

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
September 18, 2013

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas Wardrop at 10:04 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the May 15, 2013 meeting. On motion duly made and supported, the minutes of the May 15, 2013 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

Director's Report:

The Commission received the following report from Acting State Personnel Director, Janet McClelland.

Unclassified Positions Report

Since the last report, the following approvals were processed:

Department of Military and Veterans Affairs

- On May 9, 2013, a request was received to establish an exempt unclassified position to serve as Director of the Michigan Veterans Affairs Agency. Concurrently, the Executive Director of Public Safety position was abolished. This request was approved effective March 20, 2013.
- On May 13, 2013, a request was received to establish an exempt unclassified position to serve as Senior Policy Advisor. Concurrently, the Deputy Director of Veterans Affairs position was abolished. This request was approved effective March 20, 2013.

Department of Education

- On June 7, 2013, a request was received to establish an exempt unclassified position to serve as the Deputy Superintendent for Educational Services. Concurrently, the vacant Chief Academic Officer/Deputy Superintendent position was abolished. This request was approved effective March 26, 2013.

Department of Human Services

- On July 2, 2013, a request was received to establish an exempt unclassified position to serve as the Director of Policy and Field Legal Services. Concurrently, the vacant Director for Revenue & Partnership Enhancement and the Group Executive Policy Specialist was abolished. This request was approved effective June 23, 2013.

Department of Insurance & Financial Services

- On July 2, 2013, a request was received to establish an exempt unclassified position to serve as the Policy Analyst. This request was approved effective June 23, 2013.

Department of Agriculture and Rural Development

- On August 22, 2013, a request was received to establish an exempt unclassified position to serve as the Department's External Relations Liaison in the Department of Agriculture. This request was approved effective August 18, 2013.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Proposed Fiscal Year 2014 Travel Rates

Joyce VanCoevering of the Department of Technology, Management and Budget requested an extension of the FY 2013 travel rates until the December 18, 2013 Commission meeting.

On motion duly made and supported the request for an extension of the FY 2013 travel rates was approved.

B. Letter of Understanding (LOU) between the Office of the State Employer (OSE) and the Michigan Corrections Organization (MCO) (interim approval granted)

General Counsel John Gnodtke indicated the LOU is regarding the establishment of a 12-hour pilot program at Pugsley correctional facility. Chair Wardrop requested a motion to approve Item 5.B. On motion duly made and supported, Item 5.B., the LOU between OSE and MCO was unanimously approved.

C. Letter of Understanding (LOU) between AFSCME and the Michigan Department of Education

General Counsel John Gnodtke indicated that the LOU changes the overtime subdivisions for the Michigan School for the Deaf in the Institutional Unit. Chair Wardrop requested a motion

to approve Item 5.C. On motion duly made and supported, the LOU was unanimously approved.

D. Secondary Agreement between the UAW and the Department of Licensing and Regulatory Affairs

General Counsel John Gnodtke indicated a tentative agreement on secondary negotiations has been reached for the Administrative Support and Human Services Bargaining Units. Chair Wardrop requested a motion to approve Item 5.D. On motion duly made and supported, the secondary agreement was unanimously approved.

6. PUBLIC COMMENT

State Representative Scott Dianda stated a number of concerns over the contracting out of food services by the Department of Corrections (DOC) to Aramark:

- Whether there would be actual cost savings.
- The loss of jobs in Michigan and sales tax and revenue.
- The relocation or permanent loss of jobs by DOC employees, which affects tax revenue and puts the burden on fewer Michigan residents.
- The impact on the local economy (such as farmers, businesses, and school districts) and the trickle-down effect of the job losses in the area.
- Safety in prisons.

He asked the Commission to take a close look at the Aramark contract to ensure it is beneficial to the taxpayers of Michigan.

State Representatives Tom Cochran and John Divela expressed similar concerns about the erosion of public jobs due to privatization and questioned the true savings that Aramark will provide to the State of Michigan. Representatives Cochran and Divela indicated that privatizing food services is not just about feeding prisoners, it is also about safety. Employees who currently work in food services are experienced, which facilitates the safety of all involved.

Senator Tom Casperson acknowledged that he voted for the legislation that brought this about and stated that he was informed that the bidding for food services would be a competitive process. He believes one problem that continues is that the DOC must purchase products from Michigan Service Industries (MSI) rather than going directly to vendors. MSI increases the costs for DOC to purchase the same products. Senator Casperson believes that removing MSI from the equation should have been considered in reviewing cost savings. He reiterated his concern over the negative impact on local communities and safety in the prisons.

Representative Brandon Dillon stated the negative impact of privatization at the Grand Rapids Home for Veterans (GRHV) cannot be overstated. Many J2S staff at GRHV have had little or no training, and meeting staffing requirements has been a problem that affects the quality of care given to veterans at the home. Representative Dillon expressed that the veterans deserve the best in quality care. Representative Dillon urged the Commission to reconsider the rules regarding how contracts are awarded and to not just look at the cost, but the value of the service given to the veterans.

Todd Hennigan and Chad Stevenson, both Food Service Leaders for the DOC, stated that food service staff is not only involved in the preparing and serving of food, but also in the safety of prisoners and colleagues. Experienced food services staff members are aware of their surroundings and able to assist corrections officers when emergencies arise.

Mr. Hennigan expressed his understanding of trying to save on food costs, but the DOC food services is always prepared to feed every prisoner without an additional cost. A privatized company would charge extra. Mr. Hennigan discussed the negative economic impact on the local community and its families. Mr. Stevenson voiced his concern regarding the positions that are scheduled to be abolished.

Georgi-Ann Bargamian from the UAW expressed her concern over the current process and rules governing the contracting out of state personal services and asked that a reexamination of the CS-138 process be conducted. Ms. Bargamian asked the Commission to review Standards A, B, C and D (specifically Standard D on cost savings) and also the regulations. Ms. Bargamian asked the Commission to consider accountability, quality, and competition. Ms. Bargamian stated that quality should be at the core when considering costs.

Attorney Brandon Zuk, counsel for the Michigan Association of Governmental Employees (MAGE), along with Al Quattrin, MAGE President, and Michael Deshambo, a Food Services Supervisor, spoke as to the negative impact of contracting out food services. Mr. Zuk stated that the Commission's responsibility is to approve or disapprove all personal disbursements and urged the Commission to assertively exercise that role not only with the food services contract, but with other contracts submitted for approval. Messrs. Zuk, Quattrin, and Deshambo felt that narrowly focusing on immediate costs affects quality, which in turn affects costs to the state, and the people of Michigan. Doubt was expressed regarding Aramark's proposed initial cost savings to the state and also the long-term savings since Aramark's costs will increase over the next three years. Safety in the prisons was another concern mentioned because past disturbances in the prisons have involved food services. Messrs. Zuk, Quattrin, and Deshambo asked the Commission to review the information and keep a broader perspective when considering the contracting out of DOC food services.

Messrs. Michael VanRite, James Muth, and Ken Durbal, executives at Michigan companies currently supplying food to the DOC, addressed the negative effects of privatization of food services on their companies, employees and communities. They gave examples of other local businesses that will be affected by contracting out with Aramark, which in turn could affect not only additional jobs, but the revenue of the state due to a decrease in taxes.

State Representative John Kivela stated that the contracting out of food services to Aramark is a very important topic to him. He has three correctional facilities in his district and has met with representatives from those facilities. His three primary concerns with the privatization of food services are safety, fairness, and costs.

Mr. Mark Williams addressed the Commission regarding the Grand Rapids Home for Veterans (GRHV). Mr. Williams commented that the concerns regarding J2S staff and their care for the veterans at the GRHV continues. One problem at the GRHV since July 2013 has been shortage of staff, especially on weekends. Mr. Williams gave numerous examples of abuse that the veterans at the GRHV have experienced by JS2 staff.

Mel Grieshaber, Executive Director of the Michigan Corrections Organization (MCO), expressed his concern regarding the replacement of food services workers with private vendors. MCO represents the corrections officers who are responsible for the safety and security of the prisons. In the past, prisoners have demonstrated because of issues regarding food. Mr. Grieshaber concurred with prior comments on the need to maintain experienced employees who are sensitive to the surroundings. He also concurs with other statements on the negative impact on businesses.

Peter Martel from the American Friends Service Committee, Criminal Justice Program in Ann Arbor stated that his program advocates for and with people who are incarcerated. Mr. Martel also stated that food quality and the nutritional value of food served to prisoners should be considered. The ramifications of serving poor quality food could prove more costly than the minimal savings of a private contract. Mr. Martel expressed his concern regarding the ability to monitor a private company. He believes that the cost savings with contracting out food services to Aramark will be short term.

Matt Vandesteeg from AFSCME voiced his concerns regarding the credibility of Aramark. Mr. Vandesteeg stated that Aramark has had documented unsatisfactory performance in other prisons. He also questioned the validity of the expressed cost savings to be provided by Aramark.

Nick Ciaramitaro, Director of Legislation and Public Policy for AFSCME Council 25 and for MAGE, stated that he believes that serious threats to the safety of the veterans at the GRVH have occurred. A number of examples were given of the abuse and neglect that the veterans have been subjected to from JS2 employees. Complaints submitted from residents and their families have gone unanswered. Some individuals hired by J2S had less than 6 months experience despite a guarantee that all J2S employees would have at least one year of experience. Mr. Ciaramitaro asked the Commission to review and revise its rules on outsourcing personal services.

John Alcodray, a food services supervisor with DOC and vice president of AFSCME Local 3637, echoed the previous concerns on contracting out DOC food services to Aramark.

Dr. James Dankovich's expressed his concerns regarding safety of the employees and inmates and the negative impact on businesses regarding contracting out of food services in the correctional facilities. Dr. James Dankovich stated that there is a need to have some oversight to assure that a company is adhering to its contractual obligations.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 11:27 a.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Janet McClelland, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of September 18, 2013.



Janet McClelland
Acting State Personnel Director