

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
February 20, 2004**

Present: Susan Grimes Munsell, Chairperson
F. Thomas Lewand, Commissioner
Sherry L. McMillan, Commissioner
James P. Pitz, Commissioner
Janet McClelland, Acting State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:20 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the minutes of the meeting of December 11, 2003.

INFORMATIONAL REPORTS

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

Unclassified Position Report: Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. I received on January 7, 2004, a request from the Department of Labor and Economic Growth to establish an unclassified position to serve as the Special Assistant to the Director. This request was approved on January 21, 2004.

I received on January 29, 2004, a request from the Department of Civil Rights to establish an unclassified position to serve as the Public Information Officer. The position of Director of the Partnership Team has been abolished. This request was approved on January 29, 2004.

Regulations: Since the last meeting no new regulations were issued or revised.

2. David Fink addressed the Commission on the issue of equity for non-exclusively represented employees in the context of the concessions and

the freeze on pay for performance. At the last Civil Service Commission meeting, the Commission asked that the Office of State Employer look closely at the impact of the concessions package and the freeze on pay for performance for non-exclusively represented employees. Mr. Fink indicated that he provided information to the Commissioner's about the equity of the concessions and the extent that we could balance the fairness of the concession package between the non-exclusively represented employees and those that are represented. Mr. Fink discussed those employees (Groups 2 and 3) who had previously received base-pay increases through step-increases and where they were comparable to employees who get step increases. He stated that it did not appear to be equitable that their pay rates had been frozen because pay for performance had been frozen.

Mr. Fink also discussed actions to be taken and not to be taken in response to the Commission's previous inquiries. With respect to employees in Group 4, he stated that a close look was taken on the issue and recommended those employees should remain in pay for performance. Many employees in Group 4 will not get pay increases unless they are promoted. He indicated that it is hoped when the economy is stronger and we return to pay for performance awards, that it will be in the best interest of the State, and the best interest of those employees to have the opportunity to continue to participate in pay for performance.

With respect to employees in Group 2, with exceptions, but particularly in Information Technology, many of those employees are not being treated equitably compared to other employees who are similarly situated in the State because they have not been able to have base pay increases for quite some time. Mr. Fink stated he consulted with the Director of Information Technology, Teri Takai, who requested that we put Groups 2 and 3 Information Technology employees back into the step system. Those employees could be converted consistent with current Commission rules. When the economy is stronger, those employees will not go back to pay for performance, but will remain in step increases. The State Employer will continue to work with the Commission on the creation of new pay steps.

Mr. Fink also discussed that there is a significant issue on pay for performance with State Police positions in pay for performance classifications. He stated that State Police Director Colonel Tadarial Sturdivant felt that it is not equitable that some Group 3 employees within State Police are going without pay increases for an extended period of time. Mr. Fink further stated that this is not an exception to the freeze in place. These employees will no longer be in pay for performance and a request will be submitted to move them to the step system. Other employees, particularly in the Family Independence Agency and other agencies where there are some Group 3 employees who are in pay for performance, could also be converted to step increases if it is consistent with the department's

business plan. Mr. Fink added that this is also being made available to the Office of Attorney General.

Gary Calkins, Association of State Employees in Management (ASEM), addressed the Commission on the issue of pay for performance. Mr. Calkins noted that he sees little difference in those employees that are in Groups 3 and 4. He stated that employees accepted managerial positions with the assumption that they would receive pay increases. He discussed those employees who have not reached their fixed control point, where increases are based only on performance and a bonus. He stressed that those employees should also be placed back in the step system. Mr. Calkins commented on Mr. Fink's consideration to employees in Groups 2 and 3 and placing them back in the pay step system at the respective department director's request. He noted that employees in Group 4 are scattered over all departments and do not have a director to speak on their behalf. Mr. Calkins also inquired into the issues he raised at the last meeting regarding the inequity of concessions. He asked that the Commission give consideration to addressing this issue.

NEW BUSINESS

1. Draft Amendments to Civil Service Rules

Dan McLellan reported on the following proposed amendments:

Rule 8-3 (Technical Complaints) and Rule 9-1 (Definitions): The amendments clarify that the Technical Qualification complaint process is also open to non-employees to file a technical complaint.

Rule 1-8 (Prohibited Discrimination) and Rule 9-1 (Definitions): At the request of Governor Granholm in an executive directive adding "sexual orientation" to the list of prohibited bases of discrimination within State service and providing definition of "sexual orientation" which was not defined in the executive directive.

Rule 2-17 (Retirement) and New Rule 5-17 Deferred Retirement Option Plan (DROP): The Legislature has proposed to permit eligible State Police Command Officers to remain on active duty and collect partial retirement benefits. The legislation has passed in the House, but has not passed in the Senate. The Office of the State Employer requests special compensation rules for DROP participants which permit early payoff of sick leave, annual leave and compensatory leave; eliminate new sick leave and longevity payments; and limit new annual leave accruals. Mr. McLellan asks the Commission to table these provisions as the legislation has not

been enacted and will bring it back to the Commission at such time when the Legislature has acted.

On motion duly made and supported, the Commission unanimously approved tabling the proposed amendment and new rule regarding the DROP proposal.

Brandon Zuk, Michigan Association of Governmental Employees (MAGE), requested to speak to the Commission on this proposal. He stated that MAGE is asking the Senate to expand the proposal that has been passed by the House so that it will not only cover State Police Command Officers, but also other managers, supervisors, and confidential employees occupying what are considered covered positions for purposes of the State Employees Retirement Act. If this proposal is successful with the Legislature, the Commission will be asked to adopt a correspondingly expanded version of the proposal that is before the Commission and is now being tabled.

2. Dan McLellan presented information on the Letter of Understanding amending the "no layoff guarantee" between OSE and the UAW.

This interim approval clarifies the procedures related to possible suspension in the event of layoffs and the reduction of hours.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding the "no layoff guarantee."

COMMISSION APPEALS

1. In closed session on February 20, 2004, the Commission considered 14 decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

PUBLIC COMMENT

1. David Fink requested to address the Commission to comment on the rescission of Civil Service Rule 6-7.5 (Dues & Fees – Annual Notice Rights). Mr. Fink indicated he hopes after hearing the administration's perspective that the Commission would consider placing this on their agenda as a future item.

Mr. Fink explained the premise of the Civil Service Commission as a neutral arbiter of labor management relations for the State of Michigan. The Constitution also gives the Commission plenary authority over all rights of State employees. Mr. Fink stated the concern of the administration regarding

this rule, whereas, a special notice is sent advising exclusively represented employees of their rights to join a bargaining unit or not join. The notice is not sent to employees who are not exclusively represented. He further commented that a letter is sent every year to exclusively represented employees telling them that Commission rules prohibit political activity while on the job, yet that same notice is not sent to non-exclusively represented employees. He noted that the bias is clear in that it demonstrates a difference between exclusively and non-exclusively represented employees. He stated that the rule tells our lower-paid employees that they cannot participate in political activity while on the job, but higher paid employees are not advised that they cannot participate in political activity.

Mr. Fink also stated that the notices contain negative information about participating in a union. The notice also informs employees of their rights if they choose not to be in the union. They are also told that the federal law will protect them. He stated that what employees are not told in the notice is why they should belong to a union. Mr. Fink indicated that notices are not sent to employees regarding discrimination, specifically the amendment regarding sexual orientation, military leave, rights to file grievances and unfair labor practices. Mr. Fink stated that these are more of a fundamental right to employees.

Mr. Fink suggested that the Commission review the practices of other organizations, such as General Motors, who would have unfair labor practice charges if they sent out this type of notice. The National Labor Relations Board (NLRB) and MERC do not send notices, nor does the United States Congress who passes laws that affect employees' rights. He stated there are ways to get this type of information to employees through a provision in another rule which has posting requirements that can be seen by all employees, and is also on the web-site. Mr. Fink stated that this policy makes this Commission appear to be anti-union or anti-labor. Mr. Fink asked the Commission to consider at a future meeting the rescission of this rule as it is inconsistent with the intent and the policies of the Commission.

Mary Ellen Gurewitz, Sachs, Waldman Law Firm, also addressed the Commission on Rule 6-7.5. She stated she was involved in 1998 when the rule was first adopted. She provided information regarding the history of the rule, which was introduced at the request of former Commissioner Robert Hunter. She stated Mr. Hunter was particularly interested in what is called Beck rights. She informed the Commission that the NLRB has required that private sector unions give notice to their employees regarding their rights to join or not join the union. She indicated there has been a great deal of litigation on how that information is to be conveyed. The Supreme Court held that private sector employees have the right to not be union members as do public sector employees. Most public sector unions send notices to their members on an annual basis about membership and the ability to pay service

fees. The unions that represent State employees were doing that prior to the adoption of this rule. Civil Service Commission Rules already advise employees that they have the right not to be members but service fee payers, and the rules have a fair amount of information about the rights of service fee payers.

Ms. Gurewitz also stated the collective bargaining agreements, which the Commission approves, inform employees that they can pay a service fee rather than be a member of the union. She further indicated that there is no evidence that employees are not aware of their rights, or that there is an increase in service fee payers as a result of this notice being sent. Ms. Gurewitz indicated she concurs with Mr. Fink on the issues he raised and that this notice is not just unnecessary, but also unfair and discriminatory. She asks the Commission to consider rescinding this rule as it requires the wasteful, limited government resources to tell employees what they already know.

Susan Grimes Munsell stated she would like to defer the issue of rescinding Rule 6-7.5 until the next meeting. She noted that Mr. Fink laid out some excellent commentary regarding things employees are not notified about.

Mr. Calkins readdressed the Commission regarding concessions. He asked whether the Commission would take any further action on concessions as was indicated in the last Commission meeting. Chairperson Susan Grimes Munsell, with the support of the full Commission, commented that the Commission is very committed to the issue of concessions and equity. She stated that the Commission had the opportunity to review David Fink's numbers in detail in terms of the value of the various packages of concessions. She indicated the Commission is convinced that they are as close as possible in terms of equity for this fiscal year. The Commission does not anticipate any changes.

ADJOURNMENT

The meeting was adjourned at 11:12 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (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 February 20, 2004.



**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
April 29, 2004**

Present: Susan Grimes Munsell, Chairperson
F. Thomas Lewand, Commissioner
Sherry L. McMillan, Commissioner
James P. Pitz, Commissioner
Janet McClelland, Acting State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:25 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the minutes of the meeting of February 20, 2004.

INFORMATIONAL REPORTS

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

Unclassified Position Report: Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. I received on February 19, 2004, a request from the Department of Attorney General to establish an unclassified position to serve as the Director of Public Affairs. The position of Director of Community Outreach has been abolished. This request was approved on February 24, 2004.

I received on February 26, 2004, a request from the Department of Environmental Quality to establish an unclassified position to serve as the Executive Office Assistant to the Director of the Office of Communications. The position of Director of the Partnership Team has been abolished. The position of Legislative Liaison has been abolished. This request was approved on March 4, 2004.

I received on February 24, 2004, a request from the Department of Corrections to establish an unclassified position to serve as the Sentencing Guidelines Specialist. This request was approved on February 26, 2004.

Regulations: Since the last meeting no new regulations were issued or revised.

2. Jim Farrell addressed the Commission and provided an update on the HR Optimization Project. Mr. Farrell gave an overview on the business challenges and objectives, project governance, MI HR Service Center, the organizational changes and the progress to date. He stated the project is on time and on budget. He discussed the next steps for this project which include installing and fine tuning the application into the State of Michigan environment, continuing with organizational change sessions, communications and launching the MI HR Service Center. The launching of the center will begin in August with our group benefits open enrollment for all agencies. Mr. Farrell's presentation then identified agencies which will be phased in at different dates for all the other services the MI HR Service Center will provide. Mr. Farrell's written presentation is, by reference, a part of the record of this meeting.
3. Matt Fedorchuk updated the Commission regarding the conversions from pay for performance back to step and pay grade schedules for Groups 2 & 3 Information Technology (IT) and Non-IT employees. He stated that the Department of Civil Service is circulating for review and comment Regulation 5.07 on Performance Pay Programs. The amendments to the regulation removes language regarding the IT performance pay plan including any language relating to signing bonuses and issuing critical bonuses that were part of the original regulation. He further stated that at the same time, agencies were encouraged to identify other Group 2 & 3 Non-IT conversions to be made. Mr. Fedorchuk indicated that MEDC, FIA, and DIT requested a list of classifications in Groups 2 & 3 to be converted to the pay step plan. Those took place along with the IT conversions at the end of March. Mr. Fedorchuk's written presentation is, by reference, a part of the record of this meeting.

UNFINISHED BUSINESS

1. Draft Amendments to Civil Service Rules

Dan McLellan reported on the proposed amendment to Rule 2-17 (Retirement) and New Rule 5-17 Deferred Retirement Option Plan (DROP), which was discussed at the last Commission meeting. At that time, the Commission tabled the proposed amendment and new rule pending legislation enactment. Governor Granholm signed legislation on April 22, 2004, which creates a Deferred Retirement Option Plan to permit eligible State Police Command Officers to remain on active duty and collect partial retirement benefits. Mr. McLellan's written presentation is, by reference, a part of the record of this meeting.

On motion duly made and supported, the Commission unanimously approved proposed amendment to Rule 2-17 (Retirement) and New Rule 5-17 Deferred Retirement Option Plan (DROP).

NEW BUSINESS

1. Dan McLellan presented information on the Letter of Understanding between Office of the State Employer (OSE) and the United Technical Employees Association (UTEA).

This interim approval is a change in the restricted transfer policy for technician level eight (8) vacancies and is entered into for a trial of one year from the date of signing.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding the "assignment and transfer."

2. Dan McLellan presented information on Letters of Understanding as follows:

E-1: Letter of Understanding --OSE & AFSCME

This interim approval provides for banked leave time, retirement assurances, compensatory time, testing, health care, and contract review discussions, employee education and resource fund, concession suspension in the event of layoffs or hours reductions, prescription drug copays and limited-term appointments for the Institutional Unit.

Mr. Fink spoke briefly to the Commission regarding their ability to work out the agreement with AFSCME. He indicated that this agreement includes the 3-tier prescription drug co-pay that not all the negotiated concessions packages included.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding concessions.

E-2: Letter of Understanding – DLEG & UAW Local 6000

This interim approval allows for applying the existing secondary collective bargaining agreements in MSHDA, the Department of Career Development, and the Family Independence Agency to employees of those departments who were transferred to the DLEG at its creation.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding the secondary agreements.

E-4: Letter of Understanding – DOS & UAW Local 6000

This interim approval provides for a one-day shut down of the Department of State for the purpose of using unpaid furlough hours on either July 2 or September 3, 2004.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding the one-day shutdown.

E-5: Letter of Understanding – DOS & MSEA

This interim approval provides for a one-day shut down of the Department of State for the purpose of using unpaid furlough hours on either July 2 or September 3, 2004.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding the one-day shutdown.

E-6: Proposed Amendment to Rules

This proposal to the rules is to add requirements to Rule 1-4 that the State Personnel Director communicate periodically with classified employees on matters of interest, and repeals Rule 6-7.5 that requires notices only to exclusively-represented employees on dues-related issues.

Commissioner Lewand commented that this solves some of the problems that have been heard at a previous meeting and encouraged staff to work with OSE and representatives of the non-represented employees.

Mr. McLellan addressed Commissioner Lewand's comment that the amendment to Rule 1-4.2 specifically permits the State Personnel Director to communicate jointly with others including the OSE and Office of Retirement Services.

On motion duly made and supported, the Commission unanimously approved the proposed amendments to the rules.

E-7: Letters of Understanding - OSE & SEIU 517-M

This interim approval provides for banked leave time, concession suspension in the event of layoff ("employment and continuing condition guarantee"), DLEG overtime and scheduling discussions, UA dress code and mentoring discussions, limited-term appointments, prescription drug committee, DLEG veterans preference committee and letter of intent for the Human Services Support Unit.

Mr. Fink addressed the Commission and spoke on the last item regarding Commissioner Lewand's issue of cooperation in terms of communication.

Mr. Fink stated that they have had wonderful cooperation and communication with the Department of Civil Service with respect to any communications with state employees and is grateful for that. He stated the Department could not be any more inclusive in cooperating with OSE and seeking their assistance and input.

With respect to item E-7, Mr. Fink expressed relief and gratitude to this bargaining unit who worked so hard to reach agreement at such a difficult time.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding concessions.

PUBLIC COMMENT

1. Mr. Andre Friedlis, ASEM, addressed the Commission concerning agenda items E-4 and E-5. He addressed the issue on the scheduled one-day shutdown unpaid furlough day for NERE's with the Department of State.

Mr. McLellan responded to Mr. Friedlis that in respect to NERE's, Civil Service Commission approval is not required.

COMMISSION APPEALS

1. In closed session on April 29, 2004, the Commission considered 14 decisions of the Employment Relations Board. Copies of the review sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

ADJOURNMENT

The meeting was adjourned at 11:15 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (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 April 29, 2004.



**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
July 22, 2004**

Present: Susan Grimes Munsell, Chairperson
F. Thomas Lewand, Commissioner
Sherry L. McMillan, Commissioner
James P. Pitz, Commissioner
Janet McClelland, Acting State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:10 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the minutes of the meeting of April 29, 2004.

AMENDMENTS TO AGENDA

1. Chairperson Susan Grimes Munsell amended the Agenda with the addition of Item E-8, Appointment to the Employment Relations Board.

INFORMATIONAL REPORTS

1. The Commission received the following report from Janet McClelland, Acting State Personnel Director.
Unclassified Position Report: Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. I received on May 7, 2004, a request from the Department of Attorney General to establish an unclassified position to serve as the Senior Research Analyst. The position of Director of Public Affairs was abolished. This request was approved on May 24, 2004.

I received a request on June 3, 2004, from the Department of Attorney General to reestablish the unclassified position of the Director of Public Affairs. This request was approved on June 18, 2004.

I received a request on June 7, 2004 from the Department of Natural Resources to establish an unclassified position to serve as the Chief Deputy and Chief of Staff. The position of Conservation Policy Advisor has been abolished. This request was approved on June 17, 2004.

Regulations: Civil Service Commission Rules require that I report to the Commission on the promulgation of regulations, which are issued to implement commission rules.

Since the last Commission meeting, the following regulations were revised and reissued:

Regulation 5.07, Performance-Pay Programs – Effective May 9, 2004

Summary: The regulation was amended to remove language regarding the information technology performance pay program. This change brings the information technology classifications' pay structure more in line with those of other Group 2 and 3 classifications.

Regulation 4.08, Working Out Of Class – Effective June 6, 2004

Summary: The regulation was amended to clarify the time period for a working out of class assignment. A working out of class assignment cannot exceed 26 pay periods.

Regulation 4.03, Establishing and Reclassifying Positions in the State Transitional and Departmental Trainee Classifications

Summary: The regulation was revised to clarify that the purpose of the State Transitional Professional is to facilitate career movement of employees in a professional or SEMAS classification, employees with a bachelor's degree or higher in a nonprofessional classification, or employees who possess the alternate education and experience for entry into a professional classification.

Acting Director McClelland also reported that, in response to the Civil Service Commission's April 27, 2004 action to amend the rules by adding Rule 1-4.2, Communication with Employees, MI Civil Service News was developed and issued to state employees. Four topic areas were highlighted in the first issue, which included: (1) MI HR, (2) Long-Term Care Insurance Open Enrollment, (3) Voluntary Work Schedule Adjustment Program, and (4) Political Activities.

Finally, Ms. McClelland reported that the Department of Civil Service met with the China Ministry of Personnel to discuss human resources processes in the State of Michigan classified service.

2. Nancy Foltz, Office of Great Workplace Development, provided a presentation regarding the vision and values initiative, the impact of 360 feedback process, and the vision to make Michigan a great place to do great work. Ms. Foltz's written presentation is, by reference, a part of the record of this meeting.

David Fink, Office of the State Employer, also presented information to the Commission regarding the vision of the 360 tool and its correlation with the current performance management program. He stated that it is their hope that the 360 tool can be blended with the current performance management program, but the intent is not to replace the current performance management program. The results and processes will be validated to make sure that the positive aspects of the performance management system are not given up.

Commissioner Lewand commented that the Commissioners would have questions as the program develops.

NEW BUSINESS

1. Howard Pizzo and Rhonda Whiting, Department of Management and Budget, addressed the Commission regarding approval of two changes in the reimbursement rates under the Standardized Travel Regulations applicable to non-exclusively represented employees. Mr. Pizzo requested that the FY-04 rates be amended, increasing the mileage rate to 32.7 cents per mile, and to provide for the reimbursement of auto policy collision deductibles, up to \$500 per accident effective immediately. He also requested that the Commission adopt the rates for FY-05. No change in travel reimbursement rates was requested.

Dan McLellan addressed the Commission requesting approval of a request from State Employer David Fink to amend mileage rates and to authorize the State Personnel Director to approve letters of understanding relating to the amendments.

On motion duly made and supported, the Commission unanimously approved the Standardized Travel Regulations.

2. Dan McLellan presented information on amendments to the following Rules:

E-2: Proposed Ethics Rule Amendment

Three proposals were presented regarding Rule 2-8 (Ethical Standards and Conduct), Rule 6-5 (Rights of Employees), and Rule 6-8 (Recognition Rights for Labor Organizations). The proposals exclude all employees in the Department of Civil Service and the Office of State Employer from joining or being represented by a Limited Recognition Organization (LRO);

exclude Human Resource employees from being an officer with an LRO; and exclude Human Resource employees from representing fellow employees represented by an LRO.

Andre Friedlis, Association of State Employees in Management (ASEM), expressed opposition to the proposed amendments to Rules 2-8, 6-5, and 6-8. He indicated there had not been conflicts previously and the LROs do not have any bargaining rights.

David Fink addressed the Commission in support of the exclusions. He indicated that the change would bring more clarity to the integrity of the process, and that over time it is hoped the LROs would have more opportunity to participate in a meaningful way. He discussed the current circumstances where a President of an LRO could also be a labor relations representative on the other side of the bargaining table. If we can avoid these conflicts, we believe over the long run we will be able to work with the Civil Service Commission to give LROs more recognition and fewer limits.

On motion duly made and supported, the Commission unanimously approved the amendments to Rules 2-8, 6-5, and 6-8.

E-3: Amendments to Rule 2-12, Leave of Absence Without Pay

As a result of a recent court decision, *Yarborough v DOC & CSC*, staff proposed an amendment to restore the original intent of the Commission when it enacted Rule 2-12. The following changes were proposed:

(b) If the appointing authority has demoted the employee since the beginning of a leave of absence under rule 2-6 [Discipline] or rule 3-3 [Appointments and Job Changes], the employee is returned to a position at the classification level to which demoted and is compensated within the range of rates approved for that classification level.

On motion duly made and supported, the Commission unanimously approved the amendments to Rule 2-12.

E-4: Amendments to Rule 2-14, Military Pay

Dan McLellan discussed the request from David Fink regarding extending the military leave benefits for an additional fiscal year, until September 30, 2005. He noted that the amendments to Rule 2-14 grant the State Personnel Director the authority to approve letters of understanding for all current collective bargaining agreements to provide the same military leave benefits for exclusively represented employees as for those approved by the Civil Service Commission for the non-exclusively represented employees.

State Employer David Fink addressed the Commission regarding his request to extend the military leave benefits to nonexclusively represented employees who were called to active duty after September 11, 2001 for an

additional fiscal year, thereby extending the benefits until September 30, 2005.

On motion duly made and supported, the Commission unanimously approved the amendments to Rule 2-14.

E-5: Interim Approval of Collective Bargaining Agreement between OSE and MSPTA

The Office of the State Employer and the Michigan State Police Troopers Association reached an agreement on a three-year collective bargaining agreement for the State Police Troopers and Sergeants Unit for October 1, 2002 through September 30, 2005.

With the consent of the Chair, Susan Grimes Munsell, interim approval was granted on May 18, 2004.

Since the collective bargaining agreement increased wages retroactively, the wage increases could not take effect unless the legislature waived the notice requirements of Article 11, §5, of the Michigan Constitution. Both the Senate and House of Representatives have now approved the required waiver in House Concurrent Resolution No. 61.

David Fink addressed the Commission regarding the voluntary agreement reached with the troopers and sergeants. He indicated that the agreement contained concessions consistent with those voluntarily agreed to by other bargaining units. This included a clause regarding bank leave time for fiscal year 05, provided a majority of members in other bargaining units also agree to bank leave time for fiscal year 05.

On motion duly made and supported, the Commission unanimously approved the Collective Bargaining Agreement between OSE and MSPTA.

Dan McLellan presented information on the Letters of Understanding as follows:

E-6: Letter of Understanding – OSE & UAW, Prorating of Furlough Hours for New Hires

This interim approval amends the primary collective bargaining agreements for the Administrative Support Unit and the Human Services Unit for prorating furlough hours for new hires after April 10, 2004.

Commissioner Lewand abstained from voting. On motion duly made and supported by three votes, the Commission approved the Letter of Understanding regarding prorating furlough hours.

E-7: Letter of Understanding – Secondary Agreement Letter of Understanding, MDCH and UAW

This interim approval amends the secondary collective bargaining agreement which adds Macomb Correctional Facility to the list of defined work sites.

Commissioner Lewand abstained from voting. On motion duly made and supported by three votes, the Commission approved the Letter of Understanding between MDCH and the UAW.

E-8: Appointment to the Employment Relations Board

Susan Grimes Munsell announced the reappointment of William J. Braman to the Employment Relations Board with a term expiring April 30, 2007.

PUBLIC COMMENT

1. David Fink addressed the Commission regarding the inequities that occurred with non-exclusively represented employees due to the long-term impact of concessions and the freeze on pay-for-performance. He advised the Commission that the freeze on pay-for-performance for Group 4 employees with respect to lump-sum payments will remain, but the freeze on pay-for-performance base pay adjustments will be lifted for FY 05. He stated that an Executive Directive will be issued specifying the terms and conditions that will apply to this provision. He indicated that at management's discretion and within certain criteria, Group 4 employees who are not at the fixed-control point will have the opportunity to receive base pay adjustments.

COMMISSION APPEALS

1. In closed session on July 22, 2004, the Commission considered 9 decisions of the Employment Relations Board. Copies of the review sheets indicating the Commission's actions on these decisions are on file at the Department of Civil Service.

ADJOURNMENT

1. The meeting was adjourned at 11:08 a.m.

I, Janet McClelland, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of July 22, 2004.



Janet McClelland

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
December 15, 2004**

Present: Susan Grimes Munsell, Chairperson
F. Thomas Lewand, Commissioner
Sherry L. McMillan, Commissioner
James P. Pitz, Commissioner
James D. Farrell, State Personnel Director

A. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:15 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Chairperson Munsell introduced and welcomed James D. Farrell, the new State Personnel Director who was appointed in October 2004. The Chairperson also acknowledged and thanked Chief Deputy Director Janet McClelland, who acted as the State Personnel Director after John Lopez' retirement in December 2003, for her diligent and steady leadership during the interim period. Darby Schlagheck was introduced as the newly-appointed executive secretary to the Commission and the State Personnel Director. Chairperson Munsell expressed her appreciation to Michele Cowgill for her excellent service while serving as the acting secretary to the Commission over the past year.

Chairperson Munsell introduced Susan Zurvalec, Chairperson of the Employment Relations Board (ERB) and ERB member Bill Braman who were in attendance.

On motion duly made and supported, the Commission approved the minutes of July 22, 2004.

B. AMENDMENTS TO AGENDA

Chairperson Munsell noted for the record that there were no amendments to the agenda.

C. INFORMATIONAL REPORTS

Director's Report: The Commission received the following report from State Personnel Director James Farrell.

Unclassified Position Report: Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolition of positions in the unclassified service.

The Department of Attorney General submitted a request to establish an unclassified position to serve as the Director of External Communications. The position of Senior Research Analyst was abolished. This request was approved on July 23, 2004.

The Department of Natural Resources submitted a request to establish an unclassified position to serve as the Chief of the Office of Communications. The position of Resource Management Deputy was abolished. This request was approved on September 7, 2004.

The Department of Treasury submitted a request to establish an unclassified position to serve as Deputy Treasurer of Programs. The position of the Legislative Liaison was abolished. The request was approved on November 17, 2004.

Regulations: Civil Service Commission Rules require the State Personnel Director to report to the Commission on the promulgation of regulations, which are issued to implement Commission rules. Since the last Commission meeting, the following regulations were revised and reissued.

Regulation 1.03, Investigating Reports of Discriminatory Harassment
Effective: August 1, 2004

Summary: The regulation has been amended to include "sexual orientation" in the list of improper discrimination factors and incorporates the definitions of "genetic information" and "sexual orientation" as provided in Chapter 9 of the Civil Service Commission Rules. In addition, the regulation now reflects current rule language.

Regulation 2.10, Drug Testing Complaints by Non-Employees
Effective: August 1, 2004

Summary: The regulation establishes procedures for the filing and review of complaints regarding pre-employment drug testing of new hires. These procedures do not apply to those who are already classified employees, and who may file complaints under the appropriate existing grievance procedures for classified employees.

Regulation 5.02, Premium Payment of Overtime, On-Call Compensation, and
Callback Compensation
Effective: October 24, 2004

Summary: The regulation has been revised to reflect the change in the highest eligible employee rate in Standard B.2.b.(3)(b) resulting from the general wage increase effective October 1, 2004.

Premium Pay Approval

Extracurricular premium pay was approved for the 2004-05 school year for nineteen positions in the Department of Education's School for the Deaf and Blind, as provided for in the Letters of Understanding approved by the Civil Service Commission for AFSCME and UAW agreements.

MI HR Service Center

State Personnel Director Farrell also informed the Commission that the HR Optimization Project has been going well and that all departments were on-board as of November 8, 2004. The project was delivered ahead of schedule and under budget and is working very well.

D. UNFINISHED BUSINESS

Chairperson Munsell noted there was no unfinished business.

E. NEW BUSINESS

1. Department of Civil Service Financial Reports

Carol Vargovich, Budget and Financial Services Division, Department of Civil Service, briefed the Commission on the Department of Civil Service Budget. Ms. Vargovich summarized the Department's financial activity for fiscal year 2004 and reported a budget savings of \$455,000 for the fiscal year. The Constitution requires the Civil Service Commission to certify the total aggregate payroll of the classified service for the preceding year. Ms. Vargovich reported that the aggregate payroll for the classified state service from October 1, 2003, through September 30, 2004, is \$3,758,330,190. One percent of the payroll is \$37,583,301, and is the funding base for fiscal year 2005.

Ms. Vargovich also reported that the appropriation for fiscal year 2005 has been enacted with a \$3,012,863 increase from the budget approved by the Commission on December 11, 2003.

The Department increased its budget for funding associated with the MI HR Service Center, underestimates in employee salary and wage economics, CS&M savings, retirement rate savings, and banked leave time. Ms. Vargovich highlighted the budget proposal for fiscal year 2006 totaling \$37,466,700, along with a recommended staffing level of 241.5 FTEs. This is a continuation budget of the current fiscal year 2005 appropriation, along with two revenue adjustments and an estimated amount of \$500,000 for salary and wage economics. Revenue adjustments include an increase of \$300,000 for additional participation in Civil Service training programs and an increase of \$1,520,000 for user charges related to the MI HR Service Center.

The Civil Service Commission, in fulfillment of the Constitutional requirement to certify the aggregate payroll of the classified service for the preceding fiscal year, certifies the payroll of \$3,758,330,190, as recorded in the State's Michigan Administrative Information Network as of November 20, 2004, for the fiscal period October 1, 2003, to September 30, 2004.

On motion duly made and supported, the Commission approved Resolution E-1A, Certification of the Aggregate Payroll for FY 2004.

Consistent with its constitutional authority, and recognizing the funding requirements for the MI HR Service Center, employee economics, CS&M reductions, retirement rate savings, and banked leave time savings, the Civil Service Commission hereby increases the previously approved FY 2004-2005 budget for the Department of Civil Service by \$3,012,863.

The State Personnel Director is authorized to take any action necessary to comply with the provisions of this Resolution so that the estimated revenues correspond with the estimated expenditures of the Department of Civil Service as specified for FY 2004-2005.

On motion duly made and supported, the Commission approved Resolution E-1B, Budget Resolution for FY 2004-2005.

The Civil Service Commission approves the Fiscal Year 2006 budget proposal for the Department of Civil Service totaling \$37,466,700.

On motion duly made and supported, the Commission approved Resolution E-1C, Budget for FY 2006.

Dan McLellan, General Council for the Commission, presented information and staff recommendations on the following five Memoranda of Understanding which had received interim approval by Acting State Personnel Director Janet McClelland and Chairperson Munsell, and are now before the Commission for approval. Mr. McLellan noted that without approval of these memoranda, interim approval will expire at the end of the Commission meeting.

2. Inter-Agency Memorandum of Understanding Between Office of the State Employer (OSE) and Department of Civil Service (DCS) – Retiree Insurances

By statute, the Michigan Civil Service Commission and the Department of Management & Budget are authorized to jointly approve group health plans for retirees under the State Employees' Retirement Act, the State Police Retirement Act of 1986, and the Judges' Retirement Act of 1992. This is a continuation of the same retiree benefit plan that the Commission approved for the previous year, with the following changes, effective November 1, 2004:

- Durable Medical Equipment (DME) network with no co-pay.
- Change in the Coordinated Care Management (CCM) program.
- Addition of a third-tier drug program (a \$30 co-pay for non-preferred, brand name drugs for both the retail and mail order drug plans).
- Elimination of the 90-day supply at a retail pharmacy with a one-month co-pay.

On motion duly made and supported, the Commission confirmed the interim approval granted for E-2, Inter-Agency Memorandum of Understanding between OSE and DCS regarding Retiree Insurances. (Commissioner Pitz abstained from the vote, as a state government retiree.)

3. Letter of Understanding Between OSE and Michigan State Employees Association (MSEA) - Overtime Eligibility Codes for the Safety & Regulatory Unit

The OSE and the MSEA submitted a Letter of Understanding to amend the current collective bargaining agreement for the Safety & Regulatory Unit. The Letter of Understanding changes overtime eligibility codes to conform to the recent changes in the Federal Fair Labor Standards Act.

Jack Yoak, President of the MSEA, addressed the Commission giving his support to this Letter of Understanding.

On motion duly made and supported, the Commission confirmed the interim approval granted for E-3, Letter of Understanding between OSE and MSEA regarding Overtime Eligibility Codes for the Safety & Regulatory Unit.

4. **Letters of Understanding Between OSE and Michigan Public Employees (MPE) (Articles 13 & 18) – Transfer and Relocation Expense Reimbursement in the Scientific & Engineering Unit**

The OSE and the SEIU Local 517-M (MPE) submitted two Letters of Understanding to amend the current collective bargaining agreement for the Scientific & Engineering Unit. The Letters of Understanding amend Article 13, Transfers and Article 18, Relocation Expense Reimbursement.

On motion duly made and supported, the Commission confirmed the interim approval granted for E-4, Letters of Understanding between OSE and MPE (Articles 13 & 18) regarding Transfer and Relocation Expense Reimbursement in the Scientific & Engineering Unit.

5. **Letter of Understanding Between OSE and MPE (Technical Unit) – State Workers and Co-Op Positions**

The OSE and the Michigan Public Employees, SEIU Local 517-M (MPE) submitted a Letter of Understanding to amend the current collective bargaining agreement for the Technical Unit. The Letter of Understanding extends the number of hours that a State Worker 4 and co-op employee may work.

On motion duly made and supported, the Commission confirmed the interim approval granted for E-5, Letter of Understanding between OSE and MPE (Technical Unit) regarding State Workers and Co-Op Positions.

6. **Letters of Understanding Between OSE and UAW - Concessions for FY 2005**

The OSE and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) submitted various Letters of Understanding to amend the current collective bargaining agreement for the Human Services Unit and the Administrative Support Unit. Mr. McLellan noted that as part of negotiations included in the upcoming agenda items, the UAW also negotiated with the OSE over the question of concessions for FY '05. An agreement was reached that would have started the banked leave time prior to the date of today's Commission meeting, so the UAW and the OSE requested (and were granted) interim approval. Mr. McLellan pointed out that in all the other cases, there will not be a separate Resolution for the FY '05 concessions and the remaining new collective bargaining agreements beginning FY '06 because banked leave time for FY '05 begins after today's meeting.

The UAW concession agreement includes the following:

- 3.2 hours of banked leave time for 26 pay periods.
- A no-layoff guarantee.
- Letters of Understanding regarding committees to discuss:
 - Registered Nurses
 - State Contracting
 - Caseload Review
- Letter of Understanding regarding changing limited-term appointments to indefinite after 4,160 hours.
- Letter of Understanding regarding mandatory overtime for Registered Nurses in the Department of Corrections.

On motion duly made and supported, the Commission confirmed the interim approval granted for E-6, Letters of Understanding Between OSE and UAW Regarding Concessions for FY '05. (Commissioner Lewand abstained from the vote.)

7. Collective Bargaining Agreements and FY '05 Concession Agreements

- A. UAW Collective Bargaining Agreement: A proposed primary collective bargaining agreement has been reached between the OSE and the UAW, effective for non-economic provisions for the period of January 1, 2005, through December 31, 2007, and for economic provisions for the period of October 1, 2005, through September 30, 2008. Staff has reviewed the collective bargaining agreements and finds nothing that they believe would violate the Commission rules on prohibited subjects of bargaining.

In addition, Mr. McLellan noted that all the existing secondary collective bargaining agreements under the primary agreements will expire on December 31, 2004, unless extended. As of the date of the Commission meeting, the effected parties have not submitted the secondary agreements for extension. The Commission has not amended its rules on prohibited subjects of bargaining since approving all the current secondary collective bargaining units, and it was recommended that the Commission delegate its authority to the State Personnel Director to temporarily extend the secondary collective bargaining agreements (if requested by the effected parties).

Upon motion duly made and supported, the Commission approved E-7A, UAW Collective Bargaining Agreement and delegated the authority to temporarily extend the expiration date of the existing secondary collective bargaining agreements (if requested by the effected parties prior to December 31, 2004) to the State Personnel Director.

David Fink, Director, Office of the State Employer, noted that the OSE was delighted that they were able to reach complete voluntary agreements with all of the state employee unions, including concession packages. Mr. Fink applauded state employees for their willingness and understanding throughout the difficult negotiation process, as well as their sacrifices.

Chairperson Munsell acknowledged that it has been a difficult situation in which to negotiate with the economics that the OSE currently has to take into consideration.

On motion duly made and supported, the Commission approved E-7A, Collective Bargaining Agreement – UAW. (Commissioner Lewand abstained from the vote.)

- B. Collective Bargaining Agreement – MSEA: Mr. McLellan presented the proposed collective bargaining agreement and noted that staff has reviewed the agreement for violations of the Commission's rules on prohibited subjects of bargaining and has identified the following problem for the Commission's consideration.

An arbitrator had previously reversed the lay-off of fire safety inspectors in the Department of Corrections as a violation of Article 52 of the collective bargaining agreement that provides for the integrity of the bargaining unit. The Department of Corrections filed a complaint concerning the arbitrator's decision and, in CSC 2004-002, the Commission vacated the arbitrator's decision because it violated Commission rules on prohibited subjects of bargaining. The MSEA appealed to the Ingham County Circuit Court, and last week Judge Collette affirmed the decision of the Commission.

In the proposed MSEA collective bargaining agreement, the parties added new language to Article 52(A) regarding the integrity of the bargaining unit. Staff and the Attorney General's office have determined that the proposed new language in Article 52(A) could be interpreted by an arbitrator or a court to reverse Judge Collette's decision to uphold the Commission's decision in CSC 2004-002. Since the proposed new language could be interpreted to change the Commission's interpretation of its rules governing prohibited subjects of bargaining, the proposed new language itself violates those rules.

Both staff and the Attorney General's office believe the only solution to the problem is to delete, in its entirety, the proposed amendatory language to Article 52(A), leaving the Integrity of the Bargaining Unit section, the Civil Service Commission decision, and Judge Collette's decision unchanged.

Mike Aubin, an employee of the Department of Economic Growth, and Martin Mariano, a Department of Corrections employee, expressed their support for the change in Act 52 and their disappointment in the proposed deletion.

Jack Yoak, President of MSEA, addressed the Commission concerning the first sentence in Article 52(A) which says ..."The Employer recognizes that the integrity of the Bargaining Unit is of significant concern to MSEA." Mr. Yoak feels that the employer showed that at the bargaining table, but that the Civil Service Commission does not appear to have that same level of understanding.

David Fink commented that he shares the concerns expressed by the representatives of MSEA. The OSE supports the contract as agreed to, and Mr. Fink asked that the contract be approved in the form that it was agreed to by the parties.

Commissioner Pitz clarified that the Commission is not voting on the contract, but rather voting on Civil Service policy and rules, which will be what the Commission will have to consider in this vote. He indicated he does not feel that this in any way is a reflection on the collective bargaining process. The collective bargaining system may be imperfect or there may have been some lack of coordination that occurred in the thought process while putting together the contract, but there are still Civil Service rules and the Michigan Constitution that the Commission has to follow when making decisions on issues before them.

Commissioner Lewand proposed that the issue be taken back to the bargaining table for further discussion in light of the court decision and the very tricky legal issues that counsel has briefed the Commission on.

On motion duly made and supported, the Commission approved E-7B, Collective Bargaining Agreement – MSEA. (Commissioner Lewand opposed for the reason noted above.)

Mr. Fink invited the MSEA to join the OSE for further discussions to attempt to design a new Letter of Understanding to address the issues of concern and intentions of the parties, in a manner acceptable to and consistent with, the constitutional powers and rules of the Commission.

Chairperson Munsell called for a ten minute intermission. The meeting reconvened at approximately 11:25 a.m.

- C. Collective Bargaining Agreement – AFSCME: Mr. McLellan presented the proposed collective bargaining agreement reached between the OSE and AFSCME and noted that staff has reviewed the agreement for violations of the Commission's rules on prohibited subjects of bargaining and have found none. Therefore, Mr. McLellan recommended approval of Resolution E-7C, the AFSCME collective bargaining agreement, effective January 1, 2005, approval of the Fiscal Year 2005 concession agreement, and delegating to the State Personnel Director the authority to temporarily extend the expiration date of the current collective bargaining agreements, if requested by the effected parties.

On motion duly made and supported, the Commission approved E-7C, Collective Bargaining Agreement – AFSCME.

- D. Collective Bargaining Agreement – SEIU: Dan McLellan noted that items E-7D-1, E-7D-2, and E-7D-3 are the three MPE collective bargaining agreements. Mr. McLellan advised the Commission that staff originally raised a question about three Letters of Understanding related to Political Action Committee (PAC) contributions, but the parties have withdrawn the Letters of Understanding regarding payroll deduction for contributions to PACs. Mr. McLellan informed the Commission that the parties wish to address this matter, and will be on the record today withdrawing that particular Letter of Understanding from the three proposed collective bargaining agreements for MPE.

Mary Ellen Gurewitz, attorney for the MPE, SEIU Local 517-M, addressed the Commission. Ms. Guerwitz, on behalf of the MPE, presented the position that the voluntary authorization of payroll deduction of contributions to a union PAC is not a prohibited political assessment and is not, therefore, a prohibited subject of bargaining.

Commissioner Lewand thanked Ms. Guerwitz for her thorough review of the issues, and commented that because of the legal issues, he appreciated MPE's withdrawal of the issue so the Commission can consider separately the question of whether the PAC check-offs are appropriate. He indicated that the Commission is in agreement that all parties involved need more information, analysis, and thought on the issue before making a decision.

David Fink addressed the Commission concerning the issues that were raised. Mr. Fink noted that he agrees with the approach suggested to come back to the Commission at a later time for further action.

Dan McLellan asked for a clear statement from David Fink that the OSE agrees to the withdrawal of the Letter of Understanding concerning PAC check-offs from these three collective bargaining agreements. Mr. Fink affirmed his agreement to withdraw, at this time, the Letter of Understanding concerning PAC check-offs.

On motion duly made and supported, the Commission approved E-7D-1, Collective Bargaining Agreement – SEIU (Scientific & Engineering Unit).

Dan McLellan commented that item E-7D-2, is exactly the same collective bargaining agreement as E-7D-1, but is for the Technical Unit MPE contract.

On motion duly made and supported, the Commission approved E-7D-2, Collective Bargaining Agreement – SEIU (Technical Unit).

Dan McLellan noted that Item E-7D-3, is the bargaining agreement for the Human Services Support Unit of MPE, and is exactly the same as the previous two items.

On motion duly made and supported, the Commission approved E-7D-3, Collective Bargaining Agreement – SEIU (Human Services Support Unit).

- E. Collective Bargaining Agreement – MCO: Dan McLellan presented the collective bargaining agreement for the Michigan Corrections Organization, SEIU Local 526-M (MCO). Mr. McLellan noted that staff reviewed the agreement for violations of the Commission's rules on prohibited subjects of bargaining and found none, and recommended approval of the agreement, the FY '05 concessions, and delegating the authority to the State Personnel Director to temporarily extend the expiration date of the current secondary collective bargaining agreements, if requested by the effected parties.

On motion duly made and supported, the Commission approved E-7E, Collective Bargaining Agreement – MCO.

Coordinated Compensation Panel Recommendations: Matt Fedorchuk, Civil Service Compensation Director, and Amy Cahoon presented the recommendations contained in the proposed Coordinated Compensation Proposal (CCP) for Fiscal Year 2006 developed by the members of the Employment Relations Board, serving as the CCP Panel under Civil Service Rule 5-1.3. The CCP panel recommends approval of the following:

- A 1 percent across-the-board base pay increase for NERES, effective October 1, 2005, and another 1 percent across-the-board pay increase effective April 9, 2006.
- Special pay adjustments for the following:
 - A \$1.50 per hour wage increase for excluded Registered Nurse 12, Registered Nurse Manager 12, 13, 14, 15, and Registered Nurse Director 15, 16, and 17 classifications, effective October 1, 2005, to be applied prior to any approved general wage increase.
 - A \$1.00 per hour wage increase for Practical Nurse Supervisor 11 and 12 classifications, effective October 1, 2005.
 - A 10 percent wage increase for Pharmacist Manager 13 and 14 classifications, effective October 1, 2005.
- An optional signing bonus program up to \$2,500 for new hires in Pharmacist Manager 13 and 14 classifications, effective October 1, 2005.
- An optional signing bonus of up to \$5,000 for new hires in excluded Dentist positions, effective October 1, 2005.
- An optional retention bonus in an amount up to \$5,000 for employees in excluded Dentist positions who have been employed by the State for at least 2,080 hours by the end of the first full pay period in February 2006.
 - The panel recommends that both of these programs for the Dentists be approved on a pilot basis and re-evaluated during the 2006 CCP proceedings.
- Reassign Treasury Investment Analyst classifications to pay schedules NERE-236 and NERE-237, and Treasury Investment Specialist classifications to new pay schedules mirroring the existing rates in schedule NERE-184, effective October 1, 2005.
- Implement a special Lottery Sales Incentive Program for Lottery sales and marketing staff with incentives of up to \$2,500 per year (up to \$625 per quarter), awarded to eligible employees based on sales indicators, beginning October 1, 2005. The panel recommends that the effectiveness of this program be re-evaluated during the 2006 CCP proceedings as well.
- A new base minimum pay step for all pay ranges in the compensation plan, effective October 1, 2005.
- Integrate the Coordinated Care Management Program into a comprehensive disease management program (Blue Health Connection), effective October 1, 2005.

- Integrate a PPO network for Durable Medical Equipment and Prosthetic and Orthotic appliances into the State Health Plan PPO, effective October 1, 2005.
- Change Chiropractic Spinal Manipulation benefit reimbursement to a rate of 100% for in-network services after a \$10 co-pay, and an out-of-network reimbursement rate of 90 percent after the deductible, effective October 1, 2005.
- Increase the annual visit limitation for Physical, Occupational, and Speech Therapy from 60 to 90 visits, effective January 1, 2006.
- Increase the annual Preventive Services maximum from \$750 to \$1,500 and exclude covered colonoscopy exams and childhood immunizations from the maximum limit, effective January 1, 2006.
- Limit prescriptions filled under the State Health Plan at retail pharmacies to a 34-day supply, effective October 1, 2005.
- Add the benefit of Brush Biopsy coverage to the State Dental Plan, effective October 1, 2005.
- Limit the benefit period for “mental/nervous” Long-Term Disability claims to 24 months from the beginning of the claim period, effective October 1, 2005.
- Change the Long-Term Disability eligibility period for Plan II claimants who remain totally disabled to age 65, or a period of 12 months, whichever is greater, effective October 1, 2005.
- Add Election Day as a new holiday to be observed on General Election Day in even-numbered years.
- Renew the Professional Development Fund for MSC employees at \$150,000, and renew the Professional Development Fund for Business & Administrative Unit employees at \$50,000.

The Panel recommends Commission approval of the following leave programs for FY 2005.

- Expand the current School Participation Leave provisions to also include community participation, effective January 1, 2005.
- Increase the annual leave maximum accumulation cap at each level by 40 hours, while leaving payoff caps unchanged, effective January 1, 2005.
- Reinstate the banked leave time program for NEREs at 4 hours per pay period for 21 pay periods beginning the pay period of January 2, 2005.

The Panel recommends denial of the following.

- A special \$0.38 per hour wage increase for Assistant Resident Unit Supervisors, as recommended by Mr. Gregory Brady.
- A special \$1.50 wage increase for Corrections Shift Supervisors as recommended by Mr. Darwin Berthiaume.

It was noted that this issue has been raised numerous times during the last 12 years and lacking any new information, the Panel again recommends denying this request. This issue will not be considered in the future, unless new and compelling information is submitted which would indicate recruitment and/or retention difficulties or otherwise support a special adjustment.

The Panel also proposes that the Commission:

- Take no action at this time on the issue of amending the State Health Plan and the Sick Leave Plan to include coverage for same sex domestic partners until such time as the legal questions created by the interaction of these provisions and the new Constitutional Amendment are answered.
- Direct the DCS, with input from the OSE and affected departments, to conduct a study of the effectiveness of the recruitment and retention bonus programs for excluded Dentists and report its findings to the Panel prior to completion of the 2006 CCP proceedings for fiscal year 2008.
- Direct the DCS, with input from the OSE and the Bureau of State Lottery, to conduct a study of the effectiveness of the Lottery Sales Incentive Program and report their findings to the Panel during the 2006 CCP proceedings for fiscal year 2008.

Matt Fedorchuk presented a table summarizing the known costs and savings contained in the proposals being recommended for approval by the Commission. Mr. Fedorchuk noted that the Panel weighed a number of factors in deciding to support the proposals presented to the Commission. While keeping in mind the State's financial condition, the Panel considered compensation provided for in negotiated agreements. The Panel noted, and gave particular weight to the consensus agreement reached between the Office of the State Employer and the limited recognition organizations. He noted that the Commissioner's briefing books contain proposed changes to Civil Service Rules 5-6 and 5-10 that would be necessary to implement these proposals, and the Panel requests that these rules be considered part of the report for the Commission's approval.

Upon motion duly made and supported, the Commission approved E-8, Coordinated Compensation Panel Recommendations.

David Fink commented that the OSE is grateful for the cooperation and assistance of the LROs in working with the OSE on the joint consensus agreement that was submitted to the ERB, and to the ERB for the work they did in reviewing and thoroughly analyzing the data presented and submitting their recommendations. Mr. Fink stated he believes that the concern expressed by the Commission in previous meetings regarding the issue of equity with respect to the NEREs has been addressed, and pointed out that the NEREs have again participated in sharing the sacrifice of the union employees with respect to banked leave time, adjustments in health plans, and structural savings on an equitable and comparable basis with the union employees.

Unclassified Pay Recommendations: Matt Fedorchuk presented staff's proposal for the annual Unclassified Pay Proposal required under Article XI, Section 5 of the Michigan Constitution.

Based on a review of the data, staff requests approval of the following recommendations for the Fiscal Year 2006 Unclassified Pay Proposal:

- A 1 percent merit salary increase, effective October 1, 2005, and a 1 percent merit salary increase, effective April 9, 2006.
- Legislative approval of the line-item funding necessary to support these recommendations.

Upon motion duly made and supported, the Commission approved E-9, Unclassified Pay Proposal for Fiscal Year 2006.

F. PUBLIC COMMENT

Chairperson noted that there were no further requests for public comment.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chairperson Munsell adjourned the meeting at 12:15 p.m.

I, James Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of December 15, 2004.


