

LETTER OF UNDERSTANDING

During negotiations in 2004, the parties discussed conduct in the workplace by management, supervisory staff and bargaining unit employees. In the event that the union identifies concerns over any specific incident(s) not otherwise addressed through agency work rules, Civil Service Rules and Regulations, or this Agreement, they may request a meeting with the Office of the State Employer to review and attempt to resolve the concerns.

For the Union
Edward A. Novak 10-28-04

For the Employer
Jan F. Miller 10-28-04

LETTER OF UNDERSTANDING ARTICLE 24

During the negotiations in 2004, the parties agreed to amend the State Health Plan benefit for a Durable Medical Equipment (DME) and prosthetic and orthotics appliances network as provided for in Appendix N on a one (1) year trial basis. After one (1) year of experience at the new benefit level, the union may elect to continue the benefit at that level or return to the former benefit level of coverage at 90% in-network after meeting the deductible.

For the Union
Edward A. Novak 10-28-04

For the Employer
Jan F. Miller 10-28-04

LETTER OF UNDERSTANDING ARTICLE 24

During the negotiations in 2004, the parties agreed to amend the State Health Plan PPO chiropractic spinal manipulation benefit as provided for in Appendix N on a one (1) year trial basis. After one (1) year of experience at the new benefit level, the union may elect to continue the benefit at that level or return to the former benefit level of coverage at 90% after meeting the deductible.

For the Union
Edward A. Novak 10-28-04

For the Employer
Jan F. Miller 10-28-04

SEIU LOCAL 517M PRESCRIPTION DRUG COMMITTEE

During the 2004 negotiations, the Office of the State Employer and SEIU Local 517m agreed to establish a joint committee for the purpose of reviewing the possible incentive plans to promote the use of generic drugs.

The committee will make its recommendations, if any are formalized, to OSE and the Union no later than September 30, 2005, unless extended by mutual Agreement of the parties.

For the Union
Edward A. Novak 10-28-04

For the Employer
Jan F. Miller 10-28-04

**LETTER OF UNDERSTANDING
ARTICLE 35
DRUG AND ALCOHOL TESTING**

During the negotiations in 2004, the parties discussed reducing the percentage of employees who are subject to random drug and/or alcohol testing. The Employer agreed to reduce the number of random tests to 10% of the number of test-designated positions in the pool for a one-year period beginning in October 2005. If after one year there is a significant increase in the percentage of positive tests, the Employer reserves the right to return to 15%. If there is a significant reduction in the percentage of positive test results, the Employer will meet with the Union to discuss the issue of further reduction in the percentage of employees randomly tested.

For the Union
Edward A. Novak 10-28-04

For the Employer
Jan F. Miller 10-28-04

**LETTER OF UNDERSTANDING
REDUCTION OF HOURS**

Through the expiration of this Agreement, December 31, 2007, the Employer agrees not to assert or exercise its rights, if any, related to reduction of hours of employment under this agreement. This Letter of Understanding shall not be construed as an admission by the Union of any right of the employer to reduce hours of employment nor as an admission by the Employer of the absence of any such right.

For the Union
Edward A. Novak 10-28-04

For the Employer
Jan F. Miller 10-28-04

**LETTER OF UNDERSTANDING
UNION USE OF STATE'S E-MAIL SYSTEM**

Where access to the state's e-mail system is otherwise available, the employer agrees to permit use of the state's existing e-mail system by union staff, union officers and union stewards for legitimate union business. Any use of the state's e-mail system by a bargaining unit employee for legitimate union

business must take place on non-work time only, including the review of any such union materials transmitted.

All legitimate union business transmitted through the state's e-mail system must be clearly identified as a union communication in the subject line, and must be of a reasonable size, volume, and frequency. The employer shall have no liability to the union or an employee for the delivery or security of such transmittals.

No partisan political, or profane materials, or materials related to union elections, or materials defamatory or detrimental to the state, to the union, or to an individual employee, may be transmitted through the state's e-mail system. The employer reserves the right to block any and all such material. The state's e-mail system is not private and may be monitored at any time.

In the event the office of the state employer determines that the union's use of the state's e-mail system violates provisions of this letter of understanding, upon notice from the office of the state employer, the union shall promptly take steps to correct the violation. In the event of a repeat violation, the office of the state employer and the union shall meet and resolve the issue.

The program will continue for the duration of the agreement unless the office of the state employer identifies problems that cannot be resolved after meeting with the union. The office of the state employer reserves the right to cancel the program if the parties fail to resolve any identified problem(s).

For the Union
Cindy Kalinowski 11-04-04

For the Employer
Cheryl Schmitt diel 11-04-04

EMPLOYMENT AND CONTINUING CONDITION GUARANTEE

The Employer agrees that no employee in the Scientific and Engineering Bargaining Unit will be temporarily laid off, nor have their hours of employment unilaterally reduced under the provisions of this Agreement, during the term of this agreement. Any time the Employer abolishes an occupied position necessitating layoff(s), affected employees will be offered employment within the bargaining unit. Employees who do not accept such employment shall be laid off, and such layoff shall not be deemed to violate this guarantee.

In the unanticipated event that it becomes necessary to conduct temporary layoffs or reduce the hours of bargaining unit employees, the director of the office of the state employer shall inform the union as early as possible, but consistent with the requirements of the collective bargaining agreement. Upon union request, the employer shall discuss the potential impact upon unit employees caused by such actions. Following employer notice of temporary

layoffs or hours reduction, upon union request employee participation in the banked leave time program will be suspended for all employees in the bargaining unit for the remainder of this agreement beginning with the next pay period. All accrued banked leave time hours shall remain subject to the provisions of the letter of understanding.

This guarantee shall be effective January 2, 2005 and end October 22, 2005.

For the Union
Edward A. Novak 10-28-04

For the Employer
Jan F. Miller 10-28-04

EMPLOYMENT AND CONTINUING CONDITION GUARANTEE

The parties agree that the terms and conditions of the Banked Leave Time (BLT) as it applies to the "employment and continuing condition guarantee" language shall continue in effect in the transition time between the end of the 03-04 BLT and the start of the 2005 BLT.

For the Union
Edward A. Novak 10-28-04

For the Employer
Jan F. Miller 10-28-04

LETTER OF UNDERSTANDING BANKED LEAVE TIME PROGRAM

1. Eligibility.

Permanent and limited-term, full-time, part-time, seasonal, and intermittent, probationary and non-probationary employees shall be required to participate in the banked leave time program (program). Non-career employees are not eligible to participate in the program.

2. Definitions and Description of Program.

An eligible employee shall work a regular work schedule, but receive pay for a reduced number of hours. The employee's pay shall be reduced by four (4) hours per pay period for full-time employees, and by a pro rata number of hours for less than full-time employees. The employee will be credited with a like number of banked leave time (blt) hours for each biweekly pay period.

3. Hours Eligible for Conversion to Program.

The number of BLT hours for which the employee receives credit shall be accumulated and reported periodically to participating employees. During the term of this Letter of Understanding, an employee shall not be able to accumulate in excess of 184 BLT hours. Accumulated BLT hours shall not be

counted against the employee's annual leave cap, known as part a hours under the annual and sick leave program.

The employee shall be eligible to use the accumulated BLT hours in a subsequent pay period in the same manner as annual leave, pursuant to article 21.

4. Timing of Conversion of Unused Program Hours.

Upon an employee's separation, death or retirement from state service, unused BLT hours shall be contributed by the state to the employee's account within the State of Michigan 401(k) plan, and if applicable to the Sate of Michigan 457 plan. Such contributions shall be treated as non-elective employer contributions, and shall be calculated using the product of the following: (i) the number of BLT hours and, (ii) the employee's base hourly rate in effect at the time of the contribution.

If the amount of a projected contribution would exceed the maximum amount allowable under section 415 of the internal revenue code (when combined with other projected contributions that count against such limit), the state shall first make a contribution to the employee's account within the State of Michigan 401(k) plan up to the maximum allowed, and then make the additional contribution to the employee's account within the State of Michigan 457 plan.

5. Insurances, Leave Accruals and Service Credits.

Retirement service credits, overtime compensation, longevity compensation, step increases, continuous service hours, holiday pay, annual and sick leave accruals will continue as if the employee had received pay for the BLT hours. Premiums, coverage and benefit levels for insurance programs (including ltd) in which the employee is enrolled will not be changed as a result of participation in the program. Employees shall incur no break in service due to participation in the program. The program is not intended to have an effect on the final average compensation calculations under the state's defined benefit plan nor the salary used for employer contribution calculations under the state's defined contribution plan.

6. Relationship to Plan A and Plan C.

Before incurring unpaid Plan A or Plan C hours all BLT hours must be exhausted.

7. Term.

The program shall be effective the pay period beginning January 2, 2005. The pay reduction and accrual provisions of this letter of understanding shall be in effect through the pay period ending October 22, 2005 unless extended by mutual agreement of the parties.

For the Union

For the Employer

Edward A. Novak 10-28-04

Jan F. Miller 10-28-04

**LETTER OF UNDERSTANDING
ARTICLE 24, SECTION C
HEALTH MAINTENANCE ORGANIZATIONS (HMOS)**

Effective October 13, 2002, individuals enrolled in an HMO shall be subject to a \$10 office visit charge; a \$50 emergency room charge unless the individual is admitted; and a prescription drug co-pay of \$5 for a generic and \$10 for a brand name drug that shall be applied to both the retail and, if applicable, mail order drug plans. The brand name co-payment level will apply even when there is no generic substitute, as well as to DAW prescriptions.

For the Union
Cindy Kalinowski 04-25-02

For the Employer
Janine M. Winters 04-25-02

**Office of the State Employer
And
SEIU Local 517M
Memorandum of Understanding**

During the discussions regarding concessions for Fiscal Year 2004, the parties agreed as follows:

The Office of the State Employer will seek to amend the State Employees Retirement Act to provide for Banked Leave Time hours and furlough hours to be treated as time worked and time paid for purposes of retirement.

The establishment of Alternate Work Schedules is a proper subject for department Labor Management meetings. In the event that SEIU Local 517M has unresolved concerns after such meetings, the Office of the State Employer will resolve the differences.

A committee will be established with representatives of the Scientific and Engineering Bargaining Unit and management to determine an appropriate transfer procedure for employees at the 12 level.

A committee will be established with representatives of SEIU Local 517M, the Office of the State Employer, and the Department of Civil Service Employee Benefits Division to study the escalating cost of prescription drugs and evaluate ways to control such costs.

SEIU Local 517M will be involved in discussions with the Office of the State Employer regarding the use of personal vehicles while on state business.

The Office of the State Employer will instruct the Departments to accept an employee's certification of the need for up to two weeks of sick leave upon birth of their child, prior to beginning any paternity leave.

FOR THE UNION
Philip Thompson 10-03-03

FOR THE EMPLOYER
David H. Fink 10-03-03

**Office of the State Employer
And
SEIU Local 517M
Memorandum of Understanding**

During the discussions regarding concessions for Fiscal Year 2004, the parties agreed as follows:

The Office of the State Employer will seek to amend the State Employees Retirement Act to provide for Banked Leave Time hours and furlough hours to be treated as time worked and time paid for purposes of retirement.

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FOR THE UNION
Philip Thompson 10-03-03

FOR THE EMPLOYER
David H. Fink 10-03-03