Letter of Agreement between
Byron Area Schools Board of Education

and

1) **Byron Education Association**
2) **Local 1059.16, AFSCME Council 25, AFL-CIO**
3) **Other Byron Area Schools (BAS) employee groups**

For the 2025-2026 School Year Only

The purpose of this letter of agreement (LOA) is to agree on compensation for BAS employees regarding Michigan's Section 388.1627l (below) of the State School Aid Act, which provides state funding for school districts to increase educator compensation.

Key Aspects of Section 27l:

- Michigan's State School Aid Act includes new language in Section 27l for the fiscal year 2026. Section 27l(2) of the act states that the funds are "to increase compensation for educators." The statute defines an educator in the following manner: *"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."*

- The Michigan Office of Retirement Services (ORS) has determined that the 27l(2) payments (which appear on your state aid report as "educator compensation 27l(2) payments") remain reportable as compensation. These payments should be reported on both Detail 2 (DTL2) – Wage and Service and Detail 4 (DTL4) – DC Contribution records.

BAS has been allocated $94,483.79, and will allocate the funds in the following manner:

1) BAS has the following employees in respective groups *(As of 12.29.25)*:
    a) Teachers (51)
    b) Administrative Assistants (5)
    c) Administrators (4) [*Does not include the Superintendent; I will not be taking any pay from this*]
    d) Supervisors (4)
    e) Coordinators (1)
    f) Custodial/Maintenance (5)
    g) Transportation (4)
    h) Food Service (7)
    i) Specialists (1)
    j) Paraprofessionals (3)
    k) Total (85)
2) There will be approximately $68,028.32 available to employees after FICA, retirement, and other withholdings.
3) Each employee will receive approximately $ ($68,028.32÷89 = $764.36)
4) Employees will have the option of opting this payment to be put into a Byron Approved HSA Byron approved 403b vendor account.
5) Employees hired after the LOA has been approved will not be eligible to receive this funding
6) Employees must be employed by the district as of May 22, 2026, to receive the stipend.
7) Employees would be paid before July 1, 2026, with a target pay date of May 29, 2026

MCL - Section 388.1627l

Chapter 388
Act 94 of 1979
94-1979-I

Next Section Previous Section

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1627l Educator compensation program.
Sec. 27l.

(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.

History: Add. 2023, Act 103, Eff. Oct. 1, 2023 ;-- Am. 2024, Act 120, Imd. Eff. July 23, 2024 ;-- Am. 2025, Act 15, Imd. Eff. Oct. 7, 2025

Mandi Davis, BEA President

3-13-2026

Date

Brandon Chapman, Superintendent

3/16/26

Date

Date

Date

Deb Murray, AFSCME President

3-16-2026

Date

~~Philip Chandler~~ BAS Board Secretary
Jeanette Prestenise

Date