

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
January 26, 2011**

Present: Thomas M. Wardrop, Chair
Andrew P. Abood, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Jeremy S. Stephens, State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by State Personnel Director, Jeremy Stephens at 10:05 in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Director Stephens requested a motion to elect a Chair. Commissioner Abood made a motion to elect Thomas (Mac) Wardrop. The motion was seconded by Commissioner Blockett. Motion carried.

Chair Wardrop called for a motion to elect a Vice-Chair. Commissioner Abood made a motion to elect Commissioner Blockett as Vice-Chair. The motion was seconded by Chair Wardrop. Motion carried.

a. Approval of Minutes

Commissioner Wardrop requested a motion to approve the minutes of the December 8, 2010 meeting. On motion duly made and supported, the Commission approved the minutes of the December 8, 2010, meeting.

b. Tribute

On motion duly made and supported, the Tribute to former Civil Service Commission Chair Sherry McMillan was adopted.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

- a. Director's Report:** The Commission received the following report from State Personnel Director Jeremy S. Stephens:

Unclassified Position Report

Since the last report, the following approvals were processed:

Department of Attorney General

1. A request dated January 6, 2011, to serve as the Chief Legal Counsel and the Director of Public Affairs. Concurrently, the positions of Chief Administrative Officer and Senior Policy Advisor were abolished. The request was approved effective January 3, 2011.

2. A request dated January 19, 2011, to serve as the Special Assistant to the Attorney General. Concurrently, the position of Director of Constituent Relations and the Constituent Relations Analyst was abolished.

Department of Human Services

A request dated January 14, 2011, to serve as the Executive Assistant to the Director. Concurrently, the position of Director of Special Projects was abolished. The request was approved effective January 9, 2011.

Regulations

Civil Service Commission Rules require that the State Personnel Director report to the Commission on the promulgation of regulations, which are issued to further implement Commission rules.

Regulation 3.06 and Regulations 8.01 – 8.07

These regulations have been updated to reflect action taken by the Commission at its December 8, 2010 to reform the technical qualification complaint process. The regulations have been issued with an effective date of December 9, 2010.

Regulation 6.06, Coordinated Compensation Plan

Due to requests from the prior administration, the start of the Coordinated Compensation Process (CCP) for FY 2011-12 was delayed. Because of the short window to complete the process, the normal schedule and process was not feasible. Therefore, this regulation reflects amendments to explicitly authorize the State Personnel Director to establish alternative CCP procedures. The regulation was issued with an effective date of January 9, 2011.

4. UNFINISHED BUSINESS

a. Revised Letters of Understanding adding health care benefits for “Other Eligible Individuals”

1. OSE and UAW (Administrative Support and Human Services units)

General Counsel John Gnodtke addressed the Commission regarding 4a(1). General Counsel Gnodtke indicated that at the December 8, 2010 Commission

meeting, the Commission considered at the request of the OSE, the approval of Letters of Understanding (LOUs) with three unions that would extend state health plan eligibility to adult co-residents of state employees and their dependents. A similar proposal to extend these benefits to NEREs was also before the Commission. Both items were tabled at the December 8 meeting after several ambiguities with the LOUs were identified. These included issues related to eligibility criteria and implementation questions, such as the start date for the benefit, how enrollment would be handled, premium amounts, and the ability to continue coverage when no longer eligible.

General Counsel Gnodtke indicated that the Office of the State Employer (OSE) and AFSCME withdrew their LOU. Amended LOUs addressing one of the flagged issues with MPE and UAW were submitted on December 28, 2010 by OSE. On January 21, 2011, OSE submitted a withdrawal of its prior request for approval of the LOUs and withdrawal of its request to extend similar benefits to NEREs.

Jan Winters, Director of the OSE, indicated to the Commission that in 2004 the issue of same sex benefits was addressed but was found unconstitutional. In early December of 2010, LOUs were submitted which went beyond the original agreements and included many ambiguities that have not been addressed. Director Winters indicated that the expansion is a concern with respect to how additional costs will be dealt with. Director Winters stated that the original letters did not include dependents of a partner. The current LOUs include dependents and children and are not specific as to whether the other eligible individual may be married. Director Winters stated that the real concern is the cost of this benefit. Director Winters also stated that the exact cost involved is not known but that it will be in the millions. Director Winters proposed that the more desirable way to handle this would be to take the issue to the bargaining table and the pay setting process for NEREs. Director Winters indicated that the State has serious budget issues and asked the Commissioners to take a look at this issue from a fiscal perspective.

Georgi-Ann Bargamian, Administrative Assistant to Cindy Estrada, Vice President and Director of the International UAW Public Sector and Health Care Servicing Department, addressed the Commission. Ms. Bargamian indicated a letter regarding this issue was submitted to the Commission by Cindy Estrada. Ms. Bargamian asked the Commission to look at the LOUs with respect to Chapter 6 of the Civil Service Rules regarding Collective Bargaining. Ms. Bargamian stated that OSE and UAW bargained the LOU in good faith. Ms. Bargamian also stated that the various issues were addressed by the parties as stated in the letter to the Commission. Ms. Bargamian indicated that as far as she knew, nothing had changed regarding the State's budget situation during the past six weeks, so that should not be a consideration. She further stated that the proper way to address this issue is by amending the LOU, not by the unilateral withdrawal of the LOU by the OSE.

Commissioner Abood asked Ms. Bargamian if the cost to the state has been calculated and if the UAW is involved in any other agencies that have offered a similar type of plan.

Ms. Bargamian responded that they were informed by OSE that the cost would be a couple of million dollars and that they have LOUs with some other public sector employers similar to the LOUs before the Commission. Ms. Bargamian indicated she didn't have a specific dollar amount but knew that the costs to Northern Michigan University are nominal.

Dennis Streeter, Labor Representative for the Technical Unit, SEIU 517M addressed the Commission in support of approving the LOUs. Mr. Streeter also submitted a letter of support to the Commission. Mr. Streeter maintained that trust between the parties is the issue because the parties negotiated and came to an agreement in good faith.

Chair Wardrop asked if there was a motion to support Item 4a(1), a LOU between the OSE and UAW. Commissioner Abood made a motion to approve and the motion was seconded by Commissioner Blockett.

Commissioner Blockett indicated that he supported the motion based on four reasons: (1) Health Care benefits are not a luxury but a necessity. (2) The Unions and OSE negotiated in good faith. (3) The University of Michigan, Michigan State University and other public jurisdictions have less than 2 percent of other eligible individuals enrolled in this program, meaning that this benefit did not have a negative impact on their budget. (4) Some are saying this is not the time to extend this benefit, but history has taught us that at one point in time people said now is not the time to grant women the right to vote, to integrate the armed forces, to integrate the public schools or to grant minimum wage to employees. Commissioner Blockett indicated that he believed now is the time to extend this benefit to our employees.

Commissioner Swanson indicated his support for the motion because the LOUs were negotiated at the bargaining table and the Commission's approval is the right thing to do.

Commissioner Abood indicated that Director Winters's comments are not falling on deaf ears since the LOUs involve an expense. He stated it is a difficult decision to incur additional benefits when the state's financial problems range in the billions of dollars.

Chair Wardrop commented that he had a different point of view because last year the Commission voted not to approve the CCP's recommended 3% wage increase to NEREs, and until that 3% is reinstated he could not agree to provide benefits to non-state employees. Chair Wardrop stated that this is his concern and that is why he will be voting against the motion.

Chair Wardrop asked if the Commissioners wanted to add an effective date to the Benefits Plus One.

Commissioner Abood made a motion to add an effective date of October 1, 2011. Commissioner Blockett supported.

Chair Wardrop called for a vote. The motion passed with a three/one vote, with Chair Wardrop voting "nay".

2. OSE and SEIU Local 517-M (Technical, Scientific & Engineering units) and (Human Services Support Unit)

General Counsel John Gnodtke indicated to the Commission that the LOUs from SEIU Local 517-M units can be handled with one motion.

Chair Wardrop called for motion on 4a(2) between OSE and SEIU Local 517-M (Technical, Scientific & Engineering, and Human Services Support units).

Commissioner Abood made a motion to support with an effective date of October 1, 2011, seconded by Commissioner Blockett.

Chair Wardrop called for the vote. The motion was approved with a three/one vote, with Chair Wardrop voting "nay".

- b. Extend Group Insurance Benefits for NERES (Benefits Plus One)

Chair Wardrop asked if there were any comments regarding Item 4b.

John DeTizio, Labor Relations Director for MAGE, addressed the Commission. Mr. DeTizio indicated that he felt it was important to extend the same Health Care benefit to NEREs if they are extended to bargaining units. Mr. DeTizio indicated that NERE employees have drastic morale problems due to not receiving the 3% pay increase and the pay compression problems that has caused.

Director Winters addressed the Commission restating her concern regarding the cost of this added benefit. Director Winters mentioned that the Commission has the opportunity to review and evaluate every agreement before the Commission. The revisions were delivered December 28th and a couple percent increase means millions for the State of Michigan. This issue should be addressed during the pay setting process so that the true costs can be determined. Director Winters also mentioned the fact that last year the Commission voted not to give the NEREs a 3% pay increase at the recommendation of the OSE due to severe economic concerns.

Chair Wardrop stated that the Commission was given Resolution 11-01 regarding NEREs. Chair Wardrop asked if there was a motion to approve Resolution 11-01.

A motion was duly made and supported. Chair Wardrop called for the vote. The motion carried with a three/one vote, with Chair Wardrop voting "nay".

5. NEW BUSINESS

- a. **Letter of Understanding between OSE and MSEA regarding recall procedures.**

General Counsel Gnodtke addressed the Commission regarding the LOU between OSE and MSEA over recall procedures in the event of the sale of the Michigan School for the Deaf facility. Staff has reviewed and has not identified any violations of the Commission's rules on prohibited subjects of bargaining.

On motion duly made and supported, the LOU between OSE and MSEA regarding recall rights in the event of the sale of the Michigan School for the Deaf facility was approved.

b. One year extension of Secondary Agreement between OSE and AFSCME, MCO and UAW (interim approval granted)

General Counsel Gnodtke addressed the Commission regarding a request submitted between OSE and AFSCME, MCO and UAW to retain all Secondary Agreements for an additional year. Agreements to retain existing primary language for one additional year were approved by the Commission in early 2010. Staff has reviewed the secondaries and has not identified any violations of the Commission rules on prohibited subjects of bargaining.

On motion duly made and supported the agreement between OSE and AFSCME, MCO and UAW to retain all current secondary agreements for one year has been approved.

6. PUBLIC COMMENT

Chair Wardrop indicated that all public comments had been addressed.

7. COMMISSION APPEALS

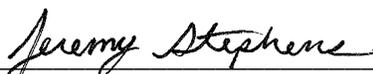
ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop adjourned the meeting at 10:45 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, Jeremy Stephens, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of January 26, 2011.



State Personnel Director