

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
April 27, 2023

Present: Jase Bolger, Chair
Nick Ciaramitaro, Commissioner
Jeff Steffel, Commissioner
Gail M. Wilson, Commissioner
John Gnodtke, State Personnel Director

1. CALL TO ORDER

The meeting of the Michigan Civil Service Commission (Commission) was opened by Acting Chair Bolger at 10:04 a.m.

Approval of Minutes

Acting Chair Bolger requested a motion to approve the minutes of the December 19, 2022 meeting. On motion duly made and supported, the minutes of the December 19, 2022 meeting were approved.

2. AMENDMENTS TO AGENDA

On motion duly made and supported, agenda items 4.B and 4.C were swapped.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The director reported on all unclassified position creations and abolitions since the last meeting. Details on the positions, departments, and titles are in the written report.

Since December 2022, notice was given in SPDOC 22-15 of amendments to regulations 1.01, 2.03, 2.04, 2.06, 2.07, 2.10, 3.04, 3.07, 3.09, 5.01, 5.02, 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11, 5.12, 5.13, 5.14, 5.15, 5.17, 5.18, and 8.04. The amendments were effective January 1, 2023. Notice was also given in SPDOC 23-01 of proposed amendments to regulation 5.14, which were released in anticipation of potential rule changes that the commission could have adopted in February, but no action was taken to adopt these changes due to the cancellation of the February commission meeting.

4. NEW BUSINESS

A. Election of Officers

On motion duly made and supported, Jase Bolger was unanimously elected chair.

On motion duly made and supported, Nick Ciaramitaro was unanimously elected vice-chair.

Chair Bolger indicated that this commission has been appointed by two different governors with two different views. He stated that the commission will work together with open communications among commissioners to allow staff to carry out its work efficiently and effectively and not cause disruption for state employees by taking action that might later be reversed or overturned.

Commissioner Ciaramitaro reiterated that the commission would work together in the future and that they are already making progress with open dialogue.

B. Interim SPD Actions

General Counsel Kechkaylo introduced Commissioner Ciaramitaro's request to discuss the process for interim approvals under the commission's rules and bylaws. Commissioner Ciaramitaro explained that to minimize the potential to overturn interim actions, the commission should direct the state personnel director to give two business days' notice to the full commission prior to taking any interim action under rule 1.1-4 or bylaw 2.7. If any two commissioners provide written objections during the notice period of such interim action, the state personnel director shall not take the proposed interim action.

Director Gnodtke indicated that most interim approvals are LOUs from the Office of the State Employer.

Chair Bolger noted that this is consistent with prior comments and historical operations.

On motion duly made and supported, Item 4.B was unanimously approved.

C. Tribute to Janet McClelland

Chair Bolger expressed congratulations and thanks to Janet McClelland affirming that the commission misses her and wishes her well in retirement.

On motion duly made and supported, Item 4.C was unanimously approved.

D. FY22 Aggregate Payroll Certification

General Counsel Kechkaylo reported that the commission tentatively certified the aggregate payroll for the classified state service from October 1, 2021, through September 30, 2022. At that time the Annual Comprehensive Financial Report had not yet been finalized. The state's accounting records for fiscal year 2022 closed in March 2023, showing an aggregate payroll of \$6,019,568,112. This is an adjustment of less than \$21,000 from the amount tentatively certified in December 2022.

On motion duly made and supported, Resolution 4.D was unanimously approved.

E. ERB Appointment

General Counsel Kechkaylo stated that Rule 1-15 provides that members of the employment relations board serve for three-year terms. Item 4.E is the reappointment of board member Judge William Whitbeck to a new three-year term expiring May 1, 2026. Judge Whitbeck's current board term is set to expire May 1, 2023.

On motion duly made and supported, Resolution 4.E was unanimously approved.

F. Amendments to Rule 5-7

General Counsel Kechkaylo indicated that Item 4.F is proposed amendments to rule 5-7.3. The commission has long authorized funding for a NERE professional-development fund and approved professional-development funds and tuition-reimbursement benefits in union contracts. Union contracts also contain specific provisions in terms of eligibility, approvals, amounts, and limits for these programs. Additionally, almost 50 years ago, the commission

approved a general policy of permitting agencies to partially reimburse eligible employee tuition expenses. This approval has not, however, been included in rules.

The proposed amendments to rule 5-7.3 would expressly grant agencies the authority to implement an educational reimbursement program under procedures and limits set by regulation. The amendments would also acknowledge NEREs' longstanding ability to request reimbursements from the professional development fund. After circulation, staff noticed that the words "Expense Reimbursement" in the first line of subsection (f) were incorrectly capitalized.

On motion duly made and supported, Item 4.F was unanimously approved, with the referenced capitalization corrected and with immediate effect.

G. Amendments to Rules 1-8, 3-1, and 9-1

General Counsel Kechkaylo reported on proposed amendments to rules 1-8.1, 1-8.2, 3-1.4, and the rule's definition of discriminatory harassment. Late last year, the federal government enacted the Pregnant Workers Fairness Act, which beginning this June will require employers to provide accommodations for pregnant workers through an interactive process like that used under the Americans with Disabilities Act. It will also prohibit discrimination because of such accommodations. Proposed rule amendments would incorporate the act's protections into the rules. The proposed amendments, however, would not affect rights under the act, which are established in federal law. The proposed effective date of the changes is June 27, 2023, which coincides with the act's effective date.

On such motion duly made and supported, Item 4.G was unanimously approved.

H. Amendments to Rule 5-6

General Counsel Kechkaylo explained that Item 4.H is interim rule action taken by the state personnel director with the consent of the acting chair. In February, the director, with the consent of the acting chair, modified rule 5-6.16 on an interim basis to allow any agency to participate in a recruitment and retention pilot program. The pilot program allows any agency to pay an eligible employee hired to an Auditor or Financial Analyst position after March 4, 2023, and before 2024 a signing and retention bonus of up to \$2,500. One-half of any bonus is paid at hire and one-half is paid after completing the initial probationary period. As a condition of receiving payment, an employee must agree to repay any bonus if leaving the agency within one year. This program is like other pilot programs approved in December by the commission. This pilot program was originally requested by the state employer for certain agencies. The interim rule action allowed any interested agency to participate in the program while retaining discretion to participate based on need and budget.

On motion duly made and supported, Item 4.H was unanimously approved.

5. PUBLIC COMMENT

There was no public comment.

Before adjournment, Chair Bolger asked the director to comment on a current trend across the country of alternatives where a college degree may not be required for a position and what is happening in Michigan on that front.

Director Gnodtke responded that the orders being released in other states are generally directing personnel agencies in those states to do the things that commission staff have for

decades to find alternate pathways to enter careers previously reserved to university graduates. Currently, job specifications for over half of state positions do not require a four-year degree, and for the 47% that do reference such a degree in postings, over half of those provide applicants without degrees specific experience-based paths to qualify. Every state job posting also has separate language highlighting that applicants can qualify based on an individualized review based on combinations of education and experience. For example, the civil service commission has 301 employees in professional positions, which are sometimes described as “requiring” a college degree, but 89 of our 301 employees in such positions entered these “degreed” ranks without a degree based on their work experience. These employees then promote up and become specialists and managers. Some reserved classifications, like engineers, architects, scientists, or psychiatrists may have some licensing or practical requirements and will still have degree requirements, but these are a minority of positions.

While staff have already taken steps to broaden opportunities, they continue to look for new avenues. Under the new strategic plan, a work group is examining all 650 or so job specifications, including review of education requirements to make sure that they continue to reflect actual needs. Changes for some classes are being reviewed now after feedback from departments to ensure inclusion of what is needed. Staff will also review how degree requirements are described in job postings to make it clearer when degrees are truly required. Other options are also being considered to expand on processes to streamline equivalencies for military service. Director Gnodtke indicated that he could continue to update the commission on future progress in strategic plan updates over the coming years.

Chair Bolger thanked Director Gnodtke and stated that the state like many employers is competing for a talented workforce. There are certainly positions where there is a need for licensing, credentialing, and education requirements, but many may not.

ADJOURNMENT

There being no further items for Commission approval or public comments, Chair Bolger called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 10:29 a.m.

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

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
July 12, 2023

Present: Jase Bolger, Chair
Nick Ciaramitaro, Commissioner
Jeff Steffel, Commissioner
Gail M. Wilson, Commissioner
John Gnodtke, State Personnel Director

1. CALL TO ORDER

The meeting of the Michigan Civil Service Commission (Commission) was opened by Chair Bolger at 10:07 a.m.

Approval of Minutes

Commissioner Steffel requested a motion to approve the minutes of the April 27, 2023 meeting. On motion duly made and supported, the minutes of the April 27, 2023 meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to any agenda items.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The director reported on the creation or abolition of positions in the state unclassified service since the last meeting. Details on the positions, departments and titles are in the written report.

Since the last meeting, notice was given in SPDOC 23-05 of issuance of updated regulation 5.14 effective April 27, 2023. Notice was also given in SPDOCs 23-06 and 23-08 of proposed amendments to regulations 1.03, 1.04, 2.07, and 2.10. The amendments to regulations 1.03 and 1.04 were effective June 27, 2023. The amendments to regulations 2.07 and 2.10 are pending action by the commission on rule amendments today.

4. NEW BUSINESS

A. Amendments to Rule 2-7

General Counsel Nicholas Kechkaylo described proposed amendments to rule 2-7.4. The proposed rule change would provide individuals with an active employment sanction from a positive result for marijuana on a new-hire drug test for a non-test-designated position an opportunity to have the sanction lifted. This proposed rule change was circulated with proposed regulation changes that would end pre-hire marijuana testing for new-hires to non-test-designated positions. Neither the proposed rule amendment before the commission, nor the proposed regulation amendments on new-hire testing, would change current drug testing policy for employees, including the prohibition on having prohibited levels of drugs in an employee's bodily fluids while on duty.

Chair Bolger asked for examples of test-designated positions and non-test-designated position. Kechkaylo provided the rules' definition of test-designated positions for non-exclusively represented positions and indicated that collective bargaining agreements include similar

definitions for exclusively represented positions. He indicated that non-test-designated positions would be those not falling within the definition of test-designated position.

Chair Bolger asked for clarification on when a non-test designated position would still be subjected to marijuana testing. Kechkaylo explained that once hired, a non-test-designated employee would be subject to marijuana testing under applicable civil service rules and regulations or collective bargaining agreement.

Commissioner Steffel indicated concerns that changing the new-hire drug testing policy as proposed may lead to higher accident rates and absenteeism. He referred to a National Institute on Drug Abuse study that indicated employees who tested positive for marijuana had 55% more industrial accidents, 85% more injuries and 75% greater absenteeism compared to those who tested negative. He would like to continue testing for marijuana to be able to later determine whether these statistics are true and be able to review any unsatisfactory work performance in the future if the state hires people under the proposed policy.

Commissioner Ciaramitaro supported the proposed amendments to the new-hire drug testing policy because qualified individuals should not be excluded from employment because of marijuana use that may have been weeks before testing that may be detected and felt this was an appropriate change.

Chair Bolger agreed with the proposed drug-testing policy change.

On motion duly made and supported, Item 4.A, Amendments to Rule 2-7, was unanimously approved with an effective date of October 1, 2023.

B. SPD Reappointment

General Counsel Kechkaylo reported that the director's two-year Senior Executive Service Agreement expires this November. Item 4.B is to consider reappointment of the director to a new two-year term.

On motion duly made and supported, the commission unanimously approved Resolution 4.B to reappoint John Gnodtke to an additional two-year term as state personnel director beginning November 28, 2023.

C. Letter of Understanding on Fire/Crash Rescue Officer Holidays (MSEA)

General Counsel Kechkaylo reported that Item 4.C is an amended letter of understanding between the state employer and the exclusive representative of Fire/Crash Rescue Officers to increase the biweekly rate of holiday pay provided to employees in these classifications to reflect the prior addition of a state holiday. Staff has reviewed the LOU and found no prohibited subjects of bargaining. To allow time for implementation, this change if approved would be effective starting the pay period beginning July 23, 2023.

On motion duly made and supported Item 4.C was unanimously approved.

4. PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

There being no further items for Commission approval or public comments, Chair Bolger called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 10:22 a.m.

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
December 13, 2023

Present: Jase Bolger, Chair
Nick Ciaramitaro, Commissioner
Jeff Steffel, Commissioner
Gail M. Wilson, Commissioner
John Gnodtke, State Personnel Director

1. CALL TO ORDER

The meeting of the Michigan Civil Service Commission (Commission) was opened by Chair Bolger at 10:08 a.m.

Approval of Minutes

Commissioner Steffel read a statement and asked that it be reflected in the July 12, 2023 minutes. The minutes were revised and approved as amended.

2. AMENDMENTS TO AGENDA

There were no amendments to any agenda items.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The director reported on the creation or abolition of positions in the state unclassified service since the last meeting. Details on the positions, departments and titles are in the written report.

Since July, notice has been given in SPDOC 23-10 of issuance of updated regulation 5.19, effective July 23, 2023; and in SPDOC 23-13 of issuance of updated regulation 2.03, effective October 1, 2023.

4. NEW BUSINESS

A. MCSC Budget Resolutions

Amy Pung, Director of the Office of Financial and Administrative Services presented information on the FY23 Aggregate Payroll Certification and FY25 Commission Budget. She noted that the tentative aggregate payroll is \$6,262,159,549, a 4% increase from last year. The certified aggregate payroll numbers are not finalized. If there are changes, she will notify the director for any interim approval for a modified certification before the next commission meeting.

Ms. Pung also reported that the budget proposal for FY25 is \$76,340,300, which is a continuation of the current fiscal year with pending economic adjustments for salary and wages, retirement, insurance, and workers' compensation.

Commission Ciaramitaro asked how the 1% gets incorporated into the budget. Ms. Pung explained that the constitutional 1% appropriation it is not fully recognized when comparing restricted revenue versus general fund. There are different sources for the commission's appropriation. The commission must bill to collect federal dollars and state restricted dollars. There is funding from

other sources. John Gnodtke further explained the funding model that has been necessary since consolidation of human resource operations under EO 2007-30.

On motions duly made and supported, Resolutions 4.A.1 and 4.A.2 were unanimously approved.

B. Primary Agreements Resolution (AFSCME, MSEA, SEIU-HSS, SEIU-S&E, SEIU-Tech, and UAW)

General Counsel Nick Kechkaylo explained that collective bargaining agreements approved by the commission in 2020 included wage reopeners for year three, which were used by bargaining parties to initiate bargaining this fall. Parties to six contracts reached voluntary agreements this fall for 5% base wage increases effective October 1, 2024. As fiscal year 2025 wages were the only subject open for bargaining, there were no other changes. Staff reviewed the proposed language approved through reopened bargaining and identified no prohibited subjects.

Chair Bolger asked whether this would impact the next budget that has not yet been approved by the legislature. General Counsel Kechkaylo confirmed that these wage increases would be transmitted to the governor and legislature for inclusion in the governor's proposed budget for next fiscal year.

On motion duly made and supported, Resolution 4.B was unanimously approved.

C. Impasse Panel Recommendation 23-01

General Counsel Kechkaylo reported that collective bargaining agreements approved by the commission in 2020 included wage reopeners for next year. The MCO and OSE requested impasse panel assistance after negotiations over fiscal year 2025 wages were unsuccessful. The panel recommends, effective October 1, 2024, a 5% base wage increase for all steps for all classifications in the security unit, and also recommends shifting the pay steps by two steps for all 8- and 9-level classifications in the unit. If adopted, this would have the effect of increasing minimum pay for entry-level positions, and reducing the time needed to reach the maximum step at all levels. The panel also recommends moving employees at certain steps to a higher step to avoid less-senior employees surpassing them upon reclassification. General Counsel Kechkaylo further clarified a modification that the commission could make to correct a potential inequity for certain entry-level employees in the security unit that might occur if the panel's recommendation were adopted.

Chair Bolger asked whether this includes a bonus. General Counsel Kechkaylo indicated that it does not include a bonus.

Chair Bolger read a comment submitted by Byron Osborn, Michigan Corrections Organization president, clarifying why MCO declined the offer of a LOU to identify problems and solutions to the MDOC staffing crisis.

General Counsel Kechkaylo reported the estimated budgetary impact of this resolution versus the OSE proposal.

On motion duly made and supported, Resolution 4.C as amended was unanimously approved.

D. Coordinated Compensation Panel Recommendation

General Counsel Kechkaylo reported that the coordinated compensation panel transmitted its recommendation for FY 2024-25 to the commission. The panel recommends adopting the 5% base wage increase proposed by the state employer and concurred with by NERE limited recognition

organizations. The increase matches the base wage increase for FY 2024-25 agreed to by exclusively represented employees in six voluntary agreements. The panel also recommends increasing the professional development fund balance as proposed by the state employer and concurred by NERE limited recognition organizations. No other benefit changes or special wage adjustments were recommended.

Jennifer Fields, President of the Association of State Employees in Management, a limited recognition organization, addressed the commission representing NEREs. She urged the panel to approve the recommendations including the bonus for NEREs. She indicated that NEREs work just as hard as the represented employees and should be compensated equitably. NEREs worked very hard during the pandemic. Many did not work from home and did their best during a trying situation. They should be included in the bonus and receive the wage increase.

Peter Neu, Michigan Association of Government Employees, addressed the commission. He thanked the commission for incentives passed last year to improve recruitment and retention. He encouraged adoption of OSE's proposal and addressed the issue of the lump sum payment appearing later on the meeting's agenda. NEREs work hard to diligently learn their trade to advance. The lump sum payment should be extended to NEREs as well. We do not want pay compression to dissuade employees from advancing. NEREs deserve the lump sum as much as the union employees.

On motion duly made and supported, Item 4.D was unanimously approved.

E. Unclassified Pay Recommendation

General Counsel Kechkaylo explained that Article XI, section 5, requires the commission to recommend to the governor and legislature rates of compensation for all appointed positions within the executive department that are not a part of the classified service. The commission has historically recommended potential increases up to the amount authorized for classified employees, which for next fiscal year will be 5%.

On motion duly made and supported, Resolution 4.E was unanimously approved.

F. Letters of Understanding

1. Live Organ Donor Leave (AFSCME, MCO, MSEA, MSPTA, SEIU-HSS, SEIU-S&E, SEIU-Technical, UAW)

General Counsel Kechkaylo reported Item 4.F.1 are letters of understanding allowing employees paid leave to donate a kidney, a liver segment, or bone marrow. Under the LOUs, qualifying leave may be taken by eligible employees no more than once in a 12-month period. Interim approval was granted for these LOUs.

On motion duly made and supported, Item 4.F.1 was unanimously approved.

2. Recruitment and Retention Committees (AFSCME, MSEA, SEIU-S&E, UAW)

General Counsel Kechkaylo reported Item 4.F.2 are four letters of understanding to form recruitment and retention committees between labor and management.

On motion duly made and supported, Item 4.F.2 was unanimously approved.

3. Corrections Officer Recruitment and Retention Bonuses (MCO)

General Counsel Kechkaylo reported Item 4.F.3 is a LOU for Corrections Officer recruitment and retention bonuses. Funds for bonuses were appropriated by the legislature for the FY

2024 budget, while acknowledging that such bonuses could not be paid unless the OSE agreed to and the commission approved an LOU authorizing them.

When asked by Chair Bolger, General Counsel Kechkaylo explained that for three of the four phases of the bonus, there is boilerplate language in the appropriation providing that certain bonuses would be paid as a single payment prior to December 1, 2023. The commission received the signed LOU on December 1, 2023. When asked about any expiration date of the appropriated funds, he indicated that it depends on how binding the boilerplate language is as to when funds could be spent.

Commissioner Ciaramitaro added that the issue is whether the appropriation expired. He also asked OSE whether there is sufficient available funding in the Department of Corrections budget to cover the bonuses if the boilerplate for the appropriation no longer exists because the deadline was missed.

Liza Estlund Olson, director of the Office of the State Employer, indicated that the boilerplate has language requiring any bonuses be done with the OSE's involvement. OSE believes that they have more leeway in terms of the date and that it is still available. Estlund Olson also indicated that this is the same interpretation of the budget office.

Commissioner Steffel indicated that he is not comfortable having a December 1 date come to him, and for him to receive it on December 2 and then go to approve it when there is no authority to vote on something that is post-dated.

Chair Bolger reiterated what Commissioner Ciaramitaro asked, if the appropriation is not approved, is the department's budget able to withstand this without adversely affecting employment, creating layoffs, or the services the department has to provide? There seems to be no answer.

Commissioner Ciaramitaro discussed there are ways to cover the expenditure and sort out budget details later. Chair Bolger stated that there are concerns and he would want to learn those before voting so that the department's operations would not be adversely affected. Commissioner Steffel added that he is worried about the consequences and the process.

There was a motion to table Item 4.F.3 until the next commission meeting in order to seek additional information. The motion to table was not adopted.

There was a motion to approve Item 4.F.3, which was also not adopted. There was discussion on how the letter of understanding would be handled. General Counsel Kechkaylo explained that the non-approval would be treated as a proposed rejection of a provision of a collective bargaining agreement, and the letter of understanding would be referred back to the parties by the director under rule 6-10.4. Parties will have 28 days to respond to the commission in writing as provided in the rule.

Ray Sholtz of Michigan Corrections Organization addressed the commission. He clarified the timing of the signing of the LOU. He indicated that the budget was completed this summer. This money was allocated. MCO reached out multiple times to OSE. The MCO could not sign the LOU until the beginning of the month because that was when it was received.

4. Ratification Bonuses (AFSCME, MSEA, SEIU-HSS, SEIU-S&E, SEIU-Tech, UAW)

General Counsel Kechkaylo reported Item 4-F.4 are LOUs for ratification bonuses for bargaining units that reached voluntary agreements during bargaining this fall. The LOUs

provide for \$2,250 bonuses to all employees in the units in active status or on an approved leave of absence other than a waived rights leave of absence as of December 23, 2023.

Chair Bolger raised several questions regarding the budgetary impact of this proposal. General Counsel Kechkaylo indicated the total costs of these letters of understanding were estimated to be \$90 million. This would be under the current fiscal year's budget. Staff does not have information on the status of other agencies' budgets and cannot answer whether departments would be able to handle paying these bonuses without adverse effects to service. Further questions were asked over awarding the bonus to active-status employees, which may include all employees in active status regardless of whether they work full-time, part-time, or not at all. General Counsel Kechkaylo reiterated that the LOUs refer to employees who are in active status or on an approved leave of absence other than a waived rights leave of absence as of December 23, 2023. Therefore, someone who is working part time may receive the bonus which exceeds their wages, and someone who may not be currently working but is in active status would get the bonus.

Commissioner Ciaramitaro asked the Office of the State Employer how many employees are part time, how many are not working, etc. and what the cost would be. Director of the Office of the State Employer Liza Estlund Olson indicated that two pay periods ago there were 65 part time classified employees. Fifteen of those are NEREs, the rest are in an exclusively represented bargaining unit. The agreements reached were that if the bargaining unit ratified, employees in the bargaining unit were to get the bonus under the LOU.

Director Gnodtke added that the state has codes for part time, permanent intermittent, non-career, seasonal, and full time. Some intermittent are working full time, some seasonal are working full time, some student assistants may be working full time. It depends on how part time could be defined. Of 686 noncareer employees, all but 191 are within the bargaining units that ratified voluntary agreements.

Chair Bolger asked if we are talking about the universe of people who are not working full time but in active status, but not actively working, do we know what that number is?

Director Estlund Olson indicated that it depends on the pay period and on people who are on leaves of absences. There were 57 who were on some form of a leave of absence.

Chair Bolger asked whether the total number of part-time, not working full time, and not currently working active employees was known.

Director Gnodtke stated we cannot know what the employment picture will be on December 23. In terms of people who are coded as part time, which by definition is less than 80 hours in a pay period, it is the 60-70 employees that they are referring to. There is also the universe of employees that are in permanent-intermittent status, non-career status, seasonal status, which total about 1,000. Many of these may be working full time for part of the year. We would have to do a deep-dive to determine how many employees are working less than fulltime. Out of about 40,000 employees, there are fewer than 1,000 who might be working less than fulltime, depending on how student assistants and non-career state workers are factored in.

Commissioner Ciaramitaro added if there are 1,000 such employees, the total costs of the bonuses for those employees is roughly \$2,250,000. What would administrative costs be to exclude them, or to pay a different amount for part time versus full time? Estlund Olson indicated that the state would have to work with PTRD to do that.

Director Gnodtke stated the administrative costs would be a slight increase. We would need to get some factors, including defining eligibility. Once any criteria are developed, it would be a relatively small marginal cost of a couple of hours running some reports to implement. It would all be handled electronically through the payroll system.

Commissioner Ciaramitaro added, as the OSE negotiated LOUs, we are asking it to do budget calculations. Because the budget office indicates that funds are available, why would we question there are sufficient dollars in the existing budget to cover these costs? Estlund Olson stated that the OSE would not have negotiated something if it did not know whether it could be paid.

Commissioner Ciaramitaro stated that since the employer is telling us that there is sufficient money in the budget to cover the \$91 million, and the unions agree that the bonuses would be an equitable distribution of that money, we would be setting a precedent of second guessing both the budget office and the bargaining units.

Chair Bolger asked whether there were additional multipliers, for example the employer's share of social security and retirement costs? General Counsel Kechkaylo clarified that the \$90 million estimate for the exclusively represented employees was based on the total cost estimate of the bonus provided by the OSE, which includes those multipliers.

Keith Lounsbery, president of Michigan State Employees Association, addressed the commission. Lounsbery spoke of the effect of the ratification bonus on seasonal and part-time employees, many of whom are 20-year employees. In the negotiation process with OSE, the bonus was presented as a ratification bonus, not as a bonus contingent on hours worked or employment type. He stated that he told the OSE that he would be taking the promise of a ratification bonus to MSEA membership to vote on ratification of the agreement. He stated that MSEA agreed that everyone would be included because DNR has many seasonal employees. He said there are vacancy issues within DNR. There have been about 100 park ranger vacancies on any given date over the past five to six years. He believed that the budget savings from vacant positions would pay for the bonuses.

Commissioner Steffel stated that there are not that many people, and as much as there is some repugnancy if I was working full time and I see someone next to me who is a part time person who gets the bonus, I feel that is what the agreements are. I don't think I can be opposed to it. I don't want to put the commission staff or anyone else through the work to delineate any separate payments. It seems more efficient to approve these LOUs even though there might be some inequities than to not approve it when the overall picture is considered.

On motion duly made and supported, Item 4.F.4 was approved. Chair Bolger opposed the motion.

Commissioner Ciaramitaro moved to amend the agenda to reconsider item 4.F.3. The motion did not pass.

G. Proposed Amendments to Rule 5-6

General Counsel Kechkaylo explained that SPDOC 23-15 proposed amendments to rule 5-6.16 and adding rule 5-6.17. The proposed amendments to rule 5-6.16 would permit current non-career classified employees to be eligible for recruitment and retention bonuses for classifications indicated in the rule. The proposed amendments would also remove the current sunset date of the program, permitting appointing authorities to pay the bonus to eligible employees appointed to eligible classifications after December 31, 2023.

Proposed rule 5-6.17 would be new. It reflects the state employer's request that NEREs receive a consensus bonus subject to similar conditions agreed to for exclusively represented employees in letters of understanding before the commission earlier. Under the proposed rule as circulated, a \$2,250 bonus would be paid to each NERE in active status or on an approved leave of absence other than a waived rights leave as of December 23, 2023.

Commissioner Ciaramitaro indicated that we have similar problems with respect to the budget as we had on the last item.

Director Gnodtke indicated that proposed rule 5-6.16 was requested by the OSE to add the language for previously approved bonuses applicable to three sets of classifications involving IT, MIOSHA and finance positions. Per information from OSE, there are 128 instances totaling about \$165,000 last fiscal year where that discretion was used by agencies to attract new employees. The request is to remove the sunset on the pilot to make the bonuses permanent. They would be discretionary with the agency. Agencies would not be required to use it, so presumably they would know under their budgets if they could continue to offer it.

The 5-6.17 consensus bonus is the NERE analog for what was just adopted for the represented employees. It was also requested by the OSE and the rule language was drafted to match the terms of the letters of understanding that were just passed.

General Counsel Kechkaylo added that the commission could address each of these rule changes in separate motions.

General Counsel Kechkaylo indicated that the estimated cost of the consensus bonus provided by the OSE attributable to the NERE consensus bonus would be about \$60 million. The bonuses would be for this current fiscal year. As previously indicated, the commission does not have any information about other agencies' budgets. OSE Director Estlund Olson stated again that the OSE would not have requested the rule change for the bonuses if the OSE had not previously worked it out with the budget office.

Chair Bolger reiterated that these bonuses would also apply across the board to all NEREs, including those that are non-full time. He asked whether we have NEREs that would be in active status, but not actively working. Director Gnodtke answered that there are approximately 10 NEREs in part-time status and approximately 250 non-career NERE positions, typically student assistants or state workers. Since this is a rule change, the commission has more leeway to amend as it sees fit, unlike a negotiated letter of understanding.

Chair Bolger stated that he is conflicted because he feels the commission should do for NEREs as it has done for exclusively represented employees. He has the same questions, and does not want to make decisions that adversely affect employment or services.

Commissioner Ciaramitaro stated that NEREs should get what the unions get. Here the unions are getting the bonus. The problem is that we would be giving a bonus to NEREs without them having to ratify an agreement, which was required of the exclusively represented employees.

A motion was made and duly supported to table the proposed amendments to Rule 5-6.17 to the next commission meeting. The motion was approved, with Commissioner Wilson voting against.

A motion was made and duly supported to waive the notice requirement and to approve the proposed amendments to Rule 5-6.16. The motion was unanimously approved.

H. Proposed Amendments to Rule 5-7.3

General Counsel Kechkaylo reported that at the state employer’s request, proposed amendments to rule 5-7.3 were circulated. These amendments increase the maximum reimbursement amount available to NEREs for safety shoes to the same amounts as provided to eligible employees in certain exclusively represented bargaining units.

On motion duly made and supported, Item 4.H was unanimously approved.

I. Increased Minimum Compensation

General Counsel Nicholas Kechkaylo explained that the commission is constitutionally charged with setting rates of compensation for classified employees. In recent years, Michigan’s statutory minimum wage has increased several times. While Attorney General Opinion 5115 opined that the state’s minimum wage act does not apply to the civil service, the commission has implemented equivalent increases to the minimum wage levels for the six state classifications in the civil service that have historically matched the minimum wage under state law. The minimum wage increase next year is from \$10.10 to \$10.33. Resolution 4.I would approve such an increase for the affected class.

On motion duly made and supported, Resolution 4.I was unanimously approved.

4. PUBLIC COMMENT

Mary Pollock of the State Employee Retirees Association addressed the commission regarding cost-of-living increases for defined benefit retirees. The state employee retirement annual cost of living adjustment is capped at \$300 a year. She would urge an amendment to the SERA to remove the cap. Although it is a legislative issue, she wanted to give the commission this information.

Roderick Jackson, president of the SEIU technical unit, addressed the commission opposing reauthorization of union dues. He stated that rights were taken away when the decision was made to have members re-authorize each year. It weakened the employees’ rights and the union’s rights. He thanked the commission for the decisions they have made to increase competitive wages for engineers and technicians. He urged the commission to allow members to sign up once to be members of the union. Considerable resources have been spent to make sure that people re-sign up for the union. They should not have to do that. It causes a delay having to re-sign up each year. It also causes some people to miss the window. He asked that members not have to re-authorize every year and get back what was taken away.

ADJOURNMENT

There being no further items for Commission approval or public comments, Chair Bolger called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 11:49 a.m.

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