

**LETTER OF UNDERSTANDING
BANKED LEAVE TIME**

The parties agree to extend the provisions of the Banked Leave Time Program agreement reached on February 12, 2004, until December 17, 2005. Employees shall not be eligible to accumulate in excess of 84 additional BLT hours during the term of this extension.

Utilization and payoff of BLT hours shall be consistent with the Internal Revenue Service approval of Part B of the State of Michigan Annual and Sick Leave Program, and those terms do not expire with this Letter of Understanding.

AFSCME Council 25 (U11) employees will participate in the Banked Leave Time (BLT) program, with regular pay reduced accordingly, for a total of 45 hours, at a rate of three hours per pay period for full time employees and on a pro-rated basis for less than full time employees. Participation in the BLT program shall begin with the pay period starting March 7, 2010 and end with the pay period ending October 2, 2010. Upon separation, retirement or termination any remaining banked leave time will be placed in the Employee's 401K. If the employee does not have an established 401K, one will be established for them.

**LETTER OF UNDERSTANDING
GRIEVANCE MEDIATION**

The parties agree to establish the use of mutually acceptable grievance mediation in an effort to resolve grievances pending at arbitration or pending docketing at arbitration.

**LETTER OF UNDERSTANDING
EXPLORING OPTIONS FOR PLACING LAID OFF EMPLOYEES**

Within 30 days of approval of this agreement, the parties shall meet to explore options available for placement of bargaining unit employees scheduled to be laid off and employment of bargaining unit employees who have been laid off. Such options may include, but are not limited to, reassignment in lieu of layoff, hiring qualified laid-off State employees for vacancies before others are hired, and pursuing establishment of approved class clusters for recall. If within 60 days the parties are unable to reach an agreement the Director of OSE and President of Council 25 or their designees will meet to resolve the issues. The parties agree to have equal numbers of representation at the table.

NEW HIRE STATE HEALTH PLAN PPO AND HMO .

Effective on or After April 1, 2010 for New Hires ONLY

	NEW Hire SHP PPO	NEW Hire HMO
Employer Premium Share	80%	85% of the premium up to the amount paid for the same coverage code under the SHP PPO
Prescription Drug Co-pays	R-\$10/\$30/\$60 M-\$20/\$60/\$120	R-\$10/\$30/\$60 M-\$20/\$60/\$120
<u>In-Network</u>		
Preventive Limit	\$1,500	na
Deductible (Not applied to OOPM)	\$400/\$800 Not applied to OOPM	na
Office Visit Co-pay	\$20	\$20
Emergency Room Co-pay	\$200	\$200
Coinsurance	10% After Ded	na
Out-of-Pocket Maximum (%)	\$1,500/\$3,000	na
<u>Out-of-Network</u>		
Preventive Limit	Not Covered	Not Covered
Deductible	\$800/\$1,600 Not Applied to OOP	
Office Visit Co-pay	20% After Ded	
ER Co-pay	\$200.	
Coinsurance	20% After Ded	
Out-of-Pocket Max (%)	\$3,000/\$6,000	

**Employees hired prior to April 1, 2010, on recall from layoff will return to the plan from which they were on prior to layoff.

ARTICLE 3 INTEGRITY OF THE BARGAINING UNIT

Section E. Contracting and Sub-Contracting

Nothing in this Section shall apply to or prohibit the Departments of Community Health or Family Independence Agency's plans to deinstitutionalize patients, and/or residents.

The Employer recognizes its obligation to utilize Bargaining Unit members in accordance with the merit principles of the Civil Service Commission. The Employer reserves the right to use contractual services where necessary to provide cost-effective, efficient services to the public.

The Employer agrees to make reasonable efforts (not involving a delay in implementation) to avoid or minimize the impact of such sub-contracting upon Bargaining Unit employees. When consideration is being given to outside contracting, (when the investigation or costing out process begins) management will notify the Local President or designee and such possible contracting shall be a proper subject of labor management meetings.

Whenever the Employer intends to contract out, sub-contract, modify or renew any personal services that would involve any Bargaining Unit work, concurrent written notice shall be given to the Union when the request is sent to Civil Service or the Appointing Authority for approval. Such notice shall consist of a copy of the request made to Civil Service or the Appointing Authority which shall include such matters as:

1. The nature of the work to be performed or the service to be provided.
2. The proposed duration and cost of such sub-contracting.
3. The rationale for such sub-contracting.

The Union shall be entitled to all reports on all personal services contracts that are filed in compliance with MCL 18.1281. Additionally, the Employer agrees to provide Council 25 a monthly list of all CS-138s with corresponding contracts affecting this bargaining unit.

The Employer shall, upon written request, meet and confer with the Union over the impact of the decision upon the Bargaining Unit. Such discussions shall not serve to delay implementation of the Employer's decision. .

If subcontracting results in layoff, the Employer shall attempt to place affected employees in other vacant positions in accordance with Civil Service Rules and Regulations. The Employer shall request Civil Service to provide examinations on site for such affected employees to enable such employees to have their names placed on employment registers by Civil Service.

ARTICLE 7 UNION BUSINESS AND ACTIVITIES

Section D. Administrative Leave Bank.

The Employer shall make every reasonable effort to allow employees in this unit designated in accordance with the provisions below to be permitted time off without loss of pay during scheduled working hours to attend Union conventions, Union coordinating committees, Union education functions, Union schools, and/or conferences, or other authorized Union functions subject to the following conditions:

1. An Administrative Leave Bank is established based on 300 hours of Administrative Leave for each 1,000 employees. Such bank shall be computed and established on the basis of the number of employees in the Bargaining Unit on the effective date of this

Agreement, and shall be recomputed annually on the anniversary date of this Agreement thereafter. In addition to the above referenced bank, each Local shall receive an additional thirty two (32) hours of Administrative Leave on an annual basis.

2. Such Administrative Leave Bank shall be allocated to Locals of jurisdiction in the Departments having employees in this unit in proportion to the number of employees employed by such Departments.
3. Such Administrative Leave may be carried forward from the year in which it was granted to other years.
4. Such Administrative Leave shall normally be granted in four (4) hour increments provided that the four (4) hour period must be either at the beginning or at the end of the employee's shift.

ARTICLE 8 UNION REPRESENTATION

Section D. Right to Representation

An employee shall be entitled to the presence of a designated Union representative at any meeting at which disciplinary or any adverse action may or will take place, or at an investigatory interview of the employee by the Employer related to one or more specific charges of misconduct by the employee, if he/she requests one. If an employee is to be represented at a scheduled meeting by an attorney, the employee or the Union shall give as much notice as possible to the Employer. It is agreed that where disciplinary or adverse action is intended as the subject of a meeting, or where such action will result directly and immediately depending upon the content of the meeting, representation is allowed. If during the meeting the employee or representative requests to briefly meet, they shall be provided a private meeting area.

Employees being interviewed in an investigation as a witness shall be entitled to Union representation upon request if at any time during the interview they are informed their statements) may lead to discipline or adverse action.

In any investigatory interview with an employee where the employee has been suspended (with or without pay) or transferred from the employee's regular job assignment, the employee shall have the right to representation.

When, in the course of any investigation, a written statement of any kind, other than a critical incident report, is requested from an employee, the employee shall be given the request and questions in writing, a reasonable time to respond without undue delay, a copy of the written response and an opportunity to review, amend, change or correct said statement which shall be done no later than the end of the employee's next regularly scheduled work shift. Preparation of the written response will not be monitored by the investigator or other management personnel. Said statement shall not be used or considered as a complete statement of fact until the time period set forth herein has expired. No disciplinary action or suspension without pay pending investigation shall be taken on the basis of such statement until the end of the period allowed for modification. The Employer shall permit an employee to take notes of questions and their response during an interview. Transfer or suspension with pay pending the outcome of an investigation shall not be considered disciplinary action.

Where an employee is required to report on his/her conduct to a trial board, board of inquiry, patient abuse committee, or similar fact-finding inquiry making any determination prior to imposition of discipline on him/her, he/she shall have the right to appear, to have representation, and to have an opportunity to call witnesses. He/she shall receive a copy of the findings and have an opportunity for post-hearing appeal to his/her. Appointing Authority before imposition of discipline.

When a Recipient Rights Office or other preliminary investigation results in a report containing information derogatory to an employee or which would constitute a basis for disciplinary action, an

employee shall be entitled to representation in any follow up investigation or discussion.

Following an investigative interview, an employee may amend, change or correct their statement prior to or during any disciplinary conference.

Whenever, as a result of an investigation, disciplinary action is or may be appropriate, a disciplinary conference shall be held with the employee who shall be entitled to Union representation which must be requested by the employee. No Disciplinary Conference shall proceed without the presence of a requested Representative. The employee and the designated Union Representative shall be given a copy of the written statement of charges, the results of the investigation and documentation of all evidence gathered, including summaries of verbal statements. When available, the employee shall be requested to sign for receipt of the written notice of charges. The Employer shall provide reasonable, advance, written notice of the disciplinary conference to the employee which shall contain the date, time and place of the conference as well as the nature of the complaint or allegations against him/her and the reasons that disciplinary action is contemplated or intended.

The Employee shall have an opportunity to respond and discuss such information prior to the imposition of disciplinary action. When documents upon which the Employer is relying have not been provided at least five (5) days in advance of the disciplinary conference, the Union may request to reschedule the disciplinary conference. Such request shall not be unreasonably denied.

It is agreed that the imposition of charges and/or discipline shall be within a reasonable and timely fashion. Where an investigation does not result in discipline, the findings of the investigation shall be timely communicated in writing to the employee under investigation, with a copy to the Local Union.

None of the above is intended to circumvent the normal relationship between supervisor and employee .as it pertains to discussions and counseling, during which the right to representation shall not apply.

ARTICLE 9 GRIEVANCE PROCEDURE

Section B Grievance Steps

Step One: Within ten (10) week days of receipt of the written grievance from the employee(s) or his/her Union representative, the supervisor shall schedule a meeting with the employee(s) and/or his/her Union representative to discuss the grievance, and attempt to resolve the issue. The supervisor shall then return a written decision concurrently to the employee(s) and his/her Union representative within five (5) week days of the meeting.

Step Two: If not satisfied with the supervisor's answer in Step One, the grievance, to be considered further, must be appealed to the designated Management representative within ten (10) week days from receipt of the answer in Step One.

The parties shall meet within ten (10) week days of receipt of the grievance at Step Two and attempt to resolve the grievance or reach a settlement. As the Step Two Management representative may elect, the supervisor may attend such meeting. If a settlement is reached, such settlement shall be confirmed in writing and signed by both parties. If settlement is not reached, a written answer will be placed on the grievance form by the appropriate Management representative and returned concurrently to the employee(s) and his/her Union representative within ten (10) week days from the Step Two meeting.

Upon mutual agreement at the Local level all pending grievances shall be discussed at such meetings. At the option of the Local Union representative, the grievant shall not attend the conference.

Step Three: If not satisfied with the Employer's answer in Step Two, to be considered further, the grievance must be appealed to the departmental Appointing Authority or his/her designee within ten (10) week days from receipt of the answer in Step Two. For disciplinary grievances involving suspension, discharge, or demotion, the Employer representative shall meet within twenty-five (25) week days of the appeal unless mutually extended by the Employer representative and Council 25 representative with the employee(s) and his/her Local Union Representative and a representative of Council 25 (as Council

25 may elect) to discuss and attempt to resolve the grievance or reach a settlement. Such meetings shall normally be held at the Agency where the grievance originates. If a settlement is reached, such settlement shall be confirmed in writing and signed by both parties. If a settlement is not reached, the written decision of the Employer will be placed on the grievance form by the departmental Appointing Authority or his/her designee and returned concurrently to the grievant(s), his/her Union representative and Council 25 representative within twenty-five (25) week days from the date of the meeting at Step Three. Upon mutual agreement, such grievances may be discussed in the Step Three settlement conferences indicated in the next paragraph.

For grievances pertaining to all other disputes, a meeting shall be held within twenty-five (25) week days of the appeal unless mutually extended by the Employer representative and Council 25 representative between the departmental Appointing Authority or designee, a local Management representative (as the departmental Appointing Authority may elect), a Local Union representative (not the grievant) and a representative of Council 25 (as Council 25 may elect). Such meetings shall be held in Lansing unless mutually agreed otherwise. Every effort shall be made to discuss all pending grievances at such meetings to conserve Union and Management staff and employee work time. Every effort shall be made at such meetings to arrive at fair and equitable grievance settlements to avoid the necessity of arbitration. Such settlements, if reached, shall be confirmed in writing when agreed to by the Employer and the Union. If settlement is not reached, the written decision of the Employer will be placed on the grievance form by the departmental Appointing Authority or designee and returned to the grievant(s), his/her Union representative and Council 25 representative within thirty (30) week days from the date of the Step Three conference.

Step Four: If not satisfied with the Employer answer in Step Three, the Union may appeal the grievance to arbitration by assigning an arbitrator from the panel as provided in Section C. within thirty five (35) week days from the date of the Department's answer in Step Three. The arbitrator shall be selected from a panel of arbitrators agreed upon by the parties and the hearing conducted under the rules of the American Arbitration Association, except as otherwise provided for in this Agreement. A copy of the arbitration demand sent to Council 25 shall be served upon the Department Representative by Council 25 with a date stamp showing the date it was received by Council 25. If an unresolved grievance is not timely appealed to arbitration, it shall be considered terminated on the basis of the Department's Step Three answer without prejudice or precedent in the resolution of further grievances. The parties may propose consolidation of grievances containing similar issues.

When felony charges have been made against the employee, the arbitration may be placed "on hold" pending the outcome of the initial court decision or award.

For non-disciplinary grievances a representative from the Office of the State Employer and Council 25 shall meet upon written request of either party to review identified outstanding grievances which have been appealed to arbitration. The purpose of this meeting is to find resolution for those grievances and arrive at fair and equitable settlements to avoid the necessity of arbitration. All settlements shall be confirmed in writing when agreed to by Council 25 and the Office of the State Employer.

Upon acceptance of the appointment, the Arbitrator shall have jurisdiction and authority to move the case to final and timely resolution, and shall be advised in writing of the terms and conditions of this article. Requests for postponement may be denied, and shall be granted only for cause. The Arbitrator shall schedule the hearing to be held within six (6) months of appointment, unless the parties mutually agree to extend the hearing date. If an arbitration is not held within one (1) year from the initial filing date of the grievance to arbitration, and the request to extend beyond one year is made by the Union, the issue of liability to the Employer shall be an issue for the Arbitrator's consideration. The initial burden of proof shall be on the Union to show sufficient cause to extend the arbitration hearing. The only exceptions to this shall be for initial felony charges, as noted above, and for Workers' Compensation cases.

The expenses and fees of the Arbitrator, and the cost of the hearing room, excluding a court reporter if requested by only one of the parties, will be shared equally by the parties. Except where as provided in Article 9 Section D. The Arbitrator shall only have the authority to determine compliance with the provisions of this Agreement. The Arbitrator shall not have jurisdiction or authority to add to, amend, modify, nullify, or ignore in any way the provisions of this Agreement and Civil Service Rules and Regulations. The authority of the Arbitrator shall remain subject to and subordinate to the limitations and restrictions on subject matters and personal jurisdiction in the Civil Service Rules and Regulations. The Arbitrator shall not make any award which in effect would grant the Union or the Employer any rights or privileges which were not obtained in the negotiation process. The standard of proof to be considered by the Arbitrator shall be based upon a preponderance of evidence on the whole record. The Arbitrator

shall be the judge of the relevance and materiality of the evidence offered and conformity to legal rules of evidence shall not be necessary. No monetary award may be made for attorney fees, witnesses fees, costs, interest, or other expenses arising out of, or attributable to, the grievance appeal.

Except as provided in Civil Service Rules and Regulations, the decision of the Arbitrator will be final and binding on all parties to this Agreement. Arbitration decisions shall not be appealed to the Civil Service Commission, except as may be provided by the Civil Service Rules and Regulations. When the Arbitrator declares a bench decision, such decision shall be rendered in writing within fifteen (15) calendar days from the date of the arbitration hearing. The written decision of the Arbitrator shall be rendered within thirty (30) calendar days from the closing of the record of the hearing. A copy of the decision and a disc shall be sent to the management representative, the Office of the State Employer contract administrator and Council 25, if available from the arbitrator.

If an arbitration hearing has been scheduled except in a case involving a grievance settlement, the party requesting a cancellation, postponement or rescheduling of the arbitration hearing shall be responsible for the Arbitrator's fees, if any.

No settlement (bilateral agreement) reached at any stage of the grievance procedure, except an arbitration decision, shall be a precedent in any arbitration and shall not be admissible as evidence in any future arbitration proceeding unless mutually agreed to otherwise.

Section D. Time Limits.

Grievances may be withdrawn once without prejudice at any step of the grievance procedure. A grievance which has not been settled and has been withdrawn may be reinstated based on new evidence not previously available within twenty-five (25) week days from the date of withdrawal.

The parties may mutually agree in writing to "hold" a grievance pending the outcome of an arbitration or an appeal in another forum (i.e. Workers' Compensation). Once a decision has been rendered, such grievance may be reactivated within twenty-five (25) week days from the date of the decision.

"Week" days are defined as Monday through Friday excluding contractual holidays.

Grievances not appealed within the designated time limits in Steps Two or Three of the grievance procedure will automatically result in the grievance being considered closed. Grievances not answered by the Employer within the designated time limits in any step of the grievance procedure shall be considered automatically appealable to the next step. Where the Employer does not provide the required answer to a grievance within the time limit provided at Steps One, Two and Three, the time limits for filing at the next step shall be extended for ten (10) additional week days. Additionally, if the third step response from the Employer is not received within the time limits established under the collective bargaining agreement the Employer shall pay the full cost of the arbitration hearing. The time limits at any step or for any hearing may be extended by written mutual agreement of the parties involved at that particular step.

In the event a grievance is rejected by the Employer at any step as untimely, the issue shall be treated as separate and distinct at Step Four. Such issue shall be addressed by the submission of briefs to an Arbitrator. A decision by the Arbitrator shall be made prior to the merits of the existing grievance being heard.

If the Employer representative with whom a grievance appeal must be filed is located in a city other than that in which the grievance was processed in the preceding step, the mailing of the grievance appeal form shall constitute a timely appeal if it is postmarked within the appeal period. Similarly, when an Employer answer must be forwarded to a city other than that in which the Employer representative works, the mailing of the answer shall constitute a timely response if it is postmarked within the answer period.

LETTER OF UNDERSTANDING

ARTICLE 15 SECTION N. COMPENSATORY TIME

Section N. Compensatory Time.

Employees may choose either to receive cash payment or with departmental approval

compensatory time for holiday hours worked in excess of eighty (80) in a pay period. Overtime credit earned on a particular day may not be split between cash pay and compensatory time. Employees may accumulate up to a maximum of eighty (80) hours of such compensatory time.

On a pilot basis the above maximum accumulation of eighty (80) hours will be increased to a one-hundred twenty (120) hour maximum until December 31, 2011. At this time the parties will discuss continuation of the increased hours.

LETTER OF UNDERSTANDING

ARTICLE 19 SECTION D. TRAINING

The parties agree to explore methods for Competency Evaluated Nurse Aide (CENA) training for Residential Care Aides to become certified.

ARTICLE 23 DRUG AND ALCOHOL TESTING

Section D. Limitations on Certain Tests

3. Limitations on random selection testing. The number of drug tests conducted in any one year on a random selection basis shall not exceed five percent (5%) of the number of all test-designated positions. The number of alcohol tests conducted in any one year on a random selection basis shall not exceed five percent (5%) of the number of all test-designated positions.

LETTER OF UNDERSTANDING

CONTRACT EXTENSION

The collective bargaining agreement for the Institutional Unit will be extended for one year. Non-compensation provisions will continue through December 31, 2011; compensation provisions will continue through September 30, 2012. However, in the event an across the board wage increase for F/Y 2012 is voluntarily agreed to during negotiations in 2010, with the UAW or MSEA, and approved by the civil Service Commission, upon request of the Union on or before March 1, 2011, negotiations for an across the board increase for F/Y 2012 will be reopened no later than April 1, 2011.