Present: Janet McClelland, Chair
James Barrett, Acting Chair
Jase Bolger, Commissioner
Robert W. Swanson, Commissioner
Janine M. Winters, State Personnel Director

1. CALL TO ORDER
The meeting of the Michigan Civil Service Commission (Commission) was opened by Acting Chair James Barrett at 10:02 a.m. in the Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan. Because Chair McClelland was unable to attend the meeting in Lansing, she consented to James Barrett conducting the meeting while she participated by teleconference.

Approval of Minutes
Chair Barrett requested a motion to approve the minutes of the December 13, 2017 meeting. On motion duly made and supported, the minutes of the December 13, 2017 meeting were approved.

2. AMENDMENTS TO AGENDA
There were no amendments to the agenda.

3. INFORMATIONAL REPORTS
State Personnel Director’s Report
The state personnel director reported that eight unclassified positions were established. Concurrently seven unclassified positions were abolished. Interim approval was granted to reappoint Susan Zurvalec as chair of the Employment Relations Board. The commission will vote later to confirm this reappointment.

4. UNFINISHED BUSINESS
There was no unfinished business.

5. NEW BUSINESS
A. Letter of Understanding (LOU) regarding Special Transfer Rights in Unemployment Insurance Agency (SEIU) (Interim Approval Granted).

   General Counsel John Gnodtke indicated that the letter of understanding involving special transfer rights in UIA was granted interim approval with the consent of the chair. Staff has reviewed the LOU and identified no implicated prohibited subjects of bargaining. It is now before the commission for review and approval.

   On motion duly made and supported, Agenda Item 5-A was unanimously approved.

B. Employment Relations Board Appointment

   John Gnodtke indicated that this item is the reappointment of the chair to the Employment Relations Board, Susan Zurvalec, after her term expired May 1, 2018. With the consent of
the chair, the state personnel director granted interim reappointment to the chair. It is now before the commission for approval of the three year term.

On motion duly made and supported, Agenda item 5-B was unanimously approved.

6. PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

There being no further items for Commission approval or public comments, Chair Barrett called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 10:06 a.m.

These minutes will become final upon approval by the Civil Service Commission.
MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
December 12, 2018

Present: Janet McClelland, Chair
James Barrett, Commissioner
Jase Bolger, Commissioner
Robert W. Swanson, Commissioner
Janine M. Winters, State Personnel Director

1. CALL TO ORDER

The meeting of the Michigan Civil Service Commission (Commission) was opened by Chair McClelland at 10:05 a.m. in the Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair McClelland requested a motion to approve the minutes of the July 25, 2018 meeting. On motion duly made and supported, the minutes of the July 25, 2018 meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director’s Report

The state personnel director reported that no unclassified positions were established since the last meeting. The director also reported adoption in SPDOC 18-03 and SPDOC 18-07 of amendments to 22 regulations, establishment of one new regulation, and rescission of two obsolete regulations, effective January 1, 2019. The changes were made to conform with the upcoming rule changes.

In response to recent inquiries, Deputy Director Matt Fedorchuk summarized the roles of the commission and departments in the process to establish and fill state classified positions. Under the state constitution, state departments “may create or abolish positions for reasons of administrative efficiency without the approval of the commission.” Departments also have legal authority to determine “the method, means, and personnel by which government operations are to be conducted.” Therefore, decisions to create positions, assign duties to positions, and select candidates are constitutionally and legally the hiring department’s responsibility. The commission’s involvement in the hiring process is threefold: When an agency decides to establish a position, staff determines the appropriate classification for the position. Second, once a position is posted, staff ensures candidates meet any minimum educational and experience requirements. Third, staff review any complaints of unsuccessful candidates that an agency’s hiring process violated civil service rules or regulations.

4. UNFINISHED BUSINESS

There was no unfinished business.
5. **NEW BUSINESS**

A. **Fiscal Year 2019 Proposed Travel Rates**

Ronda Whiting and Director Sherri Irwin of the Department of Technology, Management and Budget, Vehicle and Travel Services, requested that the commission approve travel rates for FY19, including an increase in overnight lodging rates from $75 to $85.

On motion duly made and supported, Agenda Item 5-A was unanimously approved.

B. **MCSC Budget Resolutions**

Amy Pung, Director of the Office of Financial and Administrative Services presented information on the FY18 Aggregate Payroll Certification and FY20 Commission Budget.

Amy noted that the certified aggregate payroll numbers are not finalized due to the timing of book closing this year. If there are changes, she will notify the state personnel director for any interim approval of a modification to the certification until the next commission meeting.

On motion duly made and supported, Resolutions 5-B(1) and 5-B(2) were unanimously approved.

C. **Amendments to Rules 5-6.12, 6-3.9(a), 6-7, and 9-1**

General Counsel John Gnodtke summarized housekeeping amendments to the rules. First, the end date for the discretionary critical-position premium pilot program originally approved last fiscal year would be changed to run for two years instead of ending midyear. Second, a word omitted from last year’s resolution amending rule 6-3.9(a) would be added. Third, amendments to rule 6-7 would allow online or telephonic authorization, which were envisioned and discussed last year. Finally, the definition of appointing authority would be revised to clarify misconceptions that the state personnel director is an appointing authority for employees of other agencies. The director’s status as appointing authority for MCSC staff remains explicitly provided in rule 1-4.2(b).

On motion duly made and supported, Resolution 5-C, adopting these changes effective January 1, 2019, was unanimously approved.

D. **Coordinated Compensation Panel (CCP) Recommendation**

General Counsel Gnodtke summarized the CCP recommendation for NERE pay for FY20, which included a 2% base-pay increase and a 2% lump-sum award, consistent with the OSE’s proposal and voluntary agreements in recent bargaining. Two limited-recognition organizations concurred with the OSE’s proposal. MAGE sought a larger pay increase and special increases for two classes. The panel did not adopt the MAGE proposals but did recommend extending the RN Manager Signing Bonus program that would otherwise expire next September. The panel recommended several tweaks to insurance programs, including lower copays for telemedicine, a higher frame allowance for the vision plan, extending dental and vision coverage for adult children consistent with federal mandates for health coverage, conditional flexible spending account plan amendments to address federal excise tax liabilities, and offering a high-deductible health plan with a health savings account as an option to NEREs. The panel also recommended $200,000 in funding for the NERE professional development fund. Two other LRO proposals on school and community participation leave and membership information were rejected.
MAGE President Al Quattrin and MAGE Vice President Brant Wimbush thanked the commission for previously creating bonus programs for RN supervisors but expressed concern that not all agencies have used the programs and that the inconsistent use has created morale problems.

Andrea Vandenburg, Nurse Executive at Hawthorne Center, and Katie Young, RN manager from Jacobetti Veterans Home, discussed recruitment issues that state facilities face based on lower pay, less flexibility, more difficult patients, and older technology. They described increased turnover in state postings and fewer applicants. Because all agencies are not using the discretionary bonuses, Quattrin reiterated MAGE’s request for a special 7% wage increase for all RN managers or extension of both recruitment and retention bonuses.

Quattrin next highlighted the stressful job of Services Program Managers (SPM), who supervise child protective services workers. SPMs receive calls at all hours and must respond immediately to critical situations. SPMs are not required to receive on-call pay for this time after work, unlike their subordinates. The CCP recommended that the department consider requesting exceptions to provide on-call pay for SPM 14s and investigate potential issues further. MAGE requests that the commission mandate the department to request an exception or provide a special 10% wage increase for SPM 14s.

Quattrin then asked the commission to consider MAGE’s proposal to expand opportunities for employees on late shifts to use school and community participation leave. The number of activities occurring during their work hours that qualify are far fewer. Quattrin finally reminded the commission of pay compression in corrections and indicated that the issue is still a problem and would be raised again in the future.

Commissioner Swanson indicated sympathy with issues raised by MAGE and noted the CCP’s apparent frustration with the lack of hard data defining the problem, which makes it hard for the commission to address the issue. While Commissioner Swanson understood the anecdotes, he encouraged MAGE to develop data next year. Quattrin indicated that he would try, but it was the department’s responsibility.

Noelle Rouse, HR director for the Department of Military and Veterans Affairs, stated that there is only one current RN manager vacancy from a departure two weeks ago. There is no problem hiring RN managers at Jacobetti. In Grand Rapids, the department has many RN managers who are currently frozen. The DMVA uses bonuses available for non-manager RN positions because of recruitment problems in those areas. The DMVA remains open to using the discretionary NERE bonuses if it becomes a problem and has discussed it twice, but at this point there is not a problem.

Jonathan Patterson, HR Director for the Department of Corrections, similarly indicated that the bonuses had not been used because there was no retention or recruitment problem. Of 30 facilities, 23 are fully staffed, and the others are constantly refilled quickly with RNs on staff when positions become vacant, which is not often. The administration is open if a need is felt.

Vandenburg commented that when DHHS employees get signing and retention bonuses, nurses in other agencies do not feel valued and that the bonuses should be for everyone, no matter what department you work in.

On motion duly made and supported, Agenda Item 5-D was unanimously approved.
E. Impasse Panel Recommendation 2018-01—MCO and OSE

General Counsel Gnodtke summarized the impasse recommendation for the MCO and OSE. The parties reached a voluntary agreement except over an LOU proposed by the MCO for a seniority-based retention bonus for three years. The MCO believed that its proposal could help address around 700 Corrections Officer vacancies. The OSE believed the proposal did not address numerous related issues and would cost 3.5 times what other bargaining units received in lump-sum payments. The panel recommended that the commission approve the same 2% lump-sum award that other units received. The panel also recommended ordering the parties to continue bargaining over equivalent alternative solutions to potentially replace the 2% lump sum.

Cheryl Schmittdiel, director of the Office of State Employer, supported the panel’s first recommendation to grant the 2% lump sum, which the OSE had proposed in its one-year economic package. The employer does not support the panel’s second recommendation to order more bargaining. The parties will be back at the bargaining table in a few months to negotiate wages and insurances for FY 2021 and FY 2022. The DOC has implemented several strategies to increase applicant pools and retain officers once hired. Significant progress has been made. The employer supports continued discussions on solutions to vacancy problems, but the formal bargaining process does not accommodate the breadth and depth of discussions that the panel recommends. The parties have demonstrated the ability to work together away from the bargaining table to jointly address issues of concern.

DOC HR Director Patterson summarized targeted recruitment strategies and policy changes involving leave scheduling and mandated overtime to more equitably treat staff. Patterson discussed a change in hiring processes several years ago involving training through community colleges that contributed to a sharp decline in candidates for a few years that led to the vacancy problem.

MCO General Counsel Jeff Foldie and MCO Executive Director Andy Potter expressed shock at the employer’s request to reject further bargaining. Staff shortages are of utmost importance to MCO members forced to work double shifts and while fatigued in emergency situations. Foldie requested an order of more bargaining with additional oversight. Potter stated that the employer never responded to the proposal in bargaining. The MCO has offered itself as a resource for the DOC and employer repeatedly for recruitment, retention, professionalism, morale, and other things. The MCO asks for recognition of what staff is enduring and to be a partner in solving recruitment and retention problems.

Commissioner Barrett asked how the MCO proposal to give new hires nothing so more senior employees at the top of the pay scale could get a 3.3% bonus would help recruit. Foldie indicated that the bonus is applied in three tiers: from one year to 5 years, 6 years to 15 years, and 16 on up. During the proposal’s three-year term, new hires would get something. Potter stated that people leaving is also a problem and they cannot negotiate recruitment so they are hoping to keep current employees. Foldie commented that the level of the proposal frankly might not be sufficient to prevent employees from retiring, but the proposal was an attempt to do something to try to keep officers.

Commissioner Swanson received confirmation from Foldie that negotiations broke down over whether economics would be limited to one year or three years, so there was not comprehensive talk about the problem of vacancies.
Commissioner Bolger thanked the officers for the dangerous and difficult work. He received confirmation from Foldie and Potter that the MCO proposal applied to all bargaining unit employees and not just corrections officers and that the anticipated 750 new hires in 2019 academies could be offset by 480 to 600 departures based on historical retirement rates.

After a motion and second to adopt the impasse recommendation, Chair McClelland offered a motion, which was seconded, to amend the recommendation to strike the second recommendation ordering the parties to more bargaining. Chair McClelland indicated her belief that ordering the parties was impractical given the late date. With upcoming bargaining in a few months, she hoped the parties could continue to look at ways collaboratively to attract and retain corrections officers. Commissioner Swanson opposed the motion because it would strike recognition of frustration over inadequate discussions at the bargaining table on a serious issue.

On motion duly made and supported, the motion to amend the recommendation to delete the panel’s second recommendation was approved by a vote of 3-1, with Commissioner Swanson opposed. Then, on motion duly made and supported, the amended recommendation was unanimously approved.

F. Impasse Panel Recommendation 2018-02—MSEA and OSE

General Counsel Gnodtke summarized the impasse recommendation for the MSEA and OSE. The parties reached impasse on 11 provisions. On wages, the MSEA sought base-pay increases of 6%, 5%, and 5% over three years, while the OSE offered the 2% base-pay increase with no lump-sum award and a reopener after one year. The panel recommended adopting the same proposal received by other bargaining units. The MSEA also sought new unique health, dental, and vision benefits, which were rejected. For the remaining provisions at impasse, the panel recommended adopting the OSE’s proposal, except for one MSEA proposal for language on paid leave in Article 8.

On motion duly made and supported, the impasse recommendation was unanimously approved.

G. Collective Bargaining Agreements—Resolutions 5-G(1) – 5-G(5)

General Counsel Gnodtke summarized five resolutions adopting voluntary agreements ratified by five bargaining units. Staff has reviewed the agreements. While some provisions memorialize discussions on potentially prohibited subjects, none implicate commission rules on prohibited subjects or have legal effect without subsequent commission action. Because of rule amendments taking effect January 1, the resolutions have additional language on extending secondary agreements to authorize the state personnel director to extend appropriate provisions of current secondaries during bargaining on successor agreements. Staff provided the bargaining parties three rounds of documents over the last 12 months to identify areas that could be extended under the new rules.

On motion duly made and supported, Resolutions 5-G(1) through 5-G(5) were unanimously approved.

H. Unclassified Pay Recommendation, Resolution 5-H

General Counsel Gnodtke summarized the constitutionally required, non-binding recommendation for unclassified pay. As in past years, the resolution recommends increases up to the amounts approved earlier for NEREs.
On motion duly made and supported, Resolution 5-H was unanimously approved.

I. Letters of Understanding (Interim Approval Granted)

1. Overtime at Women’s Huron Valley Correctional Facility (MCO) (Interim Approval Granted)

General Counsel Gnodtke summarized a letter of understanding on overtime procedures under the MCO contract that was previously granted interim approval and was now before the commission for final review. Staff reviewed the LOU and identified no implicated prohibited subjects of bargaining.

On motion duly made and supported, Agenda Item 5-I(1) was unanimously approved.

2. MDOC Uniform Allowances and Shift Differential (AFSCME) (Interim Approval Granted)

General Counsel Gnodtke summarized an LOU on uniform allowance and shift differential under the AFSCME contract that was previously granted interim approval and was now before the commission for final review. Staff has reviewed the LOU and identified no implicated prohibited subjects of bargaining.

On motion duly made and supported, Agenda Item 5-I(2) was unanimously approved.

6. PUBLIC COMMENT

Jeff Foldie, on behalf of MCO President Byron Osborn, provided a memorandum on concerns with changes to the definition of seniority and a request for grandfathering of current employees.

David Berridge, SEIU 517M president of the scientific and engineering bargaining unit, thanked Commissioner Swanson for his service on this commission and for giving great deliberation on both the management and labor side of issues. Chair McClelland also thanked Commissioner Swanson for his dedication, patience, and professionalism on the commission for eight years.

Commissioner Swanson thanked and commended commission staff and expressed his appreciation to fellow commissioners for their collegiality despite differences over policy. Finally, he wanted state employees to know that they are valued public servants whose dedication to their positions and the people of the state of Michigan amazes him. Commissioner Swanson indicated that the last few years have been difficult for state employees and that things change slowly with the commission by design, but things will change because elections have consequences.

ADJOURNMENT

There being no further items for Commission approval or public comments, Chair McClelland called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 11:28 a.m.

These minutes will become final upon approval by the Civil Service Commission.