the cash option to such employee shall be in the annual amount of \$1,200, payable in monthly installments of \$100 each. Notwithstanding the foregoing, if nine or more eligible employees elect to receive the cash option, the cash option to each such employee shall be in the annual amount of \$6,000, payable in monthly installments of \$500 each. Monthly cash option installments to an eligible employee shall commence on the first day of the calendar month following the submittal by such employee of the forms and documentation as required by the preceding paragraph. No cash option payments shall be made to an eligible employee during any month in which such employee is on layoff or on leave of absence or during and after any month in which such employee has voluntarily terminated his or her employment or has been terminated by the District.
- In cases where a married couple is employed by the District and both employee spouses are eligible to participate in District-paid hospitalization/health care coverage, the married couple may designate one employee spouse as the primary insured as allowed by the insurance carrier. In such event, only the employee spouse not designated as the primary insured may elect to receive the cash option as noted above.
- In the event that nine or more eligible employees have not elected to receive the cash option in any calendar year, any eligible employee who previously elected to receive the cash option in such calendar year may elect to rescind such election and to participate in District-paid hospitalization/health care coverage.

#### A. Definitions and Exclusions

1. **Eligible Employees and Dependents:** An eligible employee is a full-time instructional or professional staff person as defined in Section I, Recognition, of this contract. Less-than-full-time instructional or professional staff and substitute teachers are excluded from coverage.
2. **Full-time Employment:** Teachers and professional staff will be considered full-time if they are assigned a work load of at least seventy percent (70%) of the maximum student contact and preparation time allowed under this Agreement (excluding extracurriculars).
3. **Participating Employee:** A person who has applied for health insurance coverage and who has been accepted for participation, whether at the District's or at the employee's own expense.

#### B. Vision

The Board agrees to provide the teachers and their eligible dependents with Vision Insurance (District Self-Funded Plan - \$130 Frames).

1. Married couples within the District may dual enroll in the vision plan which will then give them 100% vision coverage or the maximum coverage as allowed by the plan. It is understood that the coverage will not be more than twice the amount of regular coverage
2. Any teacher who has elected to receive a cash option in lieu of enrolling in a District offered Health Care Plan is still eligible to enroll in the District provided Vision Plan.

#### C. Dental/Orthodontics

The Board agrees to provide teachers and their eligible dependents Dental Insurance (District Self-Funded Plan) with coverage which includes 80% with an annual maximum of \$1,450 for Classes I, II and III and 80% coverage with a lifetime maximum of \$1,450 for class IV.

1. Married couples within the District may dual enroll in the dental plan.
2. Any teacher who has elected to receive a cash option in lieu of enrolling in a District offered Health Care Plan is still eligible to enroll in the District provided dental plan.

#### D. Loss of Time Insurance

The Board will pay 100% of the cost of such insurance for all teachers. Loss of time insurance will provide 66.67% of the daily salary lost by a disabled teacher, as defined by the insurance contract, payable until age 65. "Daily salary" shall be determined by dividing the annual contracted base pay, including, but excluding extracurricular pay, by the number of contracted working days in the school calendar for the year in which the disability occurs.

Maximum monthly benefits are subject to offsets by other disability benefits to which the teacher is entitled. No loss of time benefits other than for accumulated sick leave will be payable during the first thirty (30) working days of the disability. The Board agrees to continue providing fringe benefits for teachers on long term disability for one calendar year beginning with the date long term disability benefits are first received. Teachers on extended LTD (beyond their last contract) will be permitted to remain members of the group and thus receive group rates for medical and life insurance provided that said teachers agree to pay the full cost of the premiums. This provision may be limited by law or insurance carrier regulations.

#### E. Group Term Life Insurance

The Board agrees to provide the teachers with group term life insurance in the amount of \$50,000. The policy will meet the following criteria:

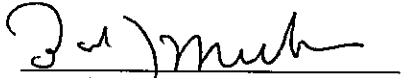
1. Double indemnity and dismemberment provisions.
2. Waiver of premium clause to age sixty-five (65).
3. Conversion clause which states that no "proof of insurability" be required.
4. A teacher may elect to have the cost of matching coverage deducted on a monthly basis from his or her salary. These rates shall not exceed those paid by the Board.

A teacher has a thirty-one (31)-day conversion right upon termination of employment. However, if said teacher elects this right of conversion in order to keep his/her term life insurance in force, he/she must contact the insurance carrier within this 31-day conversion period.

**The parties agree to the attached Calendars for the 2026-27 and 2027-28 school years.**

Frankenmuth School District

Frankenmuth Teachers' Professional Organization



Brandon Muller  
Board of Education

Date: 11/5/2025



Luke Kanine  
FTPO

Date: 11/5/2025