

**MICHIGAN CIVIL SERVICE COMMISSION**  
**Public Meeting**  
**May 1, 2019**

**Present:** Janet McClelland, Chair  
James Barrett, Commissioner  
Jase Bolger, Commissioner  
Jeff Steffel, 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 10:07 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 December 12, 2018 meeting. On motion duly made and supported, the minutes of the December 12, 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 about twenty unclassified positions were established across eleven departments. Concurrently nine unclassified positions were abolished. Details on the positions, departments and titles are included in the report.

Since the last meeting notice was given in SPDOC 18-08 of amendments to regulations 2.01, 3.09, and 6.09 on bumping, recall, and union leaves. Those were effective January 1, 2019.

Matthew Wesaw was reappointed to the Employment Relations Board to serve a term through May 1, 2022.

In December 2018, the commission approved introduction of high-deductible health plan (HDHP) and health savings account (HSA) options for NEREs as early as October 2019. Several administrative issues have arisen in investigating implementation. First, changes can be made to the FSA plan design, such as creating two varieties and changing from a grace period to rollover for outstanding balances to allow employees to transition between options more easily. Second, NEREs made elections for 2019 FSAs last November and many would be ineligible for HSA contributions next January based on these elections. Finally, using different plan years for the various PPO, HMO, HDHP, HSA, and FSA plans would be administratively challenging and hinder enrollment. So, staff would plan to use 2019 to optimize FSA plan rules for employee flexibility and educate employees and then use 2020 to synchronize plan years and introduce the HDHP/HSA option through open enrollment in late 2020 effective January 1, 2021.

Commissioner Barrett requested clarification of whether having different terms for NERES and represented employees would present administrative challenges. General Counsel John Gnodtke

indicated that it would be suboptimal and create additional challenges, but they would not be insurmountable.

Commissioner Barrett asked whether the commission could make the option to enroll in HDHPs and HSAs available to all state employees? Gnodtke replied that past bargaining has included inquiries for different bargaining units on the option. Unions contracts have economic provisions in place for the upcoming fiscal year, so unions and the state employer would need to agree to implement the FSA reforms to maximize employees' ability to enroll in the plan that worked best for them for 2020. For 2021, with economic bargaining this summer for that period, the parties could agree to offer the HDHP/HSA option and FSA reforms, or the commission could elect to add the offerings to contracts for represented employees.

Commissioner Bolger asked how the commission would make sure that this offering is provided to all employees across all departments and all unions? Gnodtke explained that setting aside the troopers and their unique constitutional bargaining arrangement, the commission ultimately sets the conditions of employment for the classified workforce. In the 1990s, when the commission decided to add statewide drug testing protocols, it provided notice to unions and the state employer ahead of that bargaining cycle of language that it intended to add to contracts if not included by the parties. Similar direction could be given if that was the preference of the commission for upcoming open contracts.

Commissioner Bolger indicated his support for such action and asked how the commission could send things in that direction. Gnodtke stated that any ultimate action would be taken in December, when reopened contracts would be reviewed. If that was the sense of the commission now, staff could communicate that in advance of bargaining.

All commissioners voiced their support of providing such notice.

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

There was no unfinished business.

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

##### **A. Election of Officers**

On motion duly made and supported, Janet McClelland was unanimously elected chair.

On motion duly made and supported, Jim Barrett was unanimously elected vice-chair.

##### **B. Tribute to Robert Swanson**

On motion duly made and supported, Item 5-B, Tribute to Robert Swanson was unanimously approved.

##### **C. Certification of Corrected FY 18 Aggregate Payroll (Interim Approval Granted)**

General Counsel Gnodtke summarized that in December, the commission tentatively approved a certified aggregate payroll number for the past fiscal year, while recognizing that the books had not been finally closed and some adjustments might be needed. We received confirmation this week from the Office of Financial Management that the books have been closed and the final number is \$83,017 higher than that previously certified. Resolution 5.C would replace the previous commission and interim SPD certifications with this corrected final number that we could then transmit to the legislature.

On motion duly made and supported, Resolution 5-C, Interim Certification of Corrected Aggregate Payroll was unanimously approved.

**D. Revised Increased Minimum Compensation for Classifications (Interim Approval Granted)**

Assistant General Counsel Nick Kechkaylo explained that for the past several years there have been increases in the state's minimum wage. There are currently five noncareer classifications that may receive minimum wage. SPDOC 19-01 revises the increase in the minimum pay of these five classifications to match the most recent state law wage increase.

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

**E. Letters of Understanding (Interim Approval Granted)**

Assistant General Counsel Kechkaylo summarized five letters of understanding that were granted interim approval and are now before the commission for final review. They include provisions on schedule II travel regulations under the SEIU contract; compensation during shift trading under the MCO contract; overtime pay for employees on alternative work schedules under AFSCME contract; and, use of the state's e-mail system for union business under the MCO contract. Staff reviewed the letters and identified no implicated prohibited subjects of bargaining.

On motion duly made and supported, Agenda Items 5-E(1) through 5-E(5) were unanimously approved in one motion.

**F. Interagency Memorandum of Understanding regarding Retiree Health Benefits (Interim Approval Granted)**

General Counsel Gnodtke summarized that in December, the commission approved union contracts and a CCP recommendation implementing minor insurance changes to decrease telemedicine copays and an increase eyeglass-frame allowance. The DTMB director and SPD signed a memorandum of understanding, which was granted interim approval with the chair's consent, to implement the same changes for state retirees. That MOU is now before the commission for final approval.

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

**G. Amendments to Rule 5-6**

General Counsel Gnodtke summarized that in December, the commission approved the extension of a critical-position-premium pilot and the CCP recommendation to continue a discretionary RN Manager Signing Bonus Program. Resolution 5-G would amend rule 5-6 to eliminate sunset provisions for both programs and authorize the SPD to establish procedural requirements and limits on critical-position premiums. There have been no complaints received to date, and there were no comments received in response to the SPDOC seeking comment on potential removal of the sunset provisions. The proposed amendments are now before the commission for final consideration.

On motion duly made and supported, Resolution 5-G was unanimously approved.

## 6. PUBLIC COMMENT

Sarah Gable and Ted Leslie commented on treatment of continuous service hours for employees who have returned to state employment after having a break in service. For this small group of employees, under previous contractual provisions, they had been credited with past bargaining unit time upon returning to state employment. Under new agency policies that use continuous service hours, they are treated less favorably than employees with less state experience, including employees that they are sometimes training. They requested a return to the previous system or a grandfathering of employees.

Chair McClelland and Commissioner Bolger received some clarification of the work histories of the employees and different areas where seniority was considered.

Chair McClelland requested comment from the Department of Corrections. The human resources director for MDOC, Jonathan Patterson, explained that the MDOC adopted continuous service hours, which the rules mandate use of for recall and bumping, as the ranking standard for other staff assignment issues, such as annual leave, scheduling, and mandatory overtime. Before the rule changes, under the MCO collective bargaining agreement, seniority inside the bargaining unit was bridged, but employees who came from other units did not receive credit. When food service was privatized, staff with 20 years of state experience who became officers, had no seniority for MCO. Since civil service adopted the definition for the most important employment retention issues of layoff and recall, the MDOC also adopted that because it was seen as the most fair and equitable way to allow everyone to continue to use their employment with the state, regardless of classification and bargaining unit. Patterson stated that it would be difficult administratively to adjust as requested. It would affect all employees and be difficult to track and require constant monitoring.

Ms. Gable commented that she thought that it was great that employees from other bargaining units got their time, but they were never officers and had never been mandated and put in the time as officers.

Chair McClelland thanked the employees for their comments.

## 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 10:45 a.m.

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

**MICHIGAN CIVIL SERVICE COMMISSION**  
**Public Meeting**  
**December 11, 2019**

**Present:** Janet McClelland, Chair  
James Barrett, Commissioner  
Jase Bolger, Commissioner  
Jeff Steffel, 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 10:08 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 May 1, 2019 meeting. On motion duly made and supported, the minutes of the May 1, 2019 meeting were approved.

**2. AMENDMENTS TO AGENDA**

There was an amendment to the agenda. General Counsel John Gnodtke explained that a new Item 5-I was added to consider a Letter of Understanding on annual leave donations for AFSCME.

On motion duly made and supported, an amended agenda was unanimously approved.

**3. INFORMATIONAL REPORTS**

**State Personnel Director's Report**

The state personnel director reported that 15 unclassified positions were established across nine departments. Concurrently 12 unclassified positions were abolished or inactivated. Details on the positions, departments, and titles are in the report.

Since the last meeting, notice was given in SPDOCs 19-08, 19-09 and 19-10 of amendments to regulations 3.06, 4.01, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 5.16, 5.18, and 6.06 and rescission of regulation 5.19. These amendments were finalized, effective October 1, 2019, with the issuance of SPDOC 19-11.

**4. UNFINISHED BUSINESS**

There was no unfinished business.

**5. NEW BUSINESS**

**A. Interagency Memorandum of Understanding—Retiree Health Benefits (Interim Approval Granted)**

General Counsel John Gnodtke summarized that under state retirement acts, the commission and DTMB have joint authority to approve health insurance offerings to several groups of state retirees. This summer, the DTMB director and state personnel director signed an interagency memorandum of understanding, which was granted interim approval

with the consent of the chair, to transition from the current arrangement of a supplemental Medicare plan to a Medicare Advantage plan, effective January 1, 2020.

Bob Kopasz, Chair of the State Employee Retirees Association (SERA), and Cheryl Streberger, Vice-Chair of SERA, commented on the overall satisfaction and comfort level of retirees with the Medicare Advantage plan. He also commented on the excellent collaboration between the Employee Benefits Division, Blue Cross and Blue Shield, MVP Collaborative, and all who were involved in the recent informational meetings discussing retirees' health care changes.

The state personnel director added that essential feedback was received from SERA in implementing this change as well as the support from the commission and administration. Information is available on the EBD website including the presentation made to retirees. Approaching this collaboratively will help control healthcare costs while maintaining benefit levels. The director thanked everyone for their ongoing efforts.

In response to a question from Commissioner Steffel, the director clarified that the State Police Enlisted Unit meant retired troopers and sergeants and that changes were being made to address some confusion.

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 FY19 Aggregate Payroll Certification and FY21 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 director for any interim approval for a modified certification before the next commission meeting.

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

#### **C. Primary Agreements**

General Counsel Gnodtke summarized that the collective bargaining agreements approved by the commission last December included economic reopeners for years two and three, which were used by the bargaining parties to initiate bargaining this fall. The economic packages contained across all contracts included 2% October base-pay increases and 1% April base-pay increases for both FY 2021 and FY 2022, coverage for polycarbonate lenses and for a one-time Lasik benefit of \$1,000 for employees only, an increase in the annual dental maximum, offering an HDHP/HSA option, and transition to calendar plan years for all insurances starting in 2021. Staff has reviewed the proposed language approved through reopened bargaining and identified no prohibited subjects. Resolution 5-C was prepared for the commission to approve the replacement economic provisions for FY 2021 and 2022.

On motion duly made and supported, Resolution 5-C, Primary Agreements, was unanimously approved.

#### **D. Coordinated Compensation Panel Recommendation**

General Counsel John Gnodtke explained that the Coordinated Compensation Panel (CCP) recommended similar treatment for NEREs as was reached in the agreements just

approved by the commission for represented employees. In reviewing the collective bargaining agreements, which were received after the CCP recommendation was issued, two discrepancies were identified. First, the Office of the State Employer's CCP proposal had a proposed effective date for several insurance changes of January 2021, instead of October 2020. Second, the OSE's CCP proposal did not address the treatment of premiums during the three-month short plan year when transitioning from fiscal-year to calendar-year plan years for insurances next fall. It was noted that a motion adopting the CCP recommendation with these two referenced revisions would facilitate administration of the transition in plan years and ensure equitable treatment across the state workforce.

President Al Quattrin of the Michigan Association of Governmental Employees and Dr. Vijaya Mamidipaka addressed the commission. Mr. Quattrin indicated that MAGE would not be addressing a special increase for RNs this year because of recent legislative action, but he noted comments of MDOC representatives to the legislature that were contrary to statements made to the CCP. Mr. Quattrin noted data on average wages paid to another medical profession, physician managers, which was presented to the CCP. Dr. Mamidipaka further summarized this wage data, which compared publicly available pay ranges in several states and in other regions, settings, and practice areas. Dr. Mamidipaka referenced unfilled vacancies statewide in represented physician positions and in a Physician Manager position in Caro. The state has also needed to hire temporary physicians, who are costlier and provide care that is inferior to state employees. Psychiatrist Managers received a raise last year, but Physician Managers did not. There have been morale problems and a sense of unfairness. In conclusion Mr. Quattrin emphasized that this is not a large number of positions. General Counsel Gnodtke clarified that there are five statewide.

After questioning from Chair McClelland, Dr. Mamidipaka confirmed that her average salary statistics ranges were based on the average of the bottom and top of posted salary ranges. Deputy State Personnel Director Matt Fedorchuk clarified that all Physician Managers are currently paid at the maximum level.

On motion duly made and supported, Agenda Item 5-D was unanimously approved with the two revisions previously noted by General Counsel Gnodtke.

**E. Amendments to Rules 5-6.11(b)(2) and 5-6.13—Dentist Signing Bonus and Lottery Sales Incentive**

General Counsel John Gnodtke explained that the CCP recommended an increase by one-third to the maximum incentive available to lottery-sales staff. The amount has not been increased in a decade. In the past, the commission has waited until a subsequent meeting to adopt conforming rule amendments, but they are offered concurrently this year. The MDOC and MDHHS also have identified difficulties in attracting dentists to the classified workforce and separately requested, with the support of the OSE, the effective doubling of a \$5,000 signing bonus authorized in 2005 by allowing discretion for a second \$5,000 payment upon completion of the initial probationary period. Because no dentists are currently in their initial probationary period, the same October 1, 2020 effective date could be established for both pay provisions. Notice of these rule amendments was circulated just over two weeks ago, so a motion both agreeing to waive the normal 28-day notice requirements and adopting the amendments is required.

On motion duly made and supported, the notice requirement was waived, and the rule amendments were unanimously approved.

**F. Unclassified Pay Recommendation**

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-F was unanimously approved.

**G. Amendments to Rule 5-6**

General Counsel Gnodtke summarized letters of understanding granted interim approval and are now before the commission for final review. The first seven involve technical changes to facilitate introducing an HDHP/HSA option next year by newly allowing the carryover of unused flexible-spending-account funds as allowed by federal law. The next two address labor-management meetings. The tenth addresses pay and attendance at pre-shift meetings reinstated by the MDOC next fiscal year. The eleventh reinstates an attendance incentive pilot at DHHS facilities. The last addresses conditions for employees in a program area transferred from DHHS to LEO by executive order earlier this year. Staff has not identified prohibited subjects implicated by the LOUs.

On motion duly made and supported, all LOUs included in Agenda Item 5-G were unanimously approved.

**H. Secondary Agreements**

General Counsel Gnodtke summarized seven interim approval of secondary agreements covering 43 separate agreements. Although not reflected in the approval document, the state personnel director had separately clarified that one provision from one secondary agreement (article 4.J in the UAW-MDOC secondary) was incorrectly reinserted. The provision had been struck based on the reforms that took effect this January.

On motion duly made and supported, all 43 agreements, including the referenced modification of the UAW-MDOC secondary were unanimously approved.

**I. Letter of Understanding—Annual Leave Donation Procedure (AFSCME)**

General Counsel Gnodtke explained that Item 5-I is a letter of understanding with AFSCME clarifying the role of the OSE in the annual-leave-donation procedure. Staff has reviewed the LOU and identified no implicated prohibited subjects of bargaining.

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

**6. PUBLIC COMMENT**

There was no public comment.

**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 10:58 a.m.

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