

**State of Michigan  
DEPARTMENT OF CIVIL SERVICE  
Civil Service Commission Meeting  
May 17, 2005**

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

**1. CALL TO ORDER**

The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:00 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Chairperson Munsell noted that Commissioner Pitz was unable to join the Commission in person, but would be participating in the meeting via conference phone.

On motion duly made and supported, the Commission approved the minutes of December 15, 2004.

**2. AMENDMENTS TO AGENDA**

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

**3. 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 abolishment of positions in the unclassified service since the last Commission meeting on December 15, 2004.

The Department of Information Technology submitted a request dated January 19, 2005, to establish an exempt, unclassified position to serve as the Public Affairs Advisor. The request was approved on January 21, 2005.

The Department of Attorney General submitted a request dated February 15, 2005, to establish an exempt, unclassified position to serve as the Director of Constituent Relations. The position of Director of Public Affairs was abolished. The request was approved on February 28, 2005.

The Department of Attorney General submitted a request dated April 25, 2005, to establish an exempt, unclassified position to serve as the Director of Public Affairs. The position of Director of External Communications was abolished. The request was approved on April 27, 2005.

Regulations: Civil Service Commission Rules require that the State Personnel Director report to the Commission on the promulgation of regulations, which are issued to further implement Commission rules. Since the December 15, 2004, Commission meeting the following regulations were revised and reissued:

Regulation 5.01, General Salary Schedule Administration

*Effective: February 27, 2005*

The regulation has been amended to include minor word changes, for clarification purposes only, as well as the addition of item 4 to Standard F, Salary Upon Personnel Action Other Than New Hire, RIF, or Recall, to address personnel actions involving movement within the same classification and level to a new pay grade (e.g., Services Specialists and some State Police Lieutenant classifications). In addition, it has been determined that the language in Standard D.2., Teacher Salary Schedules, is necessary and, therefore, remains in place.

Regulation 5.02, Premium Payment of Overtime, On-Call Compensation, and Call-back Compensation

*Effective: October 24, 2004 and March 27, 2005*

Effective October 24, 2004, the regulation had a minor revision to reflect the change in the highest eligible employee rate resulting from the general wage increase effective October 1, 2004.

Effective March 27, 2005, the word "accumulation" was added to the section in the regulation regarding scheduling of compensatory time.

Regulation 5.04, Special Pay Premiums

*Effective: March 27, 2005*

The regulation incorporates a new standard (J) and an additional number (6) in the procedure to address necessary action when an employee becomes ineligible for P-rate compensation.

Regulation 5.07, Performance-Pay Programs

*Effective: March 27, 2005*

The regulation contains minor word deletions and changes to Standards regarding Performance-Pay and Salary Upon New Hire or Promotion to a Performance-Pay Position in ECP Groups 1, 2, 3, or 4.

Regulation 5.08, Paid Holidays

*Effective: March 27, 2005*

The regulation contains minor changes to incorporate the Civil Service Commission approval of an Election Day holiday.

Regulation 5.09, Annual, Personal, and School & Community Participation Leave

*Effective: March 27, 2005*

The regulation contains minor changes to the Annual Leave Standard (A) (2)(f) and (5) to incorporate the Commission's approval that increases the annual leave maximum accumulation cap at each level by 40 hours, while leaving payoff caps the same. This standard also has new language that clarifies that an employee may not receive any annual leave payoff when moved from one state department to another as a result of an executive reorganization.

Regulation 5.13, Disability Payment for Duty-Incurred Injuries

*Effective: March 27, 2005*

In the regulation, the standard for Supplemental Pay contains a minor change to reflect that approvals and extensions for supplemental duty-disabled pay go to the director of the Employee Health Management Division rather than the director of Employee Benefits.

Statewide Health Plan Dependent Audit

Director Farrell noted that with the support and participation of the Office of the State Employer, the department began a dependent audit of all employees who have been identified as covering a dependent under one or more of the State of Michigan's group insurance plans. The purpose of the audit is to validate that all dependents currently covered by employees meet the eligibility criteria. During Phase I, state employees voluntarily removed ineligible dependents which resulted in savings of \$1.3 million. Phase II of the audit began on March 18, 2005, with an audit of all affected Department of Civil Service employees. All state agencies will roll out the dependent audit to their affected employees in the next several months.

## HR Optimization

Director Farrell updated the Commission on progress of Phase II of the HR Optimization project currently underway. The department continues to meet with human resource directors and the Office of the State Employer to identify additional opportunities to enhance efficiencies and reduce costs by streamlining human resource processes, and potentially centralizing a number of human resource programs and processes within the MI HR Service Center or other appropriate areas.

## Huron Valley Center Restructuring

A March 18, 2005, request from the Department of Community Health (DCH) was approved to place on departmental recall lists the names of 50 non-exclusively represented employees (NERES) who were displaced as a result of the organizational changes to the Huron Valley Center, and the resulting establishment of the Huron Valley Complex in the Department of Corrections (DOC). NERE employees will be placed on departmental recall lists only, not on statewide recall lists. All remaining provisions of Civil Service Rule 3-2.3 apply to the recall of these employees. Approval of this request provides equitable treatment to both NERES and represented employees.

### **4. UNFINISHED BUSINESS**

Chairperson Munsell noted there was no unfinished business.

### **5. NEW BUSINESS**

#### **a. Department of Civil Service Budget Reduction**

Carol Vargovich, Budget and Financial Services Division, presented a Resolution for Commission approval concerning a reduction in the Civil Service Budget. Ms. Vargovich noted that the reduction is in response to the Governor's Executive Order 2005-7, which was issued subsequent to the Commission's approval of the FY '04-'05 budget for the Department of Civil Service. The resolution requested a general fund reduction of \$229,300 in the department's FY '04-'05 budget.

The State Personnel Director is authorized to take any action necessary to implement the provisions of this resolution so that Department of Civil Service expenditures are reduced as specified for FY '04-'05.

On motion duly made and supported, the Commission approved Resolution 5a.

- b. This agenda item concerning Travel Reimbursement Rates for FY '06 was deferred to the next Commission meeting at the request of DMB.

- c. Dan McLellan, General Council for the Commission, presented information and staff recommendations on the following seven Letters of Understanding which had received interim approval by State Personnel Director Farrell and Chairperson Munsell, and are now before the Commission for approval.

(1) **Amendments to the OSE-MSEA Primary CBAs – Safety & Regulatory Unit and Labor & Trades Unit**

The amendments are corrections to the CBAs originally submitted by the parties and approved by the Civil Service Commission on December 15, 2004. Corrections were as follows: increase the administrative leave bank to 4,176 hours annually, plus an additional 1,560 hours for the current year for both units; add a new Article 13, Assignment and Transfer, for the Labor & Trades Unit that was accidentally omitted from the CBA; add a letter of understanding (for both units) regarding the voluntary work schedule adjustment program that was previously omitted from the CBA.

(2) **Letter of Understanding for the OSE-MPE, SEIU Local 517M Primary CBAs – Scientific & Engineering and Human Services Support Units**

These two letters of understanding increase the cap on annual leave accumulations to be consistent with the cap increases approved in all other CBAs for NEREs.

(3) **Letter of Understanding for the OSE-AFSCME Primary CBA**

This letter of understanding allows bargaining unit members to donate annual leave credits to other bargaining unit members facing financial hardship.

(4) **Letter of Understanding for the OSE-MCO Primary CBA – Security Unit**

This letter of understanding for the Michigan Corrections Organization creates a one-time training rate for Forensic Security Aides who transfer from the Department of Community Health to the Department of Corrections in Corrections Officer 8 positions due to the reorganization of the Huron Valley Center.

(5) **Letters of Understanding for all Primary CBAs (excluding State Police Unit)**

These letters of understanding advance the effective date of the disease management program and a PPO network for durable medical equipment and prosthetic and orthotic devices from October 1, 2005, to April 1, 2005.

(6) **Letter of Understanding for the OSE-AFSCME Primary CBA – Institutional Unit**

This letter of understanding increases the maximum number of hours a temporary non-career employee (State Worker 4 classification) may work in the Department of Natural Resources from 720 hours to 1,040 hours.

(7) **Amendments of the OSE-MSEA Primary CBA – Safety & Regulatory and Labor & Trades Units**

These amendments are corrections to the CBAs originally submitted by the parties and approved by the Commission on December 15, 2004. The corrections are as follows: Under Article 5., increase the number of courses eligible for reimbursement in any one semester from one course to two courses; in Appendix B (Safety & Regulatory Unit), make six classes overtime eligible; letter of understanding for State Worker 4, provide special treatment for these temporary non-career employees; letter of understanding for the Flexible Compensation Plan, which continues the stored value debit card program offered by the State's health spending account administrator.

On motion duly made and supported, the Commission confirmed the interim approvals granted for 5c.-1 through 5c.-7.

For the record, Commissioner Lewand noted that it was his understanding that any comments received from either the unions, NEREs, or Office of the State Employer have been incorporated in these changes, Dan McLellan confirmed this understanding.

(8) **Amendment to the FY '05 NERE Compensation Plan**

Dan McLellan noted that this is the same plan that the Commission approved for all the unions—advancing the effective date of the disease management program and the PPO network for durable medical equipment and prosthetic and orthotic devices from October 1, 2005, to April 1, 2005.

On motion duly made and supported, the Commission confirmed the interim approval granted for 5c.-8.

(9) **Amendments to the OSE-UAW Primary CBA – Administrative Support Unit**

This letter of understanding permits the State Police Criminal Justice Information Center to hire up to 20 temporary employees (in the State Worker 4 classification) to be paid \$10.04 for up to 2,080 hours, unless

extended by the parties. Staff proposes, and the unions and the Office of the State Employer have no objections to, a clarification in their letter of understanding that if all parties agree to extend the duration of the appointments beyond 2,080 hours, the increase would require the consent of the Commission.

On motion duly made and supported, the Commission confirmed the interim approval granted for 5c.-9.

(10) **Letters of Understanding to the OSE-UAW and OSE-MPE, SEIU Local 517M Primary Agreements - Scientific & Engineering Unit**

At the December 15, 2004, meeting, the Commission approved an effective date of October 1, 2005, for the optional signing bonus program for registered nurses and pharmacists. These letters of understanding would advance the effective date to May 17, 2005.

On motion duly made and supported, the Commission approved 5c.-10.

(11) **Amendments to Rule 5-6.11, Signing Bonus**

This amendment advances the effective date of the optional signing bonus program for pharmacist managers and excluded dentists from October 1, 2005, to May 17, 2005.

On motion duly made and supported, the Commission approved 5c.-11.

Chairperson Munsell noted that Items 5c.-12 through 5c.-15 will be addressed as a single motion.

(12) **Letter of Understanding to the OSE-UAW Primary Agreement – Huron Valley Center**

This letter of understanding establishes a special transfer list for UAW-represented employees in the Department of Community Health affected by the reorganization of the Huron Valley Center.

(13) **Letter of Understanding to the DCH-MCO Secondary Agreement – Huron Valley Center**

The letter of understanding provides vacancy and recall provisions for MCO-represented employees in the DCH affected by the reorganization of the Huron Valley Center.

(14) **Letter of Understanding to Amend the DCH-AFSCME Secondary Agreement – Huron Valley Center**

This letter of understanding establishes special recall provisions for AFSCME members affected by the reorganization of the Huron Valley Center.

(15) **Letter of Understanding to Amend the OSE-MPE, SEIU Local 517 (Scientific & Engineering Unit) Primary Agreement – Emerald Ash Borer Program**

The letter of understanding provides for special recall provisions to Department of Agriculture employees who do not accept reassignments as the result of the restructuring of the Emerald Ash Borer Program.

Upon motion duly made and supported, the Commission approved 5c.-12 through 5c.-15.

**d. Approval of Secondary Collective Bargaining Agreements**

The Office of the State Employer submitted the following secondary collective bargaining agreements between the OSE and the following exclusive representatives for Commission review and approval:

- 13 for the Michigan State Employees Association (MSEA)
- 17 for the International Union, United Automobile, Aerospace, & Agricultural Implement Workers of America (UAW )
- 2 for the American Federation of State, County, and Municipal Employees (AFSCME), Council 25

Mr. McLellan noted there are two secondary agreements out for ratification by members at this time, and four secondary agreements are currently at impasse.

Commissioner Lewand asked whether the secondary agreements that are at impasse should be reported on at today's meeting. Mr. McLellan responded that the Employment Relations Board (ERB) hearings are not scheduled until June, so it would be premature to report on them today. He commented that the parties are continuing to negotiate, and some may be settled prior to the ERB meeting, but the Board will issue a report and recommendation on those remaining secondary agreements shortly after they meet.

On motion duly made and supported, the Commission approved 5d.

**e. Military Leaves of Absence: Amendments to Rules 2-14, 8-1, 8-2, and 9-1**

Dan McLellan noted several reasons for the need to amend the Civil Service Rules governing the rights and benefits of employees absent from the classified service due to military service. Among these are:

- Inconsistencies and overlap between the federal Uniformed Services Employment and Re-employment Rights Act (USERRA) of 1994 and Civil Service Rules.
- Unclear interpretation of the four types of military leaves that are provided for in the Civil Service Rules.
- Antiquity of the Civil Service Rules adopted shortly after the Commission was initially approved in 1945 which benefited employees who were drafted into military service, but does not apply to our largely voluntary military forces of today.

The staff proposal would completely revise the affected Civil Service Rules & Regulations to remedy these interpretation problems and provide the same rights and benefits to classified employees that they receive under USERRA. This analog set of rules and regulations concerning military leaves will enable employees who have these rights to utilize the Civil Service grievance process, in addition to some supplemental provisions under existing Civil Service Rules. (Note: The regulations do not require Commission approval.)

David Fink, Director, Office of the State Employer, thanked the Commission and Commission staff on behalf of the Governor for addressing this important issue. He commented that in at least one instance, he felt these inconsistencies unintentionally punished volunteerism. Mr. Fink indicated the Governor's and his support for this proposal, as well as the proposed amendments to the Veterans' Preference Rules.

On motion duly made and supported, the Commission approved 5e.

**f. Veterans' Preference: Amendments to Rules 2-14 and 3-8**

Dan McLellan indicated that the current Veterans' Preference Rule has also been around for many years for veterans and certain veterans' spouses. The rule gave either five or ten points on the Civil Service examinations. With the modernization of Civil Service assessment systems and elimination of many exams, the effectiveness of a point preference has been reduced. The amendment to Rule 3-8 would add two new options:

- Keep the current exam point preference for those cases where Civil Service exams result in ranking candidates who pass the exam.

- In the event there is no Civil Service ranked numerical exam, appointing authorities who use a screening test for their applicants would give a five or ten percent point preference, similar to the current system for Civil Service exams.
- If neither of the first two options is applicable because of a lack of testing or screening scores that can be increased with a point preference, there would be a candidate pool guarantee for the eligible veterans and veterans' spouses.

Staff believe this proposal is a considerable benefit that rewards veterans and veterans' spouses in important ways in trying to get jobs in state government, while at the same time remaining consistent with the basic merit principles of the Constitution.

On motion duly made and supported, the Commission approved 5f.

**g. Expense Reimbursement: Amendments to Rule 5-7**

Dan McLellan reminded the Commission that in 1999 they approved the use of the Internal Revenue Service (IRS) mileage reimbursement rate as the state's "premium mileage rate" (when the employee has prior approval to use a private vehicle or when a state vehicle is unavailable). The state premium rate adjusts automatically when changed by the IRS. Although this provision was implemented by the Commission and Department of Management and Budget, this change was never incorporated into the applicable Civil Service Rule. The proposal formally amends Rule 5-7.1 to incorporate these directions.

On motion duly made and supported, the Commission approved 5g.

**h. Group Insurance Plans: Amendments to Rules 5-11 and 9-1**

Mr. McLellan reviewed the proposed amendments to Rule 5-11 governing group insurance plans and Rule 9-1, Definitions. The amendments would provide for the following:

- Expansion of the definition of group insurance benefits to be more inclusive as part of the process of reviewing employment benefits and group insurance benefits and providing a better complaint process for employees.

- Authorization of appeals by employees to the Commission on benefit complaints.

On motion duly made and supported, the Commission approved 5h.

## 6. PUBLIC COMMENT

Chairperson Munsell noted 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 10:40 a.m.

## NOTE

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, James D. Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of May 17, 2005.



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State Personnel Director

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Date

**State of Michigan  
DEPARTMENT OF CIVIL SERVICE  
Civil Service Commission Meeting  
September 13, 2005**

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

**1. CALL TO ORDER & APPROVAL OF MINUTES**

The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:00 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Chairperson Munsell recognized the reappointment of Richard Warner to the Employment Relations Board for a term expiring April 30, 2008, and thanked him for his dedicated service and contributions.

On motion duly made and supported, the Commission approved the minutes of May 17, 2005.

**2. AMENDMENTS TO AGENDA**

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

**3. INFORMATIONAL REPORTS**

a. **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 abolishment of positions in the state unclassified service. There were no requests for establishment or abolishment of positions since the last Commission meeting.

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

*Regulation 2.04, Military Leaves of Absence and Return to Work: Basic Rights*  
*Effective May 22, 2005*

This is a new regulation that establishes basic employment and return-to-work rights and benefits for classified employees who are absent due to service in the uniformed services. The rights and benefits are similar to those granted under federal law (i.e., the Uniformed Services Employment and Reemployment Rights Act of 1994, or USERRA).

*Regulation 5.16, Correcting Compensation Errors*  
*Effective June 19, 2005*

This regulation was amended to specify that all compensation is subject to review, audit, and correction by both the appointing authority and the Department of Civil Service. The regulation also requires an appointing authority or the Department of Civil Service to recover any overpayment from the employee (unless the Department of Civil Service authorizes a waiver because it is not cost effective to recover the overpayment); provides that if an employee is overpaid, the employee must repay the state for up to 26 pay periods of overpayment (if the employee is overpaid as a result of employee fraud or misrepresentation, the employee is liable for the entire overpayment--regardless of duration, and is also subject to discipline, civil suit, or criminal action); and also provides that if an employee is underpaid, the appointing authority must pay the employee within four pay periods after discovering the underpayment. An employee is limited to recovering 26 pay periods of retroactive compensation.

*Regulation 5.18, Complaints About Benefits*  
*Effective June 19, 2005*

Amendments to this regulation expand the complaint procedure for the self-funded group insurance plans and also specify when an employee may file a complaint directly with the Department of Civil Service.

*Regulation 5.20, Correcting Benefit Errors*  
*Effective June 19, 2005*

This new regulation addresses benefits under group insurance plans and qualified pre-tax plans. It provides that all benefits are subject to review, audit, and correction by the Department of Civil Service (DCS) and that employees are required to document or verify employee and dependent eligibility for group insurance benefits. The regulation also requires employees to repay the state for up to 26 pay periods of "excess benefit costs" (costs paid by the state that

are not authorized; e.g., medical costs paid for a dependent who was not eligible for coverage) incurred as a result of error. In addition, the DCS can recover any "improper reimbursements" received by employees under qualified pre-tax plans (e.g., medical care spending accounts). Furthermore, this regulation requires the DCS to reimburse employees for any "unpaid benefit" if specific criteria are met.

Regulation 6.04, Determination of Exclusive Recognition  
Effective May 22, 2005

The amendment to this regulation is in regard to information on the form required for petition for election. The form includes a place for the employee's identification number (any form submitted to the State Personnel Director before January 1, 2006, may include a place for the employee's social security number rather than, or in addition to, the employee's identification number).

Director Farrell introduced the following presentations (Agenda Items b., c., and d.) on the three major initiatives that the department has been working on.

- b. **MI-HR Service Center:** Michelle Suchner, manager of the MI-HR Service Center outlined the goals of the Center, the six major components of the Center, results of implementation, and next steps within the MI-HR Service Center. Director Farrell noted that the MI-HR Service Center celebrated its first anniversary on August 16; and that a number of other states are interested in investigating employing this kind of technology and operation in their states.
- c. **Human Resource Consolidation:** Matt Fedorchuk, director of Compensation and Performance Management, highlighted the department's progress in working with human resources staff in other State of Michigan agencies to consolidate processing of several compensation-related activities such as step increases, reclassifications, pay for performance, and military leaves of absence.
- d. **Workforce Planning:** Deb Wieber, director of Human Resource Services gave an overview of the workforce planning project that will be implemented to address the impacts that the retirement of the state's workforce will have on the operations of state government. Ms. Wieber noted that 26 percent of the state workforce will be eligible to retire in 5 years and 60 percent within 10 years.

#### 4. UNFINISHED BUSINESS

Chairperson Munsell noted there was no unfinished business.

## 5. NEW BUSINESS

### a. Travel Expense Reimbursement Rates for Fiscal Year 2006

Rose Wilson, acting director of Agency Services at Department of Management & Budget (DMB) was present to offer a proposed Resolution for Commission approval. While the methodology used in the past by DMB would have resulted in a rate increase (primarily for dinner rates), based on current budget challenges and the need to reduce costs, the original proposal from DMB's Vehicle and Travel Services recommended no rate increases for fiscal year 2006. They did recommend adding several out-of-state cities to the "Select Cities" list, however.

In addition, although an increase in mileage reimbursement rates was not part of the original Resolution, Ms. Wilson requested an amendment to the Resolution to reflect an increase in the premium mileage rate for use of private vehicles, tied to the temporary increase in the private vehicle rate announced by the IRS on September 9. The IRS increased the private vehicle rate to 48.5 cents effective September 1, 2005, through December 31, 2005.

The amendment requested by DMB will temporarily increase the state's premium mileage rate for private vehicles from 40.5 cents to 48.5 cents, effective September 1, 2005, through December 31, 2005. The standard mileage rate will remain the same. DMB's recommendation for fiscal year 2006 travel reimbursement rates will be brought back for Commission consideration and approval at its December 13, 2005, meeting.

On motion duly made and supported, the Commission approved the amendment to Resolution 5a. to temporarily increase the state premium vehicle mileage rate to 48.5 cents, effective September 1, 2005, through December 31, 2005. On a separate motion duly made and supported, the Commission approved item 5a., as amended.

- b. John Gnodtke, Assistant General Counsel for the Commission, presented information and staff recommendations on the following secondary agreements for approval by the Commission.

#### (1) Secondary Collective Bargaining Agreements

This Resolution before the Commission approves the following seven secondary agreements listed in Resolution 5b.-1, effective for the period September 13, 2005, through December 31, 2007.

Labor & Trades and Safety & Regulatory Units

Agreements between the Michigan State Employees Association (MSEA) and:

- Department of Community Health
- Department of Environmental Quality
- Department of Natural Resources

Institutional Unit

Agreements between the American Federation of State, County, and Municipal Employees (AFSCME), Council 25 and:

- Department of Human Services
- Department of Labor and Economic Growth

Administrative Support and Human Services Units

Agreements between the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) and:

- Department of State

Security Unit

Agreements between the Michigan Corrections Organization (MCO) and:

- Department of Community Health

On motion duly made and supported, the Commission approved 5b.-1.

**(2) MSEA-Department of State Secondary Agreement**

The Resolution amends the secondary agreement between the Michigan State Employees Association and the Department of State for the Labor & Trades and Safety & Regulatory Units by deleting the evergreen provision that allows automatic extensions of the agreement, and approves the agreement as amended, effective for the period September 13, 2005, through December 31, 2007.

On motion duly made and supported, the Commission approved 5b.-2.

**(3) UAW-Department of Transportation Secondary Agreement**

The Resolution amends the secondary agreement between the United Auto Workers, Local 6000 and the Department of Transportation for the Administrative Support and Human Services Units by deleting the evergreen provision that allows automatic extensions of the agreement,

and approves the agreement as amended, effective for the period September 13, 2005, through December 31, 2007.

On motion duly made and supported, the Commission approved 5b.-3. Commissioner Lewand abstained from the vote.

**c. Letter of Understanding to the OSE-AFSCME (Institutional Unit) Primary Agreement**

This Letter of Understanding amends the primary collective bargaining agreement for the Institutional Unit and addresses work schedules for bargaining unit members in limited-term appointments at the Department of Community Health's Mt. Pleasant Center.

On motion duly made and supported, the Commission confirmed the interim approval granted for 5c., and approved the Letter of Understanding for the remainder of its term.

**d. Department of Treasury-UAW Local 6000 Secondary Agreement: ERB Impasse Panel Recommendation**

The Department of Treasury and the UAW Local 6000 were unable to reach voluntary agreement for a new secondary agreement on two issues (worksites and meal periods), and Employment Relations Board (ERB) Impasse Panel assistance was sought. After a hearing, the Impasse Panel recommended accepting the Department of Treasury's proposal on worksites, which memorialized current practice. The Panel also recommended adoption of the UAW's proposal to continue current language on meal periods. In addition, the Panel reviewed the provisions of the secondary agreement where voluntary agreement was reached, and identified no prohibited subject of bargaining violations.

On motion duly made and supported, the Commission approved 5d. Commissioner Lewand abstained from the vote.

**e. Observance of 2006 Christmas Eve and New Year's Eve Holidays**

The Office of the State Employer submitted Letters of Understanding (LOUs) between the OSE and the Michigan Public Employees, Service Employees International Union Local 517M for employees in the Scientific and Engineering, Human Services Support, and Technical Units. These LOUs change the observance of Christmas Eve and New Year's Eve holidays from the Friday before the holiday to the Tuesday after the holiday (Tuesday, December 26, 2006, and Tuesday, January 2, 2007). Staff reviewed the LOUs for violations of the Commission's rules on prohibited subjects of bargaining and found no violations.

On motion duly made and supported, the Commission approved 5e.

**6. PUBLIC COMMENT**

Chairperson Munsell noted 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 10:50 a.m.

**NOTE**

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, James D. Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of September 13, 2005.

  
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State Personnel Director

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Date

**State of Michigan  
DEPARTMENT OF CIVIL SERVICE  
Civil Service Commission Meeting  
December 13, 2005**

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

**1. CALL TO ORDER & APPROVAL OF MINUTES**

The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:05 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

On motion duly made and supported, the Commission approved the minutes of September 13, 2005.

**2. AMENDMENTS TO AGENDA**

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

**3. INFORMATIONAL REPORTS**

- a. **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 abolishment of positions in the state unclassified service.

Department of Environmental Quality

The Michigan Department of Environmental Quality submitted a request dated November 9, 2005, to establish an exempt, unclassified position to serve as the Executive Office Assistant to the Director of the Office of Communications. The position of Regulatory Reform Specialist was abolished. The request was approved on November 15, 2005.

## Department of Attorney General

The Michigan Department of Attorney General submitted a request dated December 2, 2005, to establish an exempt, unclassified position to serve as the Director of Communications. Concurrently, one of the Special Assistant to the Attorney General positions was abolished. The request was approved on December 8, 2005.

## Compensation Rates

As previously authorized in letters of understanding approved by the Civil Service Commission for the AFSCME and UAW agreements, I approved compensation rates for extracurricular program services for 15 positions at the Michigan Schools for the Deaf and Blind for the 2005-2006 school year.

## Regulations

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

### *Regulation 4.10, Frozen Classifications and Positions*

Effective: November 6, 2005

This regulation was amended to reflect the change in the code used in the Human Resources Management Network (HRMN) to signify that a position has been frozen. Additional minor revisions were also made to the Standards for clarification purposes.

## Premium Mileage Rate Reimbursement

At the September 13, 2005, meeting, the Commission approved a temporary increase in the premium mileage reimbursement rate effective September 1, 2005, through December 31, 2005, to match the increase in the IRS-approved rate. The increase was from 40.5 cents per mile to 48.5 cents per mile. After December 31, no further action will be required by the Commission because the premium mileage reimbursement rate will automatically continue to track the IRS-approved rate under Civil Service Rule 5-7.

Director Farrell noted that DMB has advised him that the IRS has subsequently set a new premium mileage rate effective January 1, 2006, of 44.5 cents per mile, and all departments have been notified of this change.

#### **4. UNFINISHED BUSINESS**

Chairperson Munsell noted there was no unfinished business.

#### **5. NEW BUSINESS**

Carol Vargovich, Budget & Financial Services Division, summarized the financial activity for the Department of Civil Service which included a summary of FY '05, certification of the FY '05 payroll of classified state service, appropriation adjustments to FY '06, and the proposed budget for FY '07. Ms. Vargovich requested Commission approval of the following three resolutions.

##### **a. Certification of Payroll - Fiscal Year 2005**

Resolution 5a. requests that the Civil Service Commission, in fulfillment of the Constitutional requirement to certify the aggregate payroll of the classified service for the preceding fiscal year, certify a payroll of \$4,170,347,000, as recorded in the state's Michigan Administrative Information Network as of November 23, 2005, for the fiscal period October 1, 2004, to September 30, 2005.

On motion duly made and supported, the Commission approved Resolution 5a.

##### **b. Budget Resolution – FY 2005-2006**

Consistent with the Civil Service Commission's constitutional authority, and recognizing the funding requirements for the MI-HR Service Center, employee economics, CSS&M reductions, and retirement/insurance rate savings, Resolution 5b. requests that the Commission decrease the previously approved FY '05-'06 budget for the Department of Civil Service by \$1,525,100.

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 '05-'06.

On motion duly made and supported, the Commission approved Resolution 5b.

##### **c. Budget – FY 2007**

Resolution 5c. requests Civil Service Commission approval of the Fiscal Year '07 budget proposal for the Department of Civil Service totaling \$37,141,600.

On motion duly made and supported, the Commission approved Resolution 5c.

**d. Coordinated Compensation Panel Recommendations – FY 2007**

Matt Fedorchuk, Compensation Division, presented the recommendations contained in the proposed Coordinated Compensation Proposal (CCP) for FY '07 that was developed by the members of the Employment Relations Board, serving as the CCP Panel under Civil Service Rule 5-1.3.

The Panel recommended Commission approval of the following for FY '07:

- A 2 percent across-the-board pay increase effective October 1, 2006, and another 2 percent across-the-board pay increase effective April 8, 2007.
- A special 25 cent per hour wage increase for Corrections Shift Supervisors 11, 12, and 13, and Corrections Security Inspectors 13 effective October 1, 2006.
- A special 40 cent per hour wage increase for Assistant Resident Unit Supervisors 11 and Resident Unit Managers 13 effective October 1, 2006.
- A retention bonus of \$1,500 to be paid in December 2006 to employees in Pharmacist Manager 13 and 14 positions with five or more years of service on November 1, 2006.
- Renewal of the Professional Development Fund for MSC employees at \$150,000, and renewal of the Professional Development Fund for B & A unit employees at \$50,000.

The Panel also recommended Commission approval of the following for FY '06:

- Increase the annual dry cleaning allowance for Corrections Shift Supervisors 11, 12, and 13 and Corrections Security Inspectors 13 to \$575.

Mr. Fedorchuk noted that the Commissioners' briefing binders contain proposed changes to Civil Service Rule 5-7.3 that would be necessary to implement these proposals, and the CCP Panel requested that this rule be considered part of the report for the Commission's approval. He commented that the Panel supports the good faith consensus agreement between the Office of the State Employer and MAGE on this issue, and noted that this reimbursement is consistent with the increase approved for MCO employees effective October 1, 2005.

The Panel recommended denial of the following:

- A special 10 percent increase for Pharmacist Managers 13 and 14 as recommended by Mr. Carey Abbott. The Panel found no evidence to suggest that an increase is warranted.
- A special 37 percent increase for Financial Institution Examiners 9-12, Specialists 13-15, and Managers 13-15 as recommended by Ms. Rosalyn Butler. There was no evidence to suggest that an increase is warranted, although a special compensation study is being recommended.

- A special 22 percent locality pay differential for select areas in Wayne and Oakland Counties as recommended by Ms. Rosalyn Butler. Based on the testimony, the Panel was not convinced of the need.
- The extension of shift pay premium to all NEREs with 50 percent or more of their regularly scheduled work hours falling between 4:00 p.m. and 5:00 a.m. as recommended by Ms. Cheryl McAllister. The request was denied due to a lack of information and a clear understanding of the scope of the request at this time, but a special study is being requested by the Panel.
- A \$755 lifetime lasik/laser surgery benefit to NEREs as recommended by ASEM. According to the Office of the State Employer (OSE), this benefit was negotiated with only one bargaining unit as part of a complete agreement, including concessions. This benefit has not been in place long enough to determine whether it actually saves the state money.
- The Michigan State Police Command Officers Association (MSPCOA) request to change the maximum overtime rate. The Panel has heard and rejected this request multiple times in the past, and no new evidence was presented that would indicate that it should be approved.

The Panel also proposed that the Commission:

- Direct the DCS, with input from the OSE and the Department of Labor and Economic Growth (DLEG), to conduct a study of the compensation for the Financial Institution Examiner/Specialist/Manager class series and other similar class series in DLEG. The study should include a salary survey of employers performing similar responsibilities in Michigan and other states. The study should be completed in 2006, and a report of findings presented to the Panel prior to completion of the 2006 CCP proceedings for FY '08.
- Direct the DCS, with input from the OSE and the affected departments, to conduct a study of shift differential eligibility. The study should involve a historical overview of the subject, an analysis of the number of positions assigned to second and third shifts and their associated eligibility for shift differential, a comparison of practices in other states, and any other relevant information. The study should be completed in 2006, and a report of findings presented to the Panel prior to completion of the 2006 CCP proceedings for FY '08.
- Take no action on the issue of a lump sum award of up to \$500 for all employees in the performance pay program who receive a satisfactory rating for FY '05/'06 as recommended by ASEM. Civil Service rules and regulations regarding performance pay have not changed, and lump sum bonuses are still allowed; however, the Administration's policy directs departments that report to the Governor not to award such bonuses at this time.

- Take no action on the issue of the MSPCOA request to change the rate at which State Police lieutenants earn compensatory time. Civil Service Regulations allow appointing authorities to adopt formalized comp time plans. Accordingly, this issue would best be decided by the Michigan Department of State Police rather than the CCP Panel.
- Take no action on the issue of the ASEM request to change the “in lieu of” mileage reimbursement rate for employees who use their own vehicles for state business. Effective March 1998, the Commission approved a resolution removing the travel reimbursement-setting recommendation process from the CCP, and designated it to be handled by the Director of the Department of Management and Budget and the State Personnel Director.

Mr. Fedorchuk also presented a table summarizing the known costs and savings contained in the proposals being recommended for approval by the Commission. He 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 the compensation received by exclusively represented employees through the collective bargaining process, and recognizes the need for equity for non-exclusively represented employees. The Panel also noted and continues to respect, the good faith consensus agreement reached between OSE and labor relations organizations.

On motion duly made and supported, the Commission approved Agenda Item 5d.

**e. Unclassified Pay Recommendations – FY 2007**

Matt Fedorchuk presented staff’s proposal for the annual Unclassified Pay Recommendation required under Article XI, Section 5 of the Michigan Constitution.

A survey of department director salaries in large states was conducted by staff, and information on Michigan county official and university president salaries was compiled. The salary levels of Michigan elected officials and classified deputy department directors was also reported.

Based on a review of the data, staff requested Commission approval and transmission of the following recommendations to the Governor and the Legislature for FY ‘07.

- A two percent merit salary increase effective October 1, 2006, and a two percent merit salary increase effective April 8, 2007.
- Legislative approval of line-item funding necessary to support these recommendations.

On motion duly made and supported, the Commission approved Agenda Item 5e.

f. **Interagency Memorandum of Understanding (MOU) between the Department of Civil Service and the Department of Management and Budget: Retiree Group Insurance Benefits in the State Employees, State Police, and Judicial Retirement Systems**

Dan McLellan, General Counsel for the Commission, presented information and staff recommendations on the following MOU.

The Civil Service Commission and the Director of the Department of Management and Budget jointly determine the health benefits for retirees under the retirement statutes for state employees, state police, and judges. On September 30, 2005, interim approval of the MOU was granted by the Commission Chairperson and State Personnel Director authorizing the following changes in retiree benefits.

Effective November 1, 2005, for retirees enrolled in the State Health Plan PPO and the State Dental Plan:

- Add Drug Management Program
- Add CuraScript Program for Specialty Drugs
- Add Voluntary Zero Dollar Copay Program for Generic Drugs
- Add Brush Biopsy Benefit (for oral cancer screening)

Effective January 1, 2006, for retirees in the State Health Plan PPO:

- Increase maximum for preventive services from \$750 to \$1,500 and allow for colonoscopy to be covered and not applied toward the annual maximum cap.
- Increase the annual number of physical, occupational, and speech therapy visits from 60 to 90.

On motion duly made and supported, the Commission confirmed the interim approval granted and approved Agenda Item 5f. Commissioner Pitz abstained from the vote.

g. **Letter of Understanding to Amend the Michigan Department of State Police-UAW Secondary Agreement: Bumping for the Administrative Support and Human Services Units**

This Letter of Understanding amends the secondary collective bargaining agreement to address seniority bumping rights between full-time and less than full-time employees in the Administrative Support and Human Services Units.

On motion duly made and supported, the Commission confirmed the interim approval granted by the Commission Chairperson and State Personnel Director on November 8, 2005, and approved Agenda Item 5g. Commissioner Lewand abstained from the vote.

**h. Letter of Understanding to Amend Department of Corrections-AFSCME Council 25 Secondary Agreement: Yearly Uniform Shirt Exchange for Food Service Employees**

This Letter of Understanding amends the secondary collective bargaining agreement to increase the yearly uniform shirt exchange from five shirts to seven for food service employees.

On motion duly made and supported, the Commission approved Agenda Item 5h.

**i. Approval of Department of Education-AFSCME Secondary Agreement**

The Department of Education and AFSCME Council 25 reached agreement on a new secondary collective bargaining agreement for the Institutional Unit.

Upon motion duly made and supported, the Commission approved Agenda Item 5i. Commissioner McMillan abstained from the vote.

**j. Letters of Understanding to the Office of the State Employer-Union Primary Agreements: Optional Coverage (Voluntary Benefits) Program**

General Counsel McLellan noted that under Civil Service Commission Rules, an Optional Coverage (Voluntary Benefits) Program has been initiated by the State Personnel Director for non-represented employees. This program provides various insurance options and other services which are paid for 100 percent by the employee. There is no participation from the state, other than allowing employees to use the payroll deduction program to pay for these optional programs.

The eight Letters of Understanding will amend all of the current primary collective bargaining agreements to allow unionized employees to participate in the Optional Coverage Program on the same basis as the non-represented employees.

Upon motion duly made and supported, the Commission approved Agenda Item 5j.

## **6. PUBLIC COMMENT**

Andre Friedlis, representing the Association of State Employees in Management (ASEM) made the following comments and requests.

CCP Recommendations: Mr. Friedlis noted that ASEM participated in the CCP meeting, but was not provided with a copy of the CCP recommendations prior to the Commission meeting. He requested that the Commission instruct the CCP Panel to provide a copy of their recommendations to all participants prior to the December Commission meeting each year to allow labor relations organizations adequate time to review and discuss the recommendations with their members.

Lasik Surgery: Mr. Friedlis acknowledged that this benefit was negotiated with only one union, and that ASEM has made this request for many years; however, the benefit would be for all state employees, not just ASEM members. He asked the Commission to set a timetable for the review and determination of benefit to the state.

Chairperson Grimes Munsell commented that the Commission would consider these requests.

## **ADJOURNMENT**

There being no further items for Commission approval or public comments to be heard, Chairperson Munsell adjourned the meeting at 10:40 a.m.

## **NOTE**

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, James D. Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of December 13, 2005.



\_\_\_\_\_  
State Personnel Director

\_\_\_\_\_  
Date