

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
February 10, 2010**

Present: Sherry L. McMillan, Chair
Andrew P. Abood, Commissioner
Kelly G. Keenan, Commissioner
Thomas M. Wardrop, Commissioner
Jeremy S. Stephens, State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Chair, Sherry McMillan, at 10:29 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

a. Approval of Minutes

Chair Sherry McMillan requested a motion to approve the minutes of the September 23, 2009 meeting. On motion duly made and supported, the Commission approved the minutes of the September 23, 2009, meeting.

b. Retirement Resolutions

On a motion duly made and supported the following Retirement Resolutions were adopted:

Derrick Barber
Connie Behm
Debbie Cord
Evelyn Fratzke
Michael Gailey
Crystal Ley
Joylene Price
Susan Prudden
Roger Tijerina
Jean Wangler
Maria Zinn

2. AMENDMENTS TO AGENDA

3. INFORMATIONAL REPORTS

- a. **Director's Report:** The Commission received the following report from State Personnel Director, Jeremy S. Stephens.

Unclassified Position Report

Since the last report, the following approvals were processed:

Department of Attorney General

A request dated October 14, 2009, to serve as a Special Assistant to the Attorney General. Concurrently, the vacated Special Assistant to the Attorney General position was abolished. The request was approved effective October 14, 2009.

A request dated November 5, 2009, to serve as a Chief Administration Officer. Concurrently, the position of Senior Advisor was abolished. The request was approved effective November 1, 2009.

Department of Treasury

A request dated January 6, 2010, to serve as the Racing Manager under the Michigan Gaming Control Board. Concurrently, the Deputy State Treasurer for Programs position was abolished. The request was approved effective December 27, 2009.

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 5.07, Performance-Pay Programs (effective October 1, 2009)

This regulation has been updated to reflect changes to Standard C.8 with regard to fiscal year 09-10 limits. This provision prohibits performance-pay increases to be awarded or approved and was extended from the previous September 30, 2009 ending date to October 1, 2009 through September 30, 2010. The effective date for this regulation was October 1, 2009.

Regulation 3.14, State Transitional Designation and Appointments, and 2.01, Implementing a Reduction In Force For Nonexclusively Represented Employees (effective December 2, 2009)

Regulation 3.14 reflects amendments to the amount of time required in the transitional period before removal of the transitional designation for transitional professional and transitional manager positions. Additionally, time required for crediting experience for credential review purposes has been adjusted for transitional professional positions. Further, SEMA job classifications for appointments to professional P11, 12 and 13-level job classifications are now addressed separately for greater clarification.

As a result of the amendments to Regulation 3.14, it also was determined that sections b., c. and d. of Standard D. of Regulation 2.01, Implementing A Reduction In Force For Nonexclusively Represented Employees, are no longer needed and have been deleted. The effective date for this regulation was December 2, 2009.

Regulation 2.03, Leaves of Absence (effective January 10, 2010)

This regulation reflects amendments changing eligibility criteria for qualifying exigency and covered service member leaves. These amendments are the result of the new federal FMLA provisions in the 2010 National Defense Authorization Act. Definitions for “covered service member” and “FMLA leave of absence” have been revised, and “covered active duty” and “veteran” have been added. The effective date for this regulation was January 15, 2010.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

a. Civil Service Commission Financial Reports

Certificate of Payroll FY 2009 and Budget FY 2010

Ms. Carol Vargovich, Director, Budget & Financial Services Division, addressed the Commission regarding the financial summary of FY09, the Certificate of Payroll and appropriation adjustments that were made for FY10 operating budget. A decrease in FY10 budget is primarily a result of statewide general fund reduction requirements. As a result, the Commission decreased its budget for funding associated with CSS&M savings and vacancies attributable to attrition. The aggregate payroll for the classified service from October 1, 2008 through September 30, 2009 is \$4,781,203,263.

On motion duly made and supported, Resolution 2010-01 and Resolution 2010-02 were approved.

b. Secondary Agreement housekeeping changes to Article 13 – Section A.8, Definition/Work Site between UAW and Department of Community Health

General Counsel D. Daniel McLellan stated that the proposed amendments correct the work site definitions in Article 13, §A.8. Staff has reviewed the proposed amendments and has not identified any violations of the Commission’s rules on prohibited subjects of bargaining.

On motion duly made and supported, Item 5b., DCH-UAW Secondary Agreement amendments were approved.

c. Letter of Understanding (LOU) between OSE and SEIU, MPE on Bumping and Recall for Probationary Employees (interim approval granted)

General Counsel D. Daniel McLellan addressed the commission regarding the LOU between OSE and SEIU, MPE on bumping and recall for probationary employees.

On motion duly made and supported, the LOU between OSE and the SEIU was approved.

d. Memorandum of Understanding (MOU) between CSC and DMB on Retiree Health Benefits (interim approval granted)

General Counsel D. Daniel McLellan addressed the commission regarding the MOU between CSC and DMB which returns retirees to a Medicare Supplemental plan, effective January 1, 2010.

On motion duly made and supported, the MOU between CSC and DMB was approved.

e. Memorandum of Understanding (MOU) between OSE and SEIU, 517M regarding Contract Extension, Temporary Layoffs, Banked Leave Time, New State Health Plan, E-mail, Grievance Representation, Travel Reimbursement, and Voluntary Work Schedules (interim approval granted).

General Counsel D. Daniel McLellan addressed the Commission regarding the MOU between OSE and SEIU 517M which amends the current collective bargaining agreement for reducing temporary layoff days from 6 to 4, requires 34 hours of banked leave time, provides for a new state health plan for new hires effective April 1, 2010, and some other miscellaneous items. The MOU also provides for an extension to the CBA from January 1, 2011 to December 31, 2011. [Economics October 1, 2011 to September 30, 2012]

Director Sharon Bommarito, Office of the State Employer and Deputy State Budget Director Nancy Duncan, addressed the Commission to support the negotiated settlements with projected budgetary savings of \$51 million for the FY11 budget.

Commissioner Sherry McMillan questioned whether efforts are being made to open contracts for negotiation given the shortfall anticipated with the current contract which includes a 3% increase in FY11 and the MOU includes an extension of the contract for FY12. Director Bommarito indicated that the 3% had already been approved and included in the budget and because negotiations were continuing she could not comment.

On motion duly made and supported, Resolution 2010-03 for the MOU excluding the extensions was approved.

On a separate motion duly made and supported, Resolutions 2010-04, 05, and 06 regarding the extension of the contract were approved.

f. Memorandum of Understanding (MOU) between OSE and MCO for employees in the Security Unit regarding Contract Extension, New State Health Plan, Banked Leave Time, Compensatory Time, Sick Leave/Overtime Reduction Pilot Program, and Administrative Leave Bank

General Counsel D. Daniel McLellan addressed the commission regarding the MOU between OSE and MCO which amends the current collective bargaining agreement for requiring 3 hours of banked leave time, provides for a new state health plan for new hires effective April 1, 2010, increases compensatory time accrual cap from 150 hours to 200 hours and some other miscellaneous items. The MOU also provides for

an extension to the CBA from January 1, 2011 to December 31, 2011 [Economics October 1, 2011 to September 30, 2012].

Director Sharon Bommarito, Office of the State Employer, addressed the Commission and urged the Commission's approval of the MOU which would assume MCO's portion of employee savings of \$8.2 million for the FY10 budget.

On motion duly made and supported, Resolution 2010-07 for the MOU excluding the extensions was approved.

On a separate motion duly made and supported, Resolutions 2010-08 regarding the extension of the contract was approved.

g. Amendments to Rule 5-10.3, Banked Leave Time for NERE and MSC Employees

General Counsel D. Daniel McLellan addressed the Commission regarding amendment to Rule 5-10.3, Banked Leave Time, which requires non-exclusively represented employees (NEREs), and managers, supervisors, and confidential (MSC) employees to take 28 hours of banked leave time between February 21, 2010 and September 4, 2010. Part time employees would be required to take a prorated amount of banked leave time.

Director Sharon Bommarito, Office of the State Employer, addressed the Commission and urged the Commission's approval of amendments to Rule 5-10.3 which provides for the NEREs share of employee savings of approximately \$14.4 million for the FY10 budget.

On motion duly made and supported, Resolution 2010-09 regarding banked leave time was approved.

h. Amendment to Rule 5-11, New State Health Plan for new NERE and MSC employees

General Counsel D. Daniel McLellan addressed the Commission regarding the request from Director Sharon Bommarito, Office of the State Employer, to approve a new state health plan for all non-exclusively represented employees (NEREs), and manager, supervisory, and confidential (MSC) employees hired after April 1, 2010.

Director Sharon Bommarito, Office of the State Employer, addressed the Commission and urged the Commission's approval to amend Rule 5-11. Director Bommarito indicated this new plan will help the state address health care costs by increasing employees' premium share and increasing drug co-pays, deductibles and office co-pays, co-insurance and out-of-pocket maximum expenses.

Mr. Dale Threehouse, President, of the Michigan Association of Governmental Employees (MAGE), representing managers and supervisors in state government, addressed the Commission regarding his concern for incentives for new state employees. He asked that the Commission and the Office State Employer look at a provision for new employees who after 5-10 years of service would have the opportunity to move to the richer plan as an incentive to retain those employees as they build a career within state government.

On motion duly made and supported, Resolution 2010-10 regarding the new state health plan for NEREs was approved.

i. Coordinated Compensation Panel Recommendations – FY 2011

Mr. Matthew Fedorchuk, Director, Office of Classifications, Selections & Compensation, presented the recommendations contained in the proposed Coordinated Compensation Panel (CCP) for FY11 that was developed by the members of the Employment Relations Board, serving as the CCP under Civil Service Rule 5-1.3.

The Panel recommended Commission approval of the following for FY11:

- A three percent across-the-board pay increase effective October 1, 2010.

The Panel recommended denial of the following:

- Requests by ASEM and Allen Williams to reform the pay-for-performance program for Group 4 employees.

The Panel also recommended that the Commission take no action on the following proposals:

- Request by MAGE to allow shift preference for Corrections Shift Supervisors based on seniority.
- Requests by Allen Williams to discontinue frozen classification of positions and to credit as concessions the amount of pay increases unavailable for pay-for-performance classes because of recent pay freezes.

The Panel also recommended that the Commission also direct the State Personnel Director to undertake a comprehensive review of the pay-for-performance system and propose improvements to the current system.

Deputy State Budget Director Nancy Duncan addressed the Commission and provided budgetary information on the general fund's revenue decline and the continued budgetary challenge that Michigan faces for FY 10-11. Copies of the budgetary information provided to the Commissioners from Deputy Director Duncan are on file as part of this record.

Director Sharon Bommarito, Office of the State Employer, addressed the Commission opposing the CCP recommendation. Ms. Bommarito stated that due to projected deficits for FY11 and FY12, the administration cannot support the consensus agreement signed in 2007 for FY11, and therefore, cannot support the three percent increase due to the change in circumstances since 2007. Copies of the OSE position relative to the CCP panel process for managers, supervisors, and confidential employees and for non-exclusively represented employees are on file as part of this record.

Mr. Dale Threehouse and Alan Quattrin, of MAGE, addressed the Commission regarding their position on the voluntary agreement between OSE, MAGE and the other labor relations organizations which provides for the three percent increase. They further discussed their ongoing concerns regarding pay compression issues previously brought to the Commission, and that not granting the three percent increase will further exacerbate the problem. MAGE requested the Commission to support the CCP recommendation.

Attorney Brandon Zuk, Counsel for Michigan Association of Governmental Employees (MAGE), spoke in opposition of OSE's position due to the breach of contractual commitment made by OSE with the LROs in 2007. Mr. Zuk reiterated that one significant aspect of the CCP recommendation is that the Commission in the past recognized the necessity of equity in its consideration for NEREs and that past concessions were spread equitably across the board. MAGE requested the Commission to consider equity as a factor in granting the three percent increase to NEREs as it had previously been agreed to by OSE with other collective bargaining agreements.

Commissioner Wardrop referenced paged 8 of the Coordinated Compensation Panel recommendation whereas the Panel stated that "given the economic crisis, raises for any classified employees are not justified. The drafters of the Constitution have provided a method for the equitable rescission of pay increases for civil servants by legislative action."

Department of Corrections employees, Lieutenant Randy Winn, Lieutenant Joseph Horning, and Sergeant Richard Koch, MAGE members, addressed the Commission individually in support of the three percent increase for NEREs, asking the Commission for what is fair and equitable and what was agreed to in 2007.

Attorney Robert Huber, representing Association of State Employees in Management (ASEM), addressed the Commission in opposition of the position of the State Employer. Mr. Huber requested the Commission favorably consider the recommendations of the CCP by granting the three percent increase previously agreed to by OSE in a consensus agreement in 2007, to reform the pay-for-performance program for group four employees, and to also increase the annual leave payout at time of separation from state employment.

NERE employees, Allen Williams, Stephen Gobbo, Thomas Welch and Daphne Johnson also addressed the Commission in their support for the three percent increase, and also a recommendation was made in support for a review of the pay-for-performance system.

A motion to approve the CCP recommendation excluding the three percent increase was made and supported 3-1, with Commissioner Keenan in opposition.

A second motion to approve the recommendation of the CCP to award NEREs a three percent increase for FY11 was made. The motion failed 2-2 with Commissioners Wardrop and Keenan in opposition.

j. Unclassified Pay Recommendations – FY 2011

Mr. 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 the data provided, and CSC earlier action, staff recommended a zero percent increase for FY11.

On motion duly made and supported, the Commission approved the unclassified pay recommendation for FY11.

6. PUBLIC COMMENT

Arthur Andrews, Employment Consultant Services, addressed the Commission regarding his recommended proposal to amend Rule 6-5.4 and Regulation 8.01 to provide non-exclusively represented classified employees with an additional representation option at disciplinary conferences, technical fact-finding hearings, grievances conferences and grievance appeal hearings. Mr. Andrews asked the Commission for a formal review of his proposal.

Shirley Diamond Hollton addressed the Commission regarding an employment sanction received. General Counsel McLellan advised Ms. Hollton that staff would meet with her to discuss her options in the appeal process to determine if other steps are available to her.

7. COMMISSION APPEALS

In a closed session the Commission considered 27 recommended decisions of the Employment Relations Board (ERB). Copies of the review sheets indicating the Commission's actions on these decisions are on file with the Civil Service Commission.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair McMillan adjourned the meeting at 12:42 p.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Jeremy Stephens, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of February 10, 2010.

Jeremy Stephens

State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
December 8, 2010**

Present: Thomas M. Wardrop, Interim Chair
Andrew P. Abood, Commissioner
Kelly G. Keenan, Commissioner
Jeremy S. Stephens, State Personnel Director

Absent: Sherry McMillan, Chair

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by State Personnel Director, Jeremy Stephens, at 10:46 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan. Director Stephens welcomed new Commissioner Charles Blockett, Jr.

Commissioner Andrew Abood motioned to nominate Commissioner Thomas (Mac) Wardrop as Interim Chair. Commissioner Charles Blockett, Jr. seconded, and the motion passed.

a. Approval of Minutes

Interim Chair Wardrop requested a motion to approve the minutes of the February 10, 2010 meeting. On motion duly made and supported, the Commission approved the minutes of the February 10, 2010 meeting.

2. AMENDMENTS TO AGENDA

3. INFORMATIONAL REPORTS

- a. **Director's Report:** The Commission received the following report from State Personnel Director, Jeremy S. Stephens.

Unclassified Position Report

Since the last report, the following approvals were processed:

Department of Attorney General

The Department of Attorney General submitted the following requests to establish an unclassified position:

1. A request dated September 10, 2010, to serve as the Senior Policy Advisor to the Attorney General. Concurrently, the vacated Director of Executive Affairs position was abolished. The request was approved effective September 13, 2010.
2. A request dated September 24, 2010, to serve as a Director of Executive Affairs. Concurrently, the position of Special Assistant to the Attorney General was abolished. The request was approved effective September 20, 2010.
3. A request dated October 7, 2010, to serve as a Constituent Relations Analyst. Concurrently, the position of Director of Executive Affairs was abolished. The request was approved effective October 3, 2010.
4. A request dated October 15, 2010, to serve as a Constituent Relations for Southeast Michigan. Concurrently, the position of Constituent Relations Analyst was abolished. The request was approved effective October 3, 2010.

Department of Education

The Department of Education submitted the following requests to establish an unclassified position:

1. A request dated April 12, 2010, to serve as the State School Reform/Redesign Officer/Deputy Superintendent. The request was approved effective April 18, 2010.
2. A request dated April 29, 2010, to serve as the Education Advisor to the Office of the Superintendent. Concurrently, the position of Chief of Staff was abolished. The request was approved effective April 18, 2010.

Department of Energy, Labor, & Economic Growth

The Department of Energy, Labor, & Economic Growth submitted the following request to abolish an unclassified position:

1. A request dated June 15, 2010, to abolish the Deputy Director position. The request was approved effective July 25, 2010.

Department of Human Services

The Department of Human Services submitted the following request to establish an unclassified position:

1. A request dated March 10, 2010, to serve as the Chief Deputy Director of Regulatory and Organizational Support. Concurrently, the position of Deputy Director for Children & Audit Policy and Special Assistant was abolished. The request was approved effective March 7, 2010.

Department of Natural Resources & Environmental Quality

The Department of Natural Resources & Environmental Quality submitted the following request to establish an unclassified position:

1. A request dated May 4, 2010, to serve as the Michigan Port and Maritime Advisor. Concurrently, the position of Legislative Director was abolished. The request was approved effective April 18, 2010.

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 2.07, Drug Testing and Regulation 2.08, Alcohol Testing (effective April 4, 2010)

This regulation has been updated to reflect reference to the standards and protocols found in the U.S. Department of Transportation and U.S. Department of Health and Human Services testing regulations. Referencing current federal regulations as the governing procedures eliminates the need for frequent revisions and will also track provisions in existing collective bargaining agreements to create more consistent standards across the classified workforce.

Regulation 3.02, Student Assistants in the Classified Service (effective June 13, 2010)

This regulation has been updated to reflect the addition of a new standard to address special non-career classifications. Standard O clarifies Civil Service rule 2-1.2 which allows the establishment of special non-career classifications.

Regulation 3.04, Selection of Employees for Position Vacancies, Regulation 3.08, Establishment, Use, and Duration of Applicant Pools Maintained by Civil Service, and Regulation 3.12, Return-to-Work Appointments (effective August 22, 2010)

This regulation has been updated due to the implementation of NEOGOV. In addition, Regulation 3.03, Selection of Employees for Position Vacancies When Using a Certified Applicant Pool Maintained by Civil Service is no longer needed as the necessary language has now been incorporated into Regulation 3.04. Therefore, Regulation 3.03 has been abolished.

Regulation 5.07, Performance-Pay Programs (effective October 1, 2010)

This regulation has been updated to reflect changes to Standard C.8 with regard to fiscal year 10-11 limits which prohibit performance-pay increases to be awarded or approved by extending the ending date from the previous September 30, 2010, to December 31, 2010.

Regulation 5.09, Annual, Personal, and School and Community Participation Leave, and Regulation 5.10, Sick Leave (effective October 17, 2010)

This regulation has been updated to clarify the timing of leave balance payoffs for employees who are eligible for the incentivized retirement plan available under MCL 38.19j but instead elect a standard retirement.

Regulation 5.09, Annual, Personal, and School and Community Participation Leave (effective October 31, 2010)

This regulation has been updated to amend allow using annual leave to extend employment. The change is to address issues arising from the short notice for the election period for the incentivized retirement plan available under MCL 38.19j. The amendments will allow annual leave to be used to extend employment for three days during November and December of 2010, or longer if authorized by the State Personnel Director.

Pay-For-Performance System Review

At the February 10, 2010 Civil Service Commission meeting, the Commission approved the recommendation of the Coordinated Compensation Panel for the Commission to direct the State Personnel Director to undertake a review of the pay-for-performance system. We continue to have discussions regarding the pay-for-performance program and will provide further updates as information is collected.

b. Commission Tributes

On a motion duly made and supported the following Commission Tributes were adopted:

Kelly Keenan (Commissioner)

D. Daniel McLellan (General Counsel to the Commission)

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

a. Civil Service Commission Budget FY11

Certificate of Payroll FY 2010 and Budget FY 2011

Ms. Carol Vargovich, Director, Budget & Financial Services Division, addressed the Commission regarding the financial summary of FY10, the Certificate of Payroll and appropriation adjustments that were made for FY11 operating budget. The budget is primarily a continuation of the prior fiscal year. The budget recognizes economic adjustments for retirement, insurances, and workers' compensation and savings associated with retirements and attrition. The aggregate payroll for the classified service from October 1, 2009 through September 30, 2010, is \$4,792,516,886.

On motion duly made and supported, Resolution 2010-11 and Resolution 2010-12 were approved.

b. Travel Reimbursement Rates for FY 2010-2011 (interim approval granted)

Joyce Van Coevering with the Department of Technology, Management and Budget presented the request for approval on travel rates for FY 10-11. In a memorandum dated September 24, 2010, DTMB Director Ken Theis requested interim approval

effective October 1, 2010 for an increase in the standard mileage rate from \$0.362 to \$0.365.

On motion duly made and supported, Resolution 2010-13 was approved.

c. Proposed Rule Amendments: Rules 3-3, 8-3, & 9-1, Technical Qualification Appeals

General Counsel D. Daniel McLellan addressed the Commission regarding proposed amendments to Rules 3-3, 8-3, and 9-1 regarding Technical Qualification Appeals to streamline the technical qualification complaint process by removing two appellate steps with little remediable effect and retaining appellate review by the State Personnel Director or the Director's designee. The process under the rule change applies to all technical qualification decisions issued after December 8, 2010.

On motion duly made and supported, Resolution 2010-14, Amendments to Civil Service Rules – Technical Qualification Complaints was approved.

d. Letter of Understanding (LOU) and Secondary Agreement between MSEA and Department of Technology, Management and Budget (interim approval granted).

General Counsel D. Daniel McLellan addressed the Commission regarding the LOU and Secondary Agreement between MSEA and Department of Technology, Management and Budget which updates references in the existing secondary agreement to reflect the creation of the Department of Technology, Management and Budget.

On motion duly made and supported, the Letter of Understanding was approved.

e. Approval of CBA Amendment between OSE and MSEA regarding Contract Extension, Reopener Clause, Layoffs & Banked Leave Time, New State Health Plan, Seniority Definitions, Seniority Calculation and Seniority Reporting (interim approval granted)

General Counsel D. Daniel McLellan addressed the Commission regarding the collective bargaining agreement (CBA) between OSE and MSEA which amends and extends the primary CBA for the Labor & Trades and Safety & Regulatory Units. The agreement amends the current CBA to: 1) allow for reopened negotiations if other units agree to wage increases, 2) cap temporary layoff days, 3) authorize the new State Health Plan for new hires beginning April 1, 2010, and 4) make adjustments to seniority provisions. The agreement also provides to retain existing CBA language for one year until December 31, 2011 (non-economics); economics ending September 30, 2012. Interim approval was granted June 9, 2010.

On motion duly made and supported, Resolution 2010-015 approved the amendment, excluding the CBA extension.

On a separate motion duly made and supported, Resolution 2010-16 regarding the contract as a newly approved agreement was approved.

f. Approval of Secondary Agreement between UAW (Human Services and Administrative Support Units) and the Department of Natural Resources & Environmental Quality (DNRE) reflecting the creation of the DNRE (interim approval granted)

General Counsel D. Daniel McLellan addressed the Commission regarding the secondary agreement between OSE and UAW reflecting the creation of the Department of Natural Resources and Environment.

On motion duly made and supported, the secondary agreement between OSE and UAW was approved.

g. Approval of CBA Amendment between OSE and UAW regarding Contract Extension, Layoffs & Banked Leave Time, New State Health Plan, and other misc. (interim approval granted)

General Counsel D. Daniel McLellan addressed the Commission regarding the collective bargaining agreement (CBA) between OSE and UAW which amends and extends the primary CBA for the Human Services and Administrative Support Units. The agreement amends the current CBA to: 1) allow for fund withdrawal from the UAW training fund, 2) authorize 26 hours of banked leave time during 2010, 3) authorize the new State Health Plan for new hires beginning April 1, 2010, 4) prevents temporary layoffs during 2010, 5) address disciplinary packet handling, and 6) reduce random drug testing. The agreement also provides to retain existing CBA language for one year until December 31, 2011 (non-economics); economics ending September 30, 2012. Interim approval was granted March 23, 2010.

On motion duly made and supported, Resolution 2010-017 approved the amendment, excluding the CBA extension.

On a separate motion duly made and supported, Resolution 2010-18 regarding the contract as a newly approved agreement was approved.

h. Approval of CBA Amendment between OSE and AFSCME regarding Contract Extension, Re-open Clause, Layoffs & Banked Leave Time, New State Health Plan, and other misc. (interim approval granted)

General Counsel D. Daniel McLellan addressed the Commission regarding the collective bargaining agreement (CBA) between OSE and AFSCME which amends and extends the primary CBA for the Institutional Unit. The agreement amends the current CBA to: 1) authorize 45 hours of banked leave time during 2010, 2) authorize the new State Health Plan for new hires beginning April 1, 2010, and 3) address numerous other issues, including the disciplinary process, layoffs, drug testing, notices, compensatory time, schedules, training, and administrative leave. The agreement also provides to retain existing CBA language for one year until December 31, 2011 (non-economics); economics ending September 30, 2012. Interim approval was granted March 17, 2010.

On motion duly made and supported, Resolution 2010-019 approved the amendment, excluding the CBA extension.

On a separate motion duly made and supported, Resolution 2010-20 regarding the contract as a newly approved agreement was approved.

i. Letter of Understanding between OSE & MSEA regarding Secondary Agreements Affected by Consolidation of the Department of Natural Resources and the Department of Environmental Quality under Executive Order 2009-45 (interim approval granted)

General Counsel D. Daniel McLellan addressed the Commission regarding the secondary agreement between OSE and UAW reflecting the creation of the Department of Natural Resources and Environment. Interim approval was granted March 22, 2010.

On motion duly made and supported, the secondary agreement between OSE and MSEA was approved.

j. Approval of Secondary Agreement between UAW (Human Services and Administrative Support Units) and the Department of Technology, Management and Budget

General Counsel D. Daniel McLellan addressed the Commission regarding the secondary agreement between UAW and the Department of Technology, Management and Budget (DTMB). No violations of the Commission's rules on prohibited subjects of bargaining have been identified.

On motion duly made and supported, the secondary agreement between UAW and DTMB was approved.

k. Extension of Insurance Benefits

General Counsel D. Daniel McLellan addressed the Commission regarding the request for discussion from Commissioner Abood regarding options for extending NERE dependent group insurance coverage to adult co-residents of unmarried state employees. General Counsel McLellan indicated in 2004, the Office of the State Employer (OSE) and Unions negotiated same-sex domestic partner benefits, however, in 2004, the Michigan Constitution was amended to prohibit such benefits. He indicated that universities made benefit changes to change "same sex domestic partner" to "one unrelated adult co-resident."

Director Sharon Bommarito and Chief Deputy Director Cheryl Schmittiel, Office of the State Employer (OSE) addressed the Commission regarding Letters of Understanding submitted to modify the eligibility guidelines for the State Health Plan to allow coverage for "other eligible individuals" (OEI), between the OSE and the UAW (Administrative Support and Human Services unit), OSE and SEIU Local 517-M (Technical, Scientific and Engineering, and Human Services Support units), and AFSCME (Institutional unit). The OEI criteria are:

- At least 18 years old
- Not a relative of the state employee
- Share a residence with the state employee for 12 months (other than as tenant, renter, boarder, or employee)

- Children and dependents of OEI are also covered

Ms. Bommarito reiterated that similar agreements were negotiated and ratified in primary negotiations in 2004, but were voluntarily withdrawn by the parties before consideration by the Commission following the passage of Proposal 04-2, adding Article 1, §25 to Michigan's Constitution, with the commitment that the subject would be revisited after the courts provided guidance on the interpretation of the Constitutional amendment. Ms. Bommarito indicated that these changes provided for in the Letters of Understanding are consistent with what was agreed upon in 2004 and with what has been put into place by other public employers in Michigan since that time. Director Bommarito requested the Commission to approve the Letters of Understanding and also to approve similar changes for non-exclusively represented employees.

General Counsel McLellan addressed several questions to the Commission regarding the LOUs as written which appear to allow multiple individuals to qualify as an OEI. Additionally, he indicated that standard University models limit to a single OEI and the current LOUs don't limit to one individual. Question was also raised by Counsel regarding the effective date of LOUs as Counsel believes if an immediate effective date is approved, a waiver by the legislature would be necessary since the Constitution clearly indicates that such increase in benefit provisions for state employees need to go through the normal Governor budget proposal which allows for gubernatorial legislative veto.

General Counsel McLellan also questioned the clarity of an enrollment period and premium structure as no such structure has been identified or addressed, in addition to question as to the availability of COBRA/CGIS for an OEI.

Commissioner Abood questioned Director Bommarito as to whether any changes have been made to the LOUs to address any of the concerns highlighted by Counsel. Ms. Bommarito indicated the intent was not to cover spouse and OEI and this language could be addressed.

Interim Chairman Mac Wardrop questioned Director Bommarito as to what cost estimates have been studied. Director Bommarito indicated that studies of participation rate of employees in major universities, some counties and cities have been conducted and is less on average than 1%, with a projected cost if one individual was covered at \$2.2 million, and if benefits were extended to other eligible dependents, costs are estimated at \$5.7 million. Director Bommarito further explained that funding would come from the Group Insurance Fund and that the State Budget Office has confirmed there is adequate money to cover this expense for FY11.

Thomas Brott, Labor Representative for the Michigan Association of Governmental Employees (MAGE), addressed the Commission regarding the request of the OSE and stated that MAGE is not adverse to the concept of the Benefits Plus One proposal, however, MAGE does object to the timing of OSE's proposal to expend millions of dollars by extending health care benefits to other eligible individuals, while at the same time NEREs are being denied a 3% pay increase that was negotiated in good faith. He indicated this action would only exacerbate the morale problem with state employees and that MAGE finds it reprehensible that the state would consider this type of expenditure until the NEREs are made whole for the 3%.

Representative Rick Jones, Eaton County (District 71), addressed the Commission and urged the Commission to vote no on the request by OSE, stating this would be an additional burden to the state at a time we are looking at a \$1.6 billion budget deficit.

Interim Chair Mac Wardrop motioned to table the request due to lack of clarification in the agreements. Commissioner Abood seconded. Commissioner Blockett requested the issues be quickly addressed and heard at the next meeting. The motion passed.

6. PUBLIC COMMENT

Jay Kaplan, American Civil Liberties Union of Michigan (ACLU), addressed the Commission regarding its current anti-discrimination policy (Rule 1-8). Mr. Kaplan stated the current policy prohibits discrimination in the hiring, firing, and terms and conditions of employment on the basis of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. He stated that this rule mirrors the categories in Governor Granholm's Executive Order 2008-22 regarding state employees, with the exception of the category of "gender identity and expression." He indicated that omission of "gender identity and expression" from Civil Service rules excludes transgender persons from employment protection and requests the Commission add gender identity and expression to its policy in compliance with the Executive Order.

President Ron Marabate, Association of State Employees in Management (ASEM), addressed the Commission with regard to the breaching of the 2007 Consensus Agreement which provided for a 3% increase for NEREs, and also addressed the recent legislation passed which requires all state workers to contribute 3% of their gross wages for a new retiree healthcare fund, resulting effectively a 6% wage cut for NEREs for FY11. Mr. Marabate indicated this is in addition to state employee concessions which included banked leave time, furlough days and increased healthcare costs. ASEM reiterated the Commission's agreement with the Coordinated Compensation Panel's recommendation that Pay for Performance be closely reviewed by staff and report those findings and recommendations.

ASEM requests that the Commission take a more serious look at how all state workers are treated with respect, and in a fair and equitable manner.

7. COMMISSION APPEALS

In a closed session the Commission considered 15 recommended decisions of the Employment Relations Board (ERB). Copies of the review sheets indicating the Commission's actions on these decisions are on file with the Civil Service Commission.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Interim Chair Wardrop adjourned the meeting at 11:58 a.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Jeremy Stephens, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of December 8, 2010.



State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
January 26, 2011**

Present: Thomas M. Wardrop, Chair
 Andrew P. Abood, Commissioner
 Charles Blockett, Jr., Commissioner
 Robert W. Swanson, Commissioner
 Jeremy S. Stephens, State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by State Personnel Director, Jeremy Stephens at 10:05 in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Director Stephens requested a motion to elect a Chair. Commissioner Abood made a motion to elect Thomas (Mac) Wardrop. The motion was seconded by Commissioner Blockett. Motion carried.

Chair Wardrop called for a motion to elect a Vice-Chair. Commissioner Abood made a motion to elect Commissioner Blockett as Vice-Chair. The motion was seconded by Chair Wardrop. Motion carried.

a. Approval of Minutes

Commissioner Wardrop requested a motion to approve the minutes of the December 8, 2010 meeting. On motion duly made and supported, the Commission approved the minutes of the December 8, 2010, meeting.

b. Tribute

On motion duly made and supported, the Tribute to former Civil Service Commission Chair Sherry McMillan was adopted.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

- a. Director's Report:** The Commission received the following report from State Personnel Director Jeremy S. Stephens:

Unclassified Position Report

Since the last report, the following approvals were processed:

Department of Attorney General

1. A request dated January 6, 2011, to serve as the Chief Legal Counsel and the Director of Public Affairs. Concurrently, the positions of Chief Administrative Officer and Senior Policy Advisor were abolished. The request was approved effective January 3, 2011.

2. A request dated January 19, 2011, to serve as the Special Assistant to the Attorney General. Concurrently, the position of Director of Constituent Relations and the Constituent Relations Analyst was abolished.

Department of Human Services

A request dated January 14, 2011, to serve as the Executive Assistant to the Director. Concurrently, the position of Director of Special Projects was abolished. The request was approved effective January 9, 2011.

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 3.06 and Regulations 8.01 – 8.07

These regulations have been updated to reflect action taken by the Commission at its December 8, 2010 to reform the technical qualification complaint process. The regulations have been issued with an effective date of December 9, 2010.

Regulation 6.06, Coordinated Compensation Plan

Due to requests from the prior administration, the start of the Coordinated Compensation Process (CCP) for FY 2011-12 was delayed. Because of the short window to complete the process, the normal schedule and process was not feasible. Therefore, this regulation reflects amendments to explicitly authorize the State Personnel Director to establish alternative CCP procedures. The regulation was issued with an effective date of January 9, 2011.

4. UNFINISHED BUSINESS

a. Revised Letters of Understanding adding health care benefits for “Other Eligible Individuals”

1. OSE and UAW (Administrative Support and Human Services units)

General Counsel John Gnodtke addressed the Commission regarding 4a(1). General Counsel Gnodtke indicated that at the December 8, 2010 Commission

meeting, the Commission considered at the request of the OSE, the approval of Letters of Understanding (LOUs) with three unions that would extend state health plan eligibility to adult co-residents of state employees and their dependents. A similar proposal to extend these benefits to NEREs was also before the Commission. Both items were tabled at the December 8 meeting after several ambiguities with the LOUs were identified. These included issues related to eligibility criteria and implementation questions, such as the start date for the benefit, how enrollment would be handled, premium amounts, and the ability to continue coverage when no longer eligible.

General Counsel Gnodtke indicated that the Office of the State Employer (OSE) and AFSCME withdrew their LOU. Amended LOUs addressing one of the flagged issues with MPE and UAW were submitted on December 28, 2010 by OSE. On January 21, 2011, OSE submitted a withdrawal of its prior request for approval of the LOUs and withdrawal of its request to extend similar benefits to NEREs.

Jan Winters, Director of the OSE, indicated to the Commission that in 2004 the issue of same sex benefits was addressed but was found unconstitutional. In early December of 2010, LOUs were submitted which went beyond the original agreements and included many ambiguities that have not been addressed. Director Winters indicated that the expansion is a concern with respect to how additional costs will be dealt with. Director Winters stated that the original letters did not include dependents of a partner. The current LOUs include dependents and children and are not specific as to whether the other eligible individual may be married. Director Winters stated that the real concern is the cost of this benefit. Director Winters also stated that the exact cost involved is not known but that it will be in the millions. Director Winters proposed that the more desirable way to handle this would be to take the issue to the bargaining table and the pay setting process for NEREs. Director Winters indicated that the State has serious budget issues and asked the Commissioners to take a look at this issue from a fiscal perspective.

Georgi-Ann Bargamian, Administrative Assistant to Cindy Estrada, Vice President and Director of the International UAW Public Sector and Health Care Servicing Department, addressed the Commission. Ms. Bargamian indicated a letter regarding this issue was submitted to the Commission by Cindy Estrada. Ms. Bargamian asked the Commission to look at the LOUs with respect to Chapter 6 of the Civil Service Rules regarding Collective Bargaining. Ms. Bargamian stated that OSE and UAW bargained the LOU in good faith. Ms. Bargamian also stated that the various issues were addressed by the parties as stated in the letter to the Commission. Ms. Bargamian indicated that as far as she knew, nothing had changed regarding the State's budget situation during the past six weeks, so that should not be a consideration. She further stated that the proper way to address this issue is by amending the LOU, not by the unilateral withdrawal of the LOU by the OSE.

Commissioner Abood asked Ms. Bargamian if the cost to the state has been calculated and if the UAW is involved in any other agencies that have offered a similar type of plan.

Ms. Bargamian responded that they were informed by OSE that the cost would be a couple of million dollars and that they have LOUs with some other public sector employers similar to the LOUs before the Commission. Ms. Bargamian indicated she didn't have a specific dollar amount but knew that the costs to Northern Michigan University are nominal.

Dennis Streeter, Labor Representative for the Technical Unit, SEIU 517M addressed the Commission in support of approving the LOUs. Mr. Streeter also submitted a letter of support to the Commission. Mr. Streeter maintained that trust between the parties is the issue because the parties negotiated and came to an agreement in good faith.

Chair Wardrop asked if there was a motion to support Item 4a(1), a LOU between the OSE and UAW. Commissioner Abood made a motion to approve and the motion was seconded by Commissioner Blockett.

Commissioner Blockett indicated that he supported the motion based on four reasons: (1) Health Care benefits are not a luxury but a necessity. (2) The Unions and OSE negotiated in good faith. (3) The University of Michigan, Michigan State University and other public jurisdictions have less than 2 percent of other eligible individuals enrolled in this program, meaning that this benefit did not have a negative impact on their budget. (4) Some are saying this is not the time to extend this benefit, but history has taught us that at one point in time people said now is not the time to grant women the right to vote, to integrate the armed forces, to integrate the public schools or to grant minimum wage to employees. Commissioner Blockett indicated that he believed now is the time to extend this benefit to our employees.

Commissioner Swanson indicated his support for the motion because the LOUs were negotiated at the bargaining table and the Commission's approval is the right thing to do.

Commissioner Abood indicated that Director Winters's comments are not falling on deaf ears since the LOUs involve an expense. He stated it is a difficult decision to incur additional benefits when the state's financial problems range in the billions of dollars.

Chair Wardrop commented that he had a different point of view because last year the Commission voted not to approve the CCP's recommended 3% wage increase to NEREs, and until that 3% is reinstated he could not agree to provide benefits to non-state employees. Chair Wardrop stated that this is his concern and that is why he will be voting against the motion.

Chair Wardrop asked if the Commissioners wanted to add an effective date to the Benefits Plus One.

Commissioner Abood made a motion to add an effective date of October 1, 2011. Commissioner Blockett supported.

Chair Wardrop called for a vote. The motion passed with a three/one vote, with Chair Wardrop voting "nay".

2. OSE and SEIU Local 517-M (Technical, Scientific & Engineering units) and (Human Services Support Unit)

General Counsel John Gnodtke indicated to the Commission that the LOUs from SEIU Local 517-M units can be handled with one motion.

Chair Wardrop called for motion on 4a(2) between OSE and SEIU Local 517-M (Technical, Scientific & Engineering, and Human Services Support units).

Commissioner Abood made a motion to support with an effective date of October 1, 2011, seconded by Commissioner Blockett.

Chair Wardrop called for the vote. The motion was approved with a three/one vote, with Chair Wardrop voting "nay".

b. Extend Group Insurance Benefits for NERES (Benefits Plus One)

Chair Wardrop asked if there were any comments regarding Item 4b.

John DeTizio, Labor Relations Director for MAGE, addressed the Commission. Mr. DeTizio indicated that he felt it was important to extend the same Health Care benefit to NEREs if they are extended to bargaining units. Mr. DeTizio indicated that NERE employees have drastic morale problems due to not receiving the 3% pay increase and the pay compression problems that has caused.

Director Winters addressed the Commission restating her concern regarding the cost of this added benefit. Director Winters mentioned that the Commission has the opportunity to review and evaluate every agreement before the Commission. The revisions were delivered December 28th and a couple percent increase means millions for the State of Michigan. This issue should be addressed during the pay setting process so that the true costs can be determined. Director Winters also mentioned the fact that last year the Commission voted not to give the NEREs a 3% pay increase at the recommendation of the OSE due to severe economic concerns.

Chair Wardrop stated that the Commission was given Resolution 11-01 regarding NEREs. Chair Wardrop asked if there was a motion to approve Resolution 11-01.

A motion was duly made and supported. Chair Wardrop called for the vote. The motion carried with a three/one vote, with Chair Wardrop voting "nay".

5. NEW BUSINESS

a. Letter of Understanding between OSE and MSEA regarding recall procedures.

General Counsel Gnodtke addressed the Commission regarding the LOU between OSE and MSEA over recall procedures in the event of the sale of the Michigan School for the Deaf facility. Staff has reviewed and has not identified any violations of the Commission's rules on prohibited subjects of bargaining.

On motion duly made and supported, the LOU between OSE and MSEA regarding recall rights in the event of the sale of the Michigan School for the Deaf facility was approved.

b. One year extension of Secondary Agreement between OSE and AFSCME, MCO and UAW (interim approval granted)

General Counsel Gnodtke addressed the Commission regarding a request submitted between OSE and AFSCME, MCO and UAW to retain all Secondary Agreements for an additional year. Agreements to retain existing primary language for one additional year were approved by the Commission in early 2010. Staff has reviewed the secondaries and has not identified any violations of the Commission rules on prohibited subjects of bargaining.

On motion duly made and supported the agreement between OSE and AFSCME, MCO and UAW to retain all current secondary agreements for one year has been approved.

6. PUBLIC COMMENT

Chair Wardrop indicated that all public comments had been addressed.

7. COMMISSION APPEALS

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop adjourned the meeting at 10:45 a.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Jeremy Stephens, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of January 26, 2011.



State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
February 9, 2011**

Present: Thomas M. Wardrop, Chair
Andrew P. Abood, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Jeremy S. Stephens, State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Chair Thomas Wardrop at 10:15 in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

a. Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the January 26, 2011 meeting. On motion duly made and supported, the Commission approved the minutes of the January 26, 2011, meeting.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

- a. Director's Report:** The Commission received the following report from State Personnel Director Jeremy S. Stephens:

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. Since the last report, the following approval was processed:

Department of Natural Resources & Environment

The Department of Natural Resources & Environment submitted a request dated February 3, 2011, to serve as the Communications Director. Concurrently, the position of Press Secretary was abolished. The request was approved effective February 3, 2011.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

a. Coordinated Compensation Panel Recommendations – FY 2011/2012.

Jay Wortley from the Michigan Department of Treasury and Colleen Gossman from the State Budget Office gave an overview of the U.S. and Michigan economy and revenue status. Both Mr. Wortley and Ms. Gossman indicated that while the economy and revenues have improved, much improvement is still needed to get out of the economic decline that Michigan fell into during the recession. Some examples given regarding events that will have a serious negative impact on the future of the state's budget include the following:

- A decrease in the State income tax beginning October 2011.
- The General Fund revenue will be 25% lower than in FY 2000.
- Battery credits, which are part of the Michigan Business Tax, have been awarded and payments will commence in 2013.
- There is a significant increase in services for government assistance programs, including Medicaid, food assistance, and unemployment.
- Federal funding is no longer available to supplement the general fund.

The Commission was informed that a major concern for Michigan's economy is that the solutions used to balance the state's budget in the past would no longer be available and that any increase in wages to employees would further exacerbate the problem.

Matt Fedorchuk, Director, Office of Classification, Selection, and Compensation, indicated that this year's Coordinated Compensation Plan (CCP) process was held under unique circumstances for two reasons:

1. The outgoing administration's desire to let the incoming administration establish the OSE's position going forward.
2. The new administration's accelerated schedule for presenting the governor's budget message.

Mr. Fedorchuk further indicated that as authorized in CSC Rule 1-15.4(c), the Employment Relations Board (ERB) designated three staff members (Amy Cahoon, John Gnodtke, and him), to serve as this year's panel. On a compressed schedule, the panel accepted requests to participate from employees, accepted position statements and exhibits from all interested parties, and conducted the annual CCP hearing on February 3, 2011.

Mr. Fedorchuk stated that unlike previous years, where the ERB members made specific recommendations on each issue presented, this year's panel summarized the six issues raised and simply recommended that the Commission take appropriate action, consistent with the standards normally used in making CCP determinations.

The criteria, which are listed in Regulation 6.06 include:

- The public interest and welfare.

- The current and forecasted financial condition of the state.
- Comparison of overall compensation of NEREs with represented state employees and other public and private employees performing similar services.
- Other appropriate considerations.

Mr. Fedorchuk informed the Commission that several participants in the CCP hearing were at the Commission meeting and had requested to speak directly to the Commission. Mr. Fedorchuk stated that after public comments, the Commission would need to make motions addressing the six issues identified in the CCP recommendation. The six issues were as follows:

1. General Wage Adjustment.
2. Special Wage Increase for Michigan State Police Command Officers.
3. Performance Pay System Reform.
4. Healthcare Trust Contribution Relief.
5. Annual and Sick Leave Program Adjustments.
6. Shift Preference.

Jan Winters, Director, Office of the State Employer (OSE) stated the OSE had an opportunity this year to work with the Limited Recognition Organizations (LROs). Director Winters indicated that it is with a great deal of thought and consideration regarding the budgetary issues that OSE presented this year's Position Statement and proposals. Last year the OSE did not support the 3% increase for NEREs due to a projected cost of \$43.5 million and ultimately, the Commission did not approve the CCP Panel's recommendation, resulting in no general increase for NEREs in FY 2010/11. Director Winters stated that in keeping with the public interest and welfare, including the current and forecasted financial condition of the state, OSE again recommends that the CSC take no action on pay or benefits at this time for NEREs.

Director Winters stated the OSE recognizes that the 3% wage increase affecting only exclusively represented employees has impacted long-standing pay relationships among classes, many of which were established to recognize differences in responsibility between the classes. However, Director Winters stated that with the seriousness of the State's fiscal situation, OSE's position dictates that no increase can be responsibly recommended because any increase in compensation for state employees would only increase the seriousness of this situation.

In addition, Director Winters indicated that it is expected there will be a call for concessions when the Governor's message is released on February 17, 2011. Director Winters informed the Commission that OSE cannot recommend an increase that the state cannot afford and that will have a direct negative impact on state employees and their families. Director Winters stated that the Administration is aware that represented employees received a 3% general increase in pay and NEREs did not, and assured the Commission that as discussions move forward about potential state employee compensation adjustments, options will be considered to mitigate the situation between union employees and NEREs.

Commissioner Abood asked what a 3% increase for NEREs would cost. Director Winters stated that Ms. Gossman's earlier testimony projected \$50 million, but Director Winters estimated the cost to be closer to \$40 million with rollups. Commissioner Abood then asked if the cost was actually \$38 million as stated in the

OSE's position statement. Director Winters said that \$38 million was the cost provided, but cost differences can be attributed to payroll changes, number of employees, and other factors. The \$43.5 million cost projected last year was made based on the number of employees working prior to the early retirements. Commissioner Abood then asked how many employees could be laid off if the Commission approved the 3% increase. Director Winters indicated that no projections had been made. Commissioner Abood then asked what percentage of funds used to pay for the 3% increase would be general funds. Director Winters stated that at least 50% would be general funds.

Commissioner Blockett asked if there has ever been a time in her career when represented and non-represented employees were treated differently. Director Winters stated that she could not recall, but there may have been a lag once. Commissioner Blockett noted that at the end of last year, after the Commission voted down the 3% increase for NEREs, \$100 million was found in the budget. Director Winters stated she did not know where the \$100 million came from, but she does know that the state is in severe financial trouble.

Director Winters mentioned that during a break at the CCP hearing, an opportunity occurred to talk with the LROs and the State Personnel Director about pay for performance. Director Winters indicated that through that discussion, she believed that all parties are "on the same page" and that all agree for the need to look at this issue and look at it in an expeditious manner.

Commissioner Abood inquired as to how long it would take to bring resolution to the pay for performance information would be presented to the Commission. Director Winters deferred the question to State Personnel Director Stephens. Director Stephens indicated that the ability to sit down with OSE and the LROs is the key to addressing the issue. Now that there is willingness from all parties to meet, things could move forward with targeted completion within a few months.

Allen Williams, from the Department of Energy, Labor, and Economic Growth addressed the Commission indicating that this is the second time he has participated in the CCP stating concerns regarding the freeze on pay for performance. Mr. Williams believes that this situation has resulted in numerous pay inequities, such as administrators and managers being paid less than their subordinates, employees in lower level Group 3 positions being paid more than Group 4 employees, and newly hired Group 4 employees earning more than long-term employees, resulting in possible age and partisan discrimination. He stated that the Commission instructed the State Personnel Director to look into this matter a year ago, but that to his knowledge no action has been taken.

Mr. Williams asked the Commission to officially recognize the forfeited pay for performance awards as pay concessions, and to ensure that base compensation is based only on merit, fitness and efficiency.

Ron Marabate, President, Association of State Employees in Management (ASEM) and ASEM Board Member Melvin Farmer addressed the Commission. President Marabate indicated that if the State Personnel Director and OSE are willing to discuss the pay for performance issue and will work expeditiously to resolve it, ASEM is pleased to take part in that discussion.

Mr. Marabate stated that in 2007, ASEM signed an agreement with other LROs and the OSE to receive a 3% wage increase for FY 2011, and that part of the agreement to receive the 3% was that employees would receive a 0% wage increase in 2009 and a 1% increase in 2010. Mr. Marabate expressed to the Commission concern that even though OSE followed the agreement for 2009 and 2010, OSE did not follow through in 2011, which has created inequitable treatment of NEREs. A 3% wage increase was negotiated with OSE in good faith and voted down by the Commission. ASEM believes that the Commission's decision was unfair and strongly recommends that they now approve the 3% pay increase for NEREs. Mr. Marabate also mentioned his concern regarding the compression between supervisors and their subordinates since pay for performance was stopped.

Mr. Farmer supported Mr. Marabate's comments and added that in the past, ASEM always asked for equitable treatment and that is what ASEM is now asking for. Mr. Farmer indicated that NEREs have received the same concessions as union employees and asked that NEREs receive the same treatment when it comes to wage increases.

In response to questions from Chair Wardrop, Mr. Farmer indicated he believed that the state will be asking for cuts in wages or health care benefits since the Lt. Governor said that the proposed budget that will be presented February 17 contains all cuts. In addition, Mr. Farmer stated that he believes the administration doesn't ask NEREs, but tells NEREs what will happen to them.

Al Quattrin, Deputy Director of the Michigan Association of Governmental Employees (MAGE) and Compensation Committee Chair expressed his frustration that MAGE voluntarily entered into an agreement with OSE agreeing to 0%, 1% and 3% increases for 2009, 2010 and 2011, respectively. Mr. Quattrin indicated that the parties abided by the agreement for 2009 and 2010 but, unfortunately, OSE reneged on the 3% for 2011. Mr. Quattrin warned the Commission that the morale problem among NEREs, which already existed, has been exacerbated by this unequal treatment of not receiving the 3% increase and pay for performance. Mr. Quattrin stated that he believed the situation is not a "pay compression" problem, but a "pay collapse" problem. Mr. Quattrin encouraged the Commission to grant the 3% to NEREs.

John DeTizio, Director of Labor Relations for MAGE, addressed the Commission, stating that he believes the demands on state employees have not decreased but, in fact, have increased due to the economic turmoil of the State and the substantial decrease in the number of state employees. Mr. DeTizio stated that due to the compression of wages between supervisors and their subordinates, many employees no longer want to be promoted. Mr. DeTizio gave a number of examples of positions where an individual in a higher classification makes less than individuals in lower classification levels. Mr. DeTizio explained that employees in all departments are experiencing this inequity. He concluded by stating that this situation is not simply an equality problem, it is a management problem, a mistake made by the Granholm administration which created a serious morale problem, and the only way to fix the problem is to mandate at least a 3% wage increase.

With no further discussion, Chair Wardrop asked for a motion regarding General Wage Adjustment.

Commissioner Blockett made a motion to grant a 3% wage increase to NEREs effective October 1, 2011. Motion failed for lack of support.

Commissioner Swanson made a motion to grant a 1.5% pay increase to NEREs for FY 2012. Motion failed for lack of support.

Commissioner Blockett again made a motion to grant the 3% increase to NEREs effective October 1, 2011. Commissioner Abood seconded the motion for discussion.

Chair Wardrop asked if there was any discussion regarding the motion.

Commissioner Blockett gave the following six reasons for supporting the 3% raise:

1. For decades, the CSC has maintained the practice of pay equity between union employees and NEREs and it was wrong not to give them the 3% increase.
2. Wage compression has been created causing seasoned state employees to not want to seek promotions because many managers and supervisors are earning less than their subordinates.
3. Companies such as Ford, IBM, or Jackson National would not give a raise to their workers without giving a raise to their managers or supervisors.
4. Supervisors, managers, administrators, and executives are not allowed to bargain. These employees rely on the Commission.
5. By not giving NEREs the 3%, the Commission is unfairly penalizing them.
6. Giving NEREs the 3% is the right, fair, and just thing to do.

Commissioner Blockett also stated that over the past 8 to 10 years, state employees have given back through concessions over \$3.8 billion.

Commissioner Swanson said that although he agrees with Commissioner Blockett's comments and is concerned about pay compression and morale issues, he believes that the Commission has a responsibility to look at the fiscal situation of the state.

Commissioner Abood stated he agrees with Commissioners Swanson and Blockett, but is not ready to vote for a 3% increase that may be taken away next week and that he trusts Director Winters's statement that cuts are forthcoming given the budget situation.

Chair Wardrop called for a vote regarding the General Wage Adjustment. Motion failed with a 3 to 1 vote, with Commissioner Blockett supporting the motion.

Commissioner Swanson again made a motion to grant a 1.5% general increase to NEREs. Motion failed for lack of support.

Chair Wardrop called for a motion regarding a special increase for Michigan State Police Command Officers for FY 2011/2012.

Commissioner Swanson made a motion that no action be taken. Commissioner Blockett seconded the motion. Motion approved with a 3 to 1 vote, with Commissioner Abood voting "nay."

Chair Wardrop called for a motion regarding Performance Pay System Reform.

Commissioner Swanson made a motion that the Commission direct the State Personnel Director to undertake an expeditious review of the pay for performance system with the OSE and the LROs, and to propose reforms and/or improvements to the current system. Motion seconded by Commissioner Abood.

Chair Wardrop commented that a time frame will be set as to when the Commission will receive a pay for performance recommendation, but a discussion needs to take place with the parties to agree on a fair timeframe for completion. Chair Wardrop stated that a recommendation should be made to the Commission regarding pay for performance sooner rather than later.

Motion carried with a unanimous vote.

Chair Wardrop called for a motion regarding the Health Care Trust Contribution Relief.

Commissioner Swanson made a motion to take no action. The motion was seconded by Commissioner Blockett.

Commissioner Abood stated that the issue is compensation, which is within the plenary authority of the Commission.

Chair Wardrop stated that the Commission must protect its constitutional authority.

Chair Wardrop called for a vote on the motion to table the action. Motion failed with a 3 to 1 vote, with Commissioner Swanson voting "yes."

Chair Wardrop called for a motion regarding the Healthcare Trust Contribution Relief. Discussion took place regarding the wording of the motion at which point Chair Wardrop suggested proceeding with the agenda while a motion could be drafted.

Chair Wardrop then called for a motion regarding Annual and Sick Leave Program Adjustments.

A motion duly made and supported to take no action relating to Annual and Sick Leave Program Adjustments was approved.

Chair Wardrop called for a motion on the Seniority Based Shift Preference. Commissioner Swanson stated that he did not believe that it was a compensation issue properly before the commission in the CCP process.

A motion duly made and supported to take no action relating to the Seniority Based Shift Preference was approved.

Chair Wardrop indicated that 5b would be discussed before returning to the issue of Healthcare Trust Contribution Relief.

b. Unclassified Pay Recommendations – FY 2011/2012.

General Counsel Gnodtke addressed the Commission stating that under Article 11, § 5 of the Michigan Constitution, the Commission is required to recommend to the governor and legislature, rates of compensation for unclassified executive-branch appointees. General Counsel Gnodtke stated that the Commission traditionally took this action concurrently with its determinations regarding classified pay levels and for many years, recommendations for unclassified positions have tracked those increases awarded to NEREs. General Counsel Gnodtke stated that the administration has indicated its belief that no increase is required for FY 2012.

Chair Wardrop called for a motion regarding Unclassified Pay Recommendations.

On motion duly made and supported, the motion to recommend no increase for unclassified employees was unanimously approved.

a. Coordinated Compensation Panel Recommendations – FY 2011/2012.

The Commission then returned to the issue of Healthcare Trust Contribution Relief. General Counsel Gnodtke read MCL 38.35, Subsection (1) regarding the state employees' 3% contribution to the funding account. Commissioner Abood moved that "MCL 38.35 is an improper law in regards to taking employee compensation that is within the jurisdiction of the Civil Service Commission and that immediately the deduction shall cease in relation to NEREs." Commissioner Blockett seconded. The motion carried unanimously.

6. PUBLIC COMMENT

Chair Wardrop indicated that all public comments had been addressed.

7. COMMISSION APPEALS

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop adjourned the meeting at 12:35 p.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Jeremy Stephens, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of January 26, 2011.



State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
May 25, 2011**

Present: Thomas M. Wardrop, Chair
Andrew P. Abood, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Jeremy S. Stephens, State Personnel Director

CALL TO ORDER

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

1. APPROVAL OF MINUTES

Chair Wardrop requested a motion to approve the minutes of the February 9, 2011 meeting. On motion duly made and supported, the Commission approved the minutes of the February 9, 2011 meeting.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

Director's Report:

The Commission received the following report from State Personnel Director Jeremy S. Stephens:

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. Since the last report, approvals were processed for the following departments:

Department of Human Services
Department of Attorney General
Department of Energy, Labor and Economic Growth
Department of Community Health
Department of Natural Resources
Department of Technology, Management and Budget
Department of State
Department of Environmental Quality

The State Personnel Director indicated that detailed reports are contained in their informational packets.

Regulations

Regulation 4.08, Working out of Class, has been updated to further standardize Working out of Class eligibility criteria across classified service. Previous standard 4.B.1.b of the regulation is being deleted. The regulation has been issued with an effective date of May 1, 2011.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

There was no new business.

6. PUBLIC COMMENT

Chair Wardrop asked if anyone wished to address the Commission. There was no public comment.

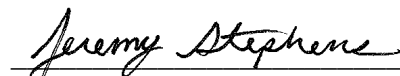
ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop adjourned the meeting at 10:03 a.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Jeremy Stephens, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of February 9, 2011.



State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
September 21, 2011**

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Jeremy S. Stephens, State Personnel Director

CALL TO ORDER

The meeting of the Civil Service Commission was opened by Chair Thomas Wardrop at 10:11 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

1. APPROVAL OF MINUTES

Chair Wardrop requested a motion to approve the minutes of the May 25, 2011 meeting. On motion duly made and supported, the minutes were approved.

Chair Wardrop welcomed Commissioner James Barrett, who replaces former Commissioner Andrew Abood.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

Director's Report:

The Commission received the following report from State Personnel Director Jeremy S. Stephens:

Unclassified Position Report

Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of unclassified positions. Since the last report, the following unclassified position actions were taken:

- The Department of Education established an unclassified position to serve as the Office of Great Start Deputy Superintendent. Concurrently, the Education Advisor to the Office of the Superintendent position was abolished.
- The Department of Corrections established an unclassified position to serve as the Correctional Facilities Administrator Deputy Director. Concurrently, the Assistant to the Director for Special Projects position was abolished.

- The Department of Environmental Quality established an unclassified position to serve as the Regulatory Affairs Officer. Concurrently, the Communications Director position was abolished.
- The Department of Natural Resources established an unclassified position to serve as the State Forester. Concurrently, the Michigan Port and Maritime Advisor position was abolished.

Director Stephens indicated that detailed reports regarding these actions are contained in the Commissioners' informational packets.

Letter of Understanding

On November 3, 2011, interim approval was granted by Civil Service Commission Chair Wardrop and State Personnel Director Jeremy Stephens for the following Letter of Understanding:

- Letter of Understanding (LOU) between the Michigan Department of Corrections and the Michigan Corrections Organization due to the closure of the Mound Road Correctional Facility. This LOU addresses the bumping process for the employees in the Security Bargaining Unit.

4. UNFINISHED BUSINESS

Chair Wardrop stated there was no unfinished business.

Commissioner Blockett then asked State Personnel Director Stephens if he could provide to the Commission the number of enrollees in the Other Eligible Adult Individual (OEAI) benefit now being offered to employees. Director Stephens indicated that the numbers have not been finalized, but preliminary numbers show that the enrollment period will end with less than one hundred people electing to receive that benefit. Commissioner Blockett stated that with that projection, he assumed the cost will be much less than the original projection of \$8 million. Director Stephens affirmed that assumption.

5. NEW BUSINESS

Item 5.A: Proposed Fiscal Year 2012 Travel Rates

Ms. Joyce VanCoevinger of the Department of Technology, Management and Budget presented the proposed Fiscal Year 2012 Travel Rates for employee travel expense reimbursement. Ms. VanCoevinger indicated that the rates are held flat for this fiscal year, except for an increase in the standard mileage reimbursement rate. That rate is changing from 0.365 to 0.390 in FY12.

Chair Wardrop requested a motion to approve Item 5.A., Travel Rates for Fiscal Year 2012. On motion duly made and supported, the motion was approved.

Legal Counsel John Gnodtke, presented Items 5.B.(i) and 5.B.(ii), which were given interim approval in June 2011 by the State Personnel Director with consent of the Chair.

Mr. Gnodtke indicated that staff has reviewed the secondary agreements and identified no prohibited subjects of bargaining.

- 5.B.(i) Secondary Agreement between UAW and the Department of Natural Resources and Secondary Agreement between UAW and the Department of Environmental Quality. Chair Wardrop requested a motion to approve Item 5.B.(i). On motion duly made and supported, the Commission approved Item 5.B.(i).
- 5.B.(ii) Secondary Agreement between UAW and the Department of Licensing and Regulatory Affairs (LARA). Chair Wardrop requested a motion to approve Item 5.B.(ii). On motion duly made and supported, the Commission approved Item 5.B.(ii).

6. PUBLIC COMMENT

The Commission received a written request to address the Commission from Nick Ciamitaro of AFSCME and Professor Roland Zullo from the University of Michigan. Mr. Ciamitaro informed the Commissioners that only Professor Zullo would be addressing the Commission on behalf of AFSCME.

Professor Zullo stated that he has studied the issue of privatization for approximately 15 years, wrote his dissertation on it, and has been studying it ever since. Ten of those years have been spent looking at various privatization cases in Michigan.

He spoke at great length about Civil Service Commission Rule 7-3, Standard D Guidelines, indicating that changes made in the Standard D process around 1993 changed the way interested parties could challenge the Standard D cost formula. Professor Zullo recommended that the Commission bring back the old system (a contested hearing process) to improve the decision making that takes place by the Commission. He provided several examples of disbursements for personal services that had been approved under Standard D which he felt contained errors and should have been more closely scrutinized. Professor Zullo opined that Standard D Guidelines skew the decision making process in favor of outsourcing and, as a result, while it might appear on paper to show cost savings, the savings do not exist in reality. He provided several examples of where, in his opinion, capital expenses, indirect expenses, and monitoring costs may have been understated or overstated.

Professor Zullo also stated his belief that the privatization of services, such as the MI Child application process, resulted in a reduction in the quality of service and responsiveness to Michigan citizens. He stated that since part of the process was handled by classified employees and part of the process was handled by the contractor, cases were bounced between the two groups due to errors, causing delays in the processing time for the citizens applying for MI Child benefits.

The professor commended the Commissioners for having a 5% threshold calculated into the contracts and noted that some states, such as Indiana and Ohio, do not have a threshold. The federal guidelines have a 10% threshold. He recommended that the Commission adopt a 10% standard threshold.

Cindy Estrada, Vice-President/Director of the International UAW addressed the Commission on behalf of the Coalition of State Employee Unions (AFSME, MCO, MSEA and UAW). Ms. Estrada stated she believes that the situation regarding the Veterans' Home is a matter of the quality of care provided. She stated that the veterans are not receiving the kind of care they deserve from contractual employees who receive low wages and no benefits. On behalf of the Coalition, she asked the Commission to investigate the situation and leave the current state employees in their respective positions until an investigation has been completed.

Mike McWhirter, a UAW member and veteran, also addressed the Commission, indicating support of Ms. Estrada's comments.

Mark Williams, an AFSME member and Resident Care Aide, then addressed the Commission, indicating that he has been a Resident Care Aide at the Grand Rapids Home for Veterans for over 17 years, and that he also serves as the union president for the activity and dietary employees at the facility. Mr. Williams stated that he is concerned about adequate care, high employee turnover, and staffing needs. Mr. Williams indicated that the main point he wishes to make is that the veterans deserve quality care.

Jim Claffey, a Resident Care Aide with the Grand Rapids Home for Veterans, addressed the Commission to discuss his perspective of the fiscal expenditures for the veterans' homes. He discussed how funding is allocated among the federal and state governments and the residents. He indicated his understanding that the state has now projected \$4.2 million in savings by privatizing staff, but federal and resident spending will increase. He stated that the only one saving is the State of Michigan and that savings on the backs of veterans is wrong.

Tony Spallone, a resident of the Grand Rapids Home for Veterans, then addressed the Commission, stating that he is currently a veteran at the home. Mr. Spallone stated that the caregivers (Resident Care Aides) are not just caregivers, but are family and know the patients' needs before the LPNs and RNs. Mr. Spallone also told the Commission of situations where the treatment provided by contractual employees was inferior to that of Resident Care Aides.

Mel Farmer, on behalf of Ron Marabate of ASEM, provided a written statement to the Commissioners for their review and indicated his opposition to the contract at the Grand Rapids Home for Veterans.

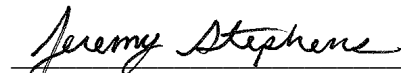
ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop adjourned the meeting at 11:07 a.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Jeremy Stephens, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of September 21, 2011.

A handwritten signature in cursive script that reads "Jeremy Stephens". The signature is written in black ink and is positioned above a horizontal line.

State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
December 15, 2011**

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Chief Deputy Director, on behalf of the State Personnel Director

Absent: Jeremy Stephens, State Personnel Director

CALL TO ORDER

The meeting of the Civil Service Commission was opened by Chair Thomas Wardrop at 10:04 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

1. APPROVAL OF MINUTES

Chair Wardrop requested a motion to approve the minutes of the September 21, 2011 meeting. On motion duly made and supported, the minutes were unanimously approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The Commission received the following report from Chief Deputy Director, Janet McClelland on behalf of Jeremy Stephens, State Personnel Director:

Unclassified Position Report

Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of unclassified positions. Since the last report, the following unclassified position actions were taken:

- The Department of Education established an unclassified position to serve as the Office of Great Start Deputy Superintendent. Concurrently, the Education Advisor to the Office of the Superintendent position was abolished.
- The Department of Corrections established an unclassified position to serve as the Correctional Facilities Administrator Deputy Director. Concurrently, the Assistant to the Director for Special Projects position was abolished.

- The Department of Environmental Quality established an unclassified position to serve as the Regulatory Affairs Officer. Concurrently, the Communications Director position was abolished.
- The Department of Natural Resources established an unclassified position to serve as the State Forester. Concurrently, the Michigan Port and Maritime Advisor position was abolished.
- The Department of Natural Resources established an unclassified position to serve as the Senior Advisor for Message Management. Concurrently, the vacant Chief of Staff position was abolished.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

Items 5.A.1. and 5.A.2., Civil Service Budget

Carol Vargovich, Director of the Office of Budget and Financial Services presented Agenda Items 5.A.1. and 5.A.2. Ms. Vargovich provided an overview of the fiscal activity for the Civil Service Commission (CSC) for Fiscal Years (FY) 2011 and 2012.

- With regard to Item 5.A.1., Ms. Vargovich asked the Commission to approve the Certification of Aggregate Payroll of Classified State Service as required by the Michigan Constitution. Ms. Vargovich reported that payroll costs for FY 2011 are \$4,680,563,564, which is a 2.34% decrease from the previous fiscal year, due to the retirement of approximately 4,500 retirees from state classified service.
- With regard to Item 5.A.2., Ms. Vargovich recommended that the Commission approve the proposed budget which is a continuation of the FY 2011 Commission-approved budget. The general fund was reduced primarily due to retirements; adjustments were also made for economics.
- Ms. Vargovich also provided a summary of financial activity for FY 2011.

The general fund budget was reduced by more than \$2 million due mainly to retirements. The CSC had a substantial general fund lapse. The restricted fund balances are substantial this year, with \$4.5 million in the 1% funds alone. In addition, lapses occurred in group insurances and training. Although the State Budget Office reduced the general fund budget, they have not yet reduced the restricted funds budget for FY 2013. We are continuing to work with the State Budget Office to correct this discrepancy and reduce restricted funds for FY 2013.

Chair Wardrop requested a motion to approve Item 5.A.1., Certification of the FY 2011 Payroll. On motion duly made and supported, the motion was unanimously approved.

Chair Wardrop then requested a motion to approve Item 5.A.2., FY 2012 Budget Proposal. On motion duly made and supported, the motion was unanimously approved.

Item 5.B. Letter of Understanding (LOU)

General Counsel John Gnodtke indicated that Item 5.B. is a LOU between the Office of the State Employer (OSE) and the Michigan Corrections Organization (MCO). Mr. Gnodtke stated that the LOU is regarding bumping issues for the Security Unit at the Mound Road Correctional Facility. Interim approval was granted on November 4, 2011 by the State Personnel Director with consent of the Chair, and is before the Commission for approval as required by Commission Rules.

Chair Wardrop requested a motion to approve Item 5.B., LOU between the OSE and MCO. On motion duly made and supported, the motion was unanimously approved.

Item 5.C. Collective Bargaining Agreements

Mr. Gnodtke stated that Items 5.C.1. through 5.C.7., address seven collective bargaining agreements.

The OSE and five unions representing nine bargaining units reached two-year voluntary primary agreements which were ratified by their memberships. Staff has reviewed the agreements and found no prohibited subjects requiring modification, thus, they are submitted to the Civil Service Commission for review and action as required by Rule 6-10.

Highlights of these agreements include:

- 1% general pay increase with a 1% lump sum increase for FY 2013.
- 1% lump sum increase for FY 2014.
- Increases to employee premium share for the State Health Plan PPO and HMOs.
- Modifications to the method for calculating overtime eligibility.
- Creation of committees for joint health care issues and consideration of the New Solutions for Michigan publication.

Before the Commission were seven resolutions to approve collective bargaining agreements. There are existing secondary agreements for MSEA, MCO, UAW, and AFSCME. Joint requests have been submitted by the parties seeking extensions of those existing secondary agreements as authorized by CSC Rules. The resolutions also include approval of extensions of secondary agreements to allow time for additional bargaining as authorized in CSC Rule 6-9.7(b)(2).

Chair Wardrop stated that the Commission would act on each contract separately, and asked Jan Winters, OSE Director, if she wanted to address the Commission before they voted.

Jan Winters, Director, OSE

Ms. Winters expressed appreciation to Civil Service staff members for their flexibility in adjusting schedules and modifying impasse filing dates, allowing OSE and the unions to focus on reaching voluntary agreements. Ms. Winters indicated that the agreements were overwhelmingly approved and that she hoped that the CSC would give it's full support and approval of the contracts.

Item 5.C.1., Agreement between AFSCME and OSE

Donald Gardner, Administrative Director of AFSCME, addressed the Commission. He stated that AFSCME has ratified the contract and is very satisfied. He then asked that the Commission approve the contract for AFSCME.

Chair Wardrop requested a motion to approve Resolution 5.C.1., Collective Bargaining Agreement between AFSCME Council 25 and OSE. On motion duly made and supported, the motion was unanimously approved.

Item 5.C.2., Agreement between MCO and OSE

Chair Wardrop requested a motion to approve Resolution 5.C.2., Collective Bargaining Agreement between MCO and OSE. On motion duly made and supported, the motion was unanimously approved.

Item 5.C.3., Agreement between SEIU 517M (HSS) and OSE

Chair Wardrop requested a motion to approve Resolution 5.C.3., Collective Bargaining Agreement between SEIU (Human Services Support) and OSE. On motion duly made and supported, the motion was unanimously approved.

Item 5.C.4., Agreement between SEIU 517M (S&E) and OSE

Chair Wardrop requested a motion to approve Resolution 5.C.4., Collective Bargaining Agreement between SEIU (Scientific & Engineering) and OSE. On motion duly made and supported, the motion was unanimously approved.

Item 5.C.5., Agreement between SEIU 517M (Technical) and OSE

Chair Wardrop requested a motion to approve Resolution 5.C.5., Collective Bargaining Agreement between SEIU (Technical) and OSE. On motion duly made and supported, the motion was unanimously approved.

Item 5.C.6., Agreement between UAW and OSE

Cindy Estrada, Vice-President, International UAW, addressed the CSC on behalf of the UAW and the Coalition of State Employee Unions. Ms. Estrada expressed her appreciation to the CSC and the OSE for their patience during the negotiation process. She stated that she is excited about the voluntary agreement and is looking forward to working with the OSE to develop an innovative approach to saving money for our state, both its citizens and employees.

Chair Wardrop requested a motion to approve Resolution 5.C.6., Collective Bargaining Agreement between UAW and OSE. On motion duly made and supported, the motion was unanimously approved.

Item 5.C.7., Agreement between MSEA and OSE

Commissioner Swanson congratulated the OSE and unions for their hard work in coming to a voluntary agreement on these contracts. He recognized their ability to work well together, even during this economy, to create contracts that please both sides for the next two years, and to set up sub-committees to look into the future.

Commissioner Blockett stated that collective bargaining within the classified workforce has been in existence since the 1980's, and at that time it was very controversial whether collective bargaining should take place within the classified workforce. The State of Michigan has not experienced a single work stoppage or strike since 1980

because collective bargaining allows state employees to focus on what's most important, providing quality service to the people in the State of Michigan. He commended all parties for doing an excellent job.

Chair Wardrop requested a motion to approve Resolution 5.C.7., Collective Bargaining Agreement between MSEA and OSE. On motion duly made and supported, the motion was unanimously approved.

Item 5.D., Coordinated Compensation Panel (CCP) Recommendation

Matthew Fedorchuk, Director, Office of Classification, Selection, Compensation, and Human Resources Training and Development, presented the recommendation developed by the members of the Employment Relations Board serving as the CCP. The CCP, as provided in Civil Service Rule 5-1, held a hearing on Tuesday, December 13, 2011, and made the following recommendations for the Commission's consideration:

- A 3% general adjustment and a 2% lump sum payment, both effective October 12, 2012, for all Non Exclusively Represented Employees (NEREs).
- An increase in employees' share for the State Health Plan PPO from 10% to 20%. The premium share would also increase for the HMO plans and could cap at the amount paid for the State Health Plans. Identical premium increases were contained in the Collective Bargaining Agreements just approved by the Commission.

The CCP recommended that the Commission take no action on the proposal of the Michigan Association of Governmental Employees (MAGE) to order further study of pay compression.

The CCP also recommended that the Commission take no action on the proposal of the Association of State Employees in Management (ASEM) to establish a process for special treatment of lump sum pay awards.

In addition, the CCP found insufficient evidence to support the request of a Department of Human Services employee for a special pay increase for the Social Services Administrative Supervisor classification and, therefore, recommended that the Commission deny this request.

Chair Wardrop requested a motion to approve Resolution 5.D., Coordinated Compensation Panel Recommendation. On motion duly made and supported, the motion was unanimously approved.

Item 5.E., Unclassified Pay Recommendation

Mr. Fedorchuk presented the proposed Annual Unclassified Pay Recommendation required under Article 11, Section 5 of the Michigan Constitution. The CSC, in fulfillment of the constitutional requirement, recommends to the Governor and the Legislature, rates of compensation for all appointed positions within the executive department, not a part of the classified service, that unclassified rates of compensation be increased by up to a 1% base wage and up to a 1% lump sum, not rolled into base, effective October 1, 2012.

Chair Wardrop requested a motion to approve Resolution 5.E., Unclassified Pay Recommendation. On motion duly made and supported, the motion was unanimously approved.

Item 5.F., Rule Change 5-4.2, Overtime

General Counsel Gnodtke addressed the Commission regarding the proposed rule change. He stated that the Collective Bargaining Agreements just approved by the Commission reference changes to the calculation of overtime eligibility. Mr. Gnodtke indicated that SPDOC 11-07 was circulated last week to propose similar changes for the Nonexclusively Represented Employees. Because only 7 days notice was provided, the Commission must waive the notice requirements as authorized in Rule 1-1.3. If that waiver is granted, a motion would then be needed for the approval of the rule change. The rule change would be effective January 1, 2012.

Chair Wardrop requested a motion to approve waiving the normal notice requirements as authorized by Rule 1-1.3. On motion duly made and supported, the motion was unanimously approved.

Chair Wardrop then requested a motion to approve Item 5.F, rule change for overtime. On motion duly made and supported, the motion was approved.

6. PUBLIC COMMENT

- Alan Quattrin, President of MAGE addressed the Commission. Mike Herendeen, Deputy Director of MAGE was also present.

Mr. Quattrin stated that MAGE represents the largest group of supervisory or leadership employees in state employment. He informed the Commission that there is still a morale problem throughout the ranks of the NEREs and that a pay compression problem still exists. He stated that MAGE is pleased that the administration has recognized this inequity by agreeing to give NEREs a larger raise. MAGE is supporting this raise as a step in the right direction. MAGE asked that the Commission remember next year that the NEREs did not receive raises in 2010 and 2011 when represented employees did receive raises. Mr. Quattrin expressed his appreciation of the support of some of the Commissioners, particularly Commissioner Blockett.

- Jan Winters, OSE Director, addressed the Commission.

OSE has had many discussions with NEREs and Limited Recognition Organizations (LROs) since Ms. Winters returned to the OSE in January 2011. Previously, the CSC made a very difficult decision to deny the approval of a 3% increase for the NEREs. That was the first time in history that union represented employees received a general increase but the NEREs did not. She stated that when she addressed the CSC a year ago, the Commission asked her to look at the situation carefully before asking for an increase for NEREs the following year.

Ms. Winters stated that there were no layoffs as a result of the employee concession number included in the Governor's budget message. She noted that a good deal of the gap was closed by abolishing funded vacant positions. The OSE looked very carefully at a number of considerations, and stated that the administration supports the 3% general adjustment and the 2% lump sum for the

NEREs. For the non-union portion of the state workforce, the raises in FY 2009, FY 2010, FY 2011 and FY 2012 have been 0%, 1%, 0% and 0%. That amounts to only 1% over the last four years.

Commissioner Swanson stated that when the Commission met in January 2011, the CSC was concerned about the equity situation between represented and non-represented employees. Commissioner Swanson expressed his thanks to Ms. Winters and the OSE for following through on issues regarding equity.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop adjourned the meeting at 11:07 a.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Janet McClelland, Chief Deputy Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of December 15, 2011.



Janet McClelland
Chief Deputy Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
March 14, 2012**

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Jeremy Stephens, State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Chair Thomas Wardrop at 10:06 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

a. Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the December 15, 2011 meeting. On motion duly made and supported, the Commission approved the minutes of the December 15, 2011, meeting.

b. Tribute

Chair Wardrop requested a motion to approve a Tribute to former Commissioner Andrew Abood. On motion duly made and supported, the Tribute was adopted.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The Commission received the following report from Jeremy Stephens, State Personnel Director:

Unclassified Position Report

- On December 19, 2011 a request was received from the Department of Military & Veterans Affairs to establish an unclassified position to serve as the Executive Director of Public Safety. The request was approved on January 13, 2012.
- On December 27, 2011, a request was received from the Department of Attorney General to establish an unclassified position to serve as the Solicitor General.

Concurrently, the Director of Constituent Relations for SE Michigan and the Constituent Relations Representative positions are abolished. The request was approved on January 4, 2012.

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 5.18, Complaints About Benefits

Director Stephens indicated the following changes:

1. Updated references to new insurance plan offerings and newly selected third-party administrators.
2. Added new definitions.
3. Streamlined the appeal process for complaints over benefit decisions made by Civil Service staff.
4. Clarified the plans over which the Employee Benefits Division may hear HIPAA privacy complaints.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

Rules

General Counsel John Gnodtke presented the following proposed Rule amendments:

- **Amendments to Rule 6-6.3, Insurance Examiners Working Out of State**

Mr. Gnodtke stated that this amendment updates references to the Department of Labor and Economic Growth, which is now the Department of Licensing and Regulatory Affairs. Chair Wardrop requested a motion to approve the proposed amendment to Rule 6-6.3. On motion duly made and supported, the motion was unanimously approved.

- **Amendment to Rule 6-16, Payroll Deduction for Contributions to Separate Segregated Funds**

Mr. Gnodtke stated that this rule was never implemented and is being rescinded due to recently concluded litigation. Chair Wardrop requested a motion to approve the proposed amendment to Rule 6-16. On motion duly made and supported, the motion was unanimously approved.

6. PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop adjourned the meeting at 10:11 a.m.

NOTE:

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Jeremy Stephens, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of March 14, 2012.



Jeremy S. Stephens
State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
May 23, 2012**

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Jeremy Stephens, State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Chair Thomas Wardrop at 11:03 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the March 14, 2012 meeting. On motion duly made and supported, the Commission approved the minutes of the March 14, 2012 meeting.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The Commission received the following report from Jeremy S. Stephens, State Personnel Director:

Unclassified Position Report

On May 10, 2012, a request was received from the Department of State Police to establish an unclassified position to serve as the Chief Administrative Officer. The request was approved on May 11, 2012.

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 3.04, Selection of Employees for Position Vacancies

Director Stephens stated that this Regulation modification formalizes a practice already used by many agencies allowing the consideration of applicants who will soon obtain the required educational credentials to assume a classified position, but seek employment while still concluding their studies.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Rules

General Counsel John Gnodtke presented the following proposed Rule amendments:

Amendments to Rule 5-6, Additional Compensation: Miscellaneous

Mr. Gnodtke stated that these amendments are updates reflecting approvals that were made in the Coordinated Compensation Panel process in 2008 but not memorialized in the Rules regarding the Lottery Sales Incentive Payments Program and updating the classifications for some positions in the Department of Licensing and Regulatory Affairs that are eligible for an out-of-state premium. The amendments were circulated in April 2012. On motion duly made and supported, the Commission approved the Amendments to Rule 5-6.

B. Collective Bargaining Agreement

General Counsel John Gnodtke presented the following Collective Bargaining Agreement between the Office of the State Employer (OSE) and the Michigan State Police Troopers Association (MSPTA):

The OSE and the MSPTA reached an agreement for a new Collective Bargaining Agreement which was ratified on March 5, 2012. It was then transmitted to the Commission on March 27, 2012. On motion duly made and supported, the Commission approved the Collective Bargaining Agreement between OSE and MSPTA.

C. Secondary Agreements (Interim Approval Granted) – Resolution 12-01

General Counsel John Gnodtke presented Resolution 12-01:

Resolution 12-01 is to affirm and approve the Interim Approval Granted by the State Personnel Director with consent of the Commission Chair for two secondary agreements between AFSCME Council 25; Department of Corrections (DOC) and the Department of Human Services (DHS). On motion duly made and supported, the Commission approved the AFSME Secondary Agreements for the DOC and the DHS.

D. Secondary Agreements (New) – Resolution 12-02

General Counsel John Gnodtke presented Resolution 12-02:

Resolution 12-02 addresses four Secondary Agreements with the International Union and the United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) for the Department of Community Health, Department of Education, Department of Licensing and Regulatory Affairs, and the Department of Technology, Management and Budget. On motion duly made and supported, the Commission approved all four Secondary Agreements.

6. PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop adjourned the meeting at 11:08 a.m.

NOTE:

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of May 23, 2012.



Janet McClelland
Acting State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
September 19, 2012**

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

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

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the May 23, 2012 meeting and the revised minutes of the December 15, 2011 meeting. On motion duly made and supported, the Commission approved the minutes of the May 23, 2012 meeting and the revised minutes of the December 15, 2011 meeting.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

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

Unclassified Positions Report

Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of positions in the state unclassified service. Since the last report, the following approvals were processed:

- On June 1, 2012, a request was received from the Department of Human Services requesting the establishment of an exempt unclassified position to serve as the Program Specialist for interagency and private partner collaboration. Concurrently, the vacant Deputy Director for Policy & Compliance position was abolished. This request was approved on June 1, 2012.
- On July 25, 2012, a request was received from the Department of Environmental Quality requesting the establishment of an exempt unclassified position to serve as the Legislative Affairs Director. Concurrently, the vacant Public Information Officer position was abolished. This request was approved on July 31, 2012.

- On August 3, 2012, a request was received from the Department of Natural Resources requesting the establishment of an exempt unclassified position to serve as the Resource Economic Development Liaison. This request was approved on August 3, 2012.
- On August 27, 2012, a request was received from the Department of Community Health requesting the establishment of an exempt unclassified position to serve as the Special Assistant to the Director. Concurrently, the vacant Communications Director position was abolished. This request was approved on August 28, 2012.

Regulation Amendments

Regulation 5.05, Longevity Compensation

This Regulation modification was issued to clarify the acceptable documentation required for military service credit. The change reflects the deletion of previous Standard A.2.e.(1)(c).

Regulation 6.02, Unfair Labor Practice Charges (ULP)

This modification made the following three revisions:

- 1) Formally states that attorney fees and costs are not available as relief in ULP charges.
- 2) Formally states that hearings procedures in Regulation 8.01, which have long been informally used to conduct ULP hearings, apply.
- 3) Clarifies the standing of employees, the employer, and labor organizations to file and participate in ULP charges.

Regulation 4.02, Preauthorized Position Classification Actions and Regulation 4.05, Frequency of Review of Positions

- Regulation 4.02:
The primary change recommended identifies the standards of Regulation 4.05 that grant the appointing authority authorization to execute an early reclassification.
- Regulation 4.05:
The recommended change identifies when an early reclassification is allowed. This includes updates to Standard E and establishes Standard F.

Regulation 1.04, Reasonable Accommodation

This modification made the following two revisions:

- 1) Removed outdated references to form names and retention schedules.
- 2) Provided additional flexibility in evaluating the efficacy of accommodations.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Tribute to Richard I. Warner

Richard I. Warner resigned from the Employment Relations Board after 13 years of service. On motion duly made and supported, the Commission adopted a Tribute to Mr. Warner.

B. New Appointments to the Employment Relations Board

General Counsel John Gnodtke stated that ERB members have been serving in expired terms and now, with the resignation of board member Richard Warner, Resolution 12-03 is presented to reestablish the schedule of staggered appointments contemplated in Rule 1-15 by reappointing William Braman through May 1, 2013; appointing Marie Walkes through May 1, 2014, and reappointing Susan Zurvalec as chair through May 1, 2015.

On motion duly made and supported, the Commission approved the appointments.

C. Proposed Fiscal Year 2013 Civil Service Commission Budget

Carol Vargovich presented and requested approval of Resolution 12-04, the proposed Civil Service Commission budget for fiscal year 2013. On motion duly made and supported, the Commission approved the proposed budget.

D. Proposed Fiscal Year 2013 Travel Rates

Joyce VanCoevering of the Department of Technology, Management and Budget presented the proposed fiscal year 2013 travel reimbursement rates. Ms. VanCoevering stated that the only change from last year is the hotel rate, which changed from \$65 per night to \$75 per night. Commissioner Swanson and Chair Wardrop asked questions about the decision to establish the reimbursement rate at \$75 per night. Ms. VanCoevering answered the questions to the Commissioners' satisfaction. Upon motion duly made and supported, the Commission approved the proposed travel rates.

E. Letter of Understanding (LOU) between the Office of the State Employer (OSE) and the Michigan Corrections Organization (MCO), Department of Corrections Security Unit

General Counsel John Gnodtke presented an LOU between OSE and MCO, and stated that this LOU creates a 12-hour shift pilot program for the Muskegon Correctional Facility. With the consent of the Chair, the State Personnel Director granted interim approval to this LOU in July. Under Rule 1-1.4, that approval is now before the Commission for consideration. Upon motion duly made and supported, the Commission approved the letter of understanding.

F. Memorandum of Understanding (MOU) on Retiree Benefits: EGWP/Wraparound

General Counsel John Gnodtke presented a MOU between the Civil Service Commission and the Department of Technology, Management and Budget on retiree benefits.

The Commission and DTMB are charged with authorizing any group health insurance for retirees and their beneficiaries. This MOU approves a restructuring of the prescription drug benefit to institute an Employer Group Waiver Plan (EGWP) wraparound dual plan. This restructuring is intended to maximize federal reimbursements. The EGWP portion will

recreate the benefits Under Medicare Part D while the wraparound portion will attempt to replicate current parts of the existing coverage for retirees that exceed those minimum Part D requirements. The copays will not change. The restructuring is intended to increase those payments back to the state under federal law without significantly affecting the benefits to retirees. This is simply a restructuring to maximize federal reimbursement to the state but not an enhancement to the benefits. Commissioner Swanson disclosed that he is a SOM retiree and this is his insurance, too. Commissioner Blockett stated that as a retiree, the same applies to him.

Upon motion duly made and supported, the Commission approved the MOU.

G. Secondary Agreements (Interim Approval Granted)

General Counsel John Gnodtke presented secondary agreements (interim approval granted) between the Office of the State Employer and the UAW, AFSCME, MSEA, and MCO. Resolution 12-05 lists eleven secondary agreements that have been received since the last Commission meeting and were granted interim approval by the Acting State Personnel Director and the Commission Chair. Upon motion duly made and supported, the Commission approved Resolution 12-05, secondary agreements.

H. Secondary Agreements

General Counsel John Gnodtke presented secondary agreements between the Office of the State Employer and the UAW that are covered by Resolution 12-06. This resolution lists nine secondary agreements between the UAW and various agencies that had not been granted interim approval. Upon motion duly made and supported, the Commission approved Resolution 12-06, Secondary Agreement.

6. PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop adjourned the meeting at 10:19 a.m.

NOTE:

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of September 19, 2012.

A handwritten signature in black ink, reading "Janet McClelland", enclosed within a thin black rectangular border.

Janet McClelland
Acting State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
December 12, 2012**

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

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

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the September 19, 2012 meeting. On motion duly made and supported, the minutes of the September 19, 2012 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

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

Unclassified Positions Report

Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of positions in the state unclassified service. Since the last report, the following approvals were processed:

- On October 2, 2012, a request was received from the Department of Civil Rights to establish an exempt unclassified position to serve as the Senior Executive of Initiatives. Concurrently, the vacant Deputy Director position was abolished. This request was approved on October 8, 2012.
- On October 25, 2012, a request was received from the Department of Civil Rights to establish of an exempt unclassified position to serve as the Outreach Liaison. This request was approved on October 30, 2012.
- On October 29, 2012, a request was received from the Department of Community Health to establish an exempt unclassified position to serve as the Senior Deputy Director for External Affairs and Communication. Concurrently, the vacant Public

Deputy Director of Policy and Planning position was abolished. This request was approved on October 30, 2012.

- On November 2, 2012, a request was received from the Department of Environmental Quality to establish an exempt unclassified position to serve as the Director of Communications. Concurrently, the vacant Regulatory Affairs Officer position was abolished. This request was approved on November 8, 2012.
- On November 9, 2012, a request was received from the Department of Agriculture and Rural Development to establish an exempt unclassified position to serve as the Director of Strategy & Business Performance. This request was approved on November 9, 2012.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Civil Service Commission Budget

Items 5.A.1. and 5.A.2., Civil Service Budget

Carol Vargovich, Director of the Office of Budget and Financial Services, presented Agenda Items 5.A.1. and 5.A.2. Ms. Vargovich stated Agenda Item 5A is the annual update of the financial activities of the Civil Service Commission which includes the certification of aggregate payroll for the prior fiscal year, summary of financial activity for FY 2012 and the budget proposal for FY 2014.

- With regard to Item 5.A.1., Certification of Aggregate Payroll of Classified State Service, Ms. Vargovich stated that the total payroll cost for FY 2012 was \$4,974,653,980, with an average of 49,600 Full-Time Employees. Certification of the Aggregate Payroll of the Classified State Service is required by the Michigan Constitution.
- Ms. Vargovich provided a summary of the FY 2012 financial activity for the Civil Service Commission, which included a general fund lapse of \$1,088,500 due to a reduction in expenditures.
- With regard to Item 5.A.2., Ms. Vargovich stated that the proposed 2014 budget is a continuation of the FY 2013 Commission-approved budget. The only anticipated adjustment is for the transfer of four full-time positions to the Department of Human Services that had been part of the Human Resources Consolidation. The responsibilities of those four positions are primarily training and may be transferred back to the Department of Human Services. In addition, the proposed budget reflects the elimination of employee lump sum payments but does not recognize economic adjustments for retirement, insurances, and workers' compensation.

Ms. Vargovich stated that it appears that the proposed FY 2014 budget is below the appropriation amount for the FY 2012 budget. This is due to the fact that the proposed FY 2014 budget is simply the baseline; it does not have the economics factored into it yet.

Ms. Vargovich asked the Commission to approve Resolution 5.A.1., Certification of the Aggregate Payroll FY 2012 and Resolution 5.A.2., Civil Service Commission budget for FY 2014.

Chair Wardrop requested a motion to approve Item 5.A.1., Certification of the FY 2012 Aggregate Payroll. On motion duly made and supported, the motion was unanimously approved.

Chair Wardrop requested a motion to approve Item 5.A.2., FY 2014 Budget Proposal. On motion duly made and supported, the motion was unanimously approved.

B. Coordinated Compensation Panel Recommendation

General Counsel John Gnodtke presented the Coordinated Compensation Plan Recommendation (CCP) for FY 2014. After his presentation, Chair Wardrop asked if there was any public comment regarding the CCP. The following persons addressed the Commission:

- Jan Winters, Office of the State Employer Director expressed her support of the 1% base pay increase and the remainder of the CCP recommendation.
- Mike Herendeen and Alan Quattrin of the Michigan Association of Governmental Employees (MAGE) addressed the Commission. MAGE stated that in Oct 2010, FY 2011 union employees received a 3% raise and NERES received no raise. Then, in October 2012, union employees received a 1% base pay increase and a 1% lump sum payment while the NERES received a 3% base pay raise and a 2% lump payment.

MAGE also noted that at the end FY 2013, NERES are still left with a 1% deficiency in base pay compared to unionized subordinates, and have lost what would amount to at least a one-time 6% lump sum payment, which is the previous 2 years of zero base pay increase versus the 3% base pay increases enjoyed by the unionized employees over the same period.

MAGE further stated that the net result of the union employees base pay increase is 4% compared to the NERES 3%, which is problematic and, if not corrected, every subsequent base pay increase will exacerbate the already existing pay compression problems between the managers who are mostly NERES and the subordinate positions they supervise, which are often unionized.

Finally, MAGE requested a 3% base pay increase and a 1% lump sum, and a 2% increase over what the unionized employees receive.

- Andre Friedlis of the Association of State Employees in Management (ASEM) addressed the Commission to summarize a position statement issued by ASEM President, Jennifer Fields. Copies of the position statement were provided to the Commissioners. Mr. Friedlis stated that during the CCP process for FY14, ASEM requested a 3% general wage increase and a 1% lump sum payment, as well as raising the caps on annual leave accrual. Mr. Friedlis explained that there has been unequal treatment of NERES since FY11 when NERES did not receive the same 3% wage increase as union-represented employees. He expressed that while ASEM appreciates the compensation awarded in FY13 and the CCP recommendation for

FY14, the disparity still exists. Therefore, ASEM is respectfully requesting that NEREs also be awarded a 1% lump sum payment.

Chair Wardrop asked if anyone else wished to address the Commission on this topic. Seeing none, he requested a motion to approve the CCP recommendation for FY 2014. Upon motion duly made and supported, the Commission approved the recommendation.

C. Unclassified Compensation Recommendation

General Counsel John Gnodtke presented to the Commission Resolution 12-07, Recommended Rates of Compensation for Unclassified Positions. This resolution recommends a 1% lump sum, with no increase in base pay, consistent with the bargained-for compensation increases for the upcoming fiscal year. Upon motion duly made and supported, the Commission approved the recommendation.

D. Letter of Intent (Interim Approval Granted)

General Counsel John Gnodtke presented a Letter of Intent between MSEA and OSE. This letter changes the date of observance of one state holiday that fell in the midst of the 18th Motor Carrier Recruit School. Upon motion duly made and supported, the Commission approved the recommendation.

E. Secondary Agreements (Interim Approval Granted)

General Counsel John Gnodtke presented nine secondary agreements to the Commission. Upon motion duly made and supported, all nine secondary agreements were approved.

F. Secondary Agreements

General Counsel John Gnodtke presented new secondary agreements between the Michigan State Employees Association and the departments of Attorney General, Natural Resources, Human Services, and Transportation. Upon motion duly made and supported, the Commission approved all four Secondary Agreements.

6. PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop adjourned the meeting at 11:00 a.m.

NOTE:

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.



Janet McClelland
Acting State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
March 20, 2013**

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Chair Thomas Wardrop at 10:04 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the December 12, 2012 meeting. On motion duly made and supported, the minutes of the December 12, 2012 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

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

Unclassified Positions Report

Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of positions in the state unclassified service. Since the last report, the following approvals were processed:

- On December 3, 2012, a request was received from the Department of Treasury to establish an exempt unclassified position to serve as the Executive Director of MSHDA. Concurrently, the vacant Racing Manager of the MI Gaming Control Board position was abolished. This request was approved on December 6, 2012.
- On December 26, 2012, a request was received from the Department of Attorney General to establish an exempt unclassified position to serve as the Director of Public Relations. This request was approved on January 3, 2013.
- On January 3, 2013, a request was received from the Department of Human Resources to establish an exempt unclassified position to serve as the Media Consultant & Director of Communications. Concurrently, the vacant Director of Inter-Agency Collaboration & Reengineering position will be abolished. This request was approved on January 7, 2013.

- On January 24, 2013, a request was received from the Department of Corrections to establish an exempt unclassified position to serve as the Chief Deputy Director. Concurrently, the OSA Deputy Director position was abolished. This request was approved on January 24, 2013.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Resolution 13-01, UAW and MSEA Agreements (Interim Approval Granted)

General Counsel John Gnodtke presented Item 5.A., Resolution 13-01. Mr. Gnodtke stated that Resolution 13-01 would approve secondary agreements involving the UAW, MSEA, and four state agencies. The Acting State Personnel Director, with consent of the Chair, previously granted interim approval of the four agreements. Staff has reviewed them and found no prohibited subjects of bargaining and, with the CSC adoption of Resolution 13-01, those four secondary agreements would be approved. Chair Wardrop requested a motion to approve Item 5.A., Resolution 13-01. On motion duly made and supported, Resolution 13-01 was unanimously approved.

B. Resolution 13-02, Rule 5-6, Additional Compensation: Miscellaneous

General Counsel John Gnodtke presented Resolution 13-02. In February, SPDOC 13-01 was circulated for proposed changes to Rule 5-6, Additional Compensation: Miscellaneous.

The proposed amendments to Rule 5-6.3 involve out-of-state premiums available for positions classified as Financial Institution Examiners and Financial Institution Managers. The proposed changes address the executive reorganization involving the Department of Licensing and Regulatory Affairs (LARA). These positions will be in the newly created Department of Insurance and Financial Services (DIFS). This rule change removes the prior reference to LARA in Rule 5-6. As a result of public comment, additional changes to Rule 5-6.3 will make the out-of-state premium available to anyone in the Financial Institution Examiner, Financial Institution Manager, or Financial Institution Specialist classes regardless of level as long as they perform the necessary out-of-state work. The amendments to Rule 5-6.3 will be effective immediately upon approval.

The proposed amendments to Rule 5-6.13 are regarding the Lottery Sales Incentive Program. These changes were conceptually approved by the Commission during last year's Coordination Compensation Process and will be implemented effective October 1, 2013. Upon motion duly made and supported, the Commission approved the rule amendments.

C. Consolidation of NERE Professional Development Funds (Interim Approval Granted)

General Counsel John Gnodtke presented this item to the Commissioners. At the request of the Office of the State Employer (OSE), the proposed administrative consolidation combines the Business and Administrative Unit and Managerial, Supervisory, and Confidential Professional Development Funds for the current and coming fiscal years. The Acting State Personnel Director, with the consent of the chair, approved this request. Upon motion duly made and supported, the Commission approved the recommended consolidation.

D. Letter of Understanding Between OSE and MCO (Interim Approval Granted)

General Counsel John Gnodtke presented a Letter of Understanding to establish holiday scheduling procedures for employees of the Center for Forensic Psychiatry in the Security Unit. Upon motion duly made and supported, the Commission approved the Letter of Understanding.

E. Letter of Understanding Between OSE and UAW (Interim Approval Granted)

General Counsel John Gnodtke presented a Letter of Understanding to establish overtime procedures for employees of the Department of Civil Rights involving a HUD grant for the Human Services Unit. Upon motion duly made and supported, the Commission approved the Letter of Understanding.

F. Letter of Understanding Between OSE and MCO (Interim Approval Granted)

General Counsel John Gnodtke presented a Letter of Understanding to allow custody staff at the Newberry Correctional Facility to be assigned to a 12-hour shift as a pilot. Upon motion duly made and supported, the Commission approved the Letter of Understanding.

6. PUBLIC COMMENT

Chair Wardrop stated that the allotted time for each public comment is five minutes, however, the Commission has the authority to grant more time and, if needed, less time. He also stated that the Commission is aware that there are two pending administrative appeals regarding issues at the Grand Rapids Home for Veterans (GRHV). Chair Wardrop informed those present that the Commission considers administrative appeals during closed sessions and its procedures have no provisions for briefing, argument, or other advocacy to the Commission. Chair Wardrop indicated that the Commission is aware of the legislative hearings regarding the same issue, and he asked that the speakers not put the Commissioners in a position of oral argument. He stated that the Commission will hear the comments for informational purposes only. The following individuals addressed the Commission:

Mr. Richard Mack, on Behalf of the Residents of the GRHV

Mr. Mack thanked the Commission for the opportunity to speak regarding the issues at the GRHV. He indicated that he would not be making legal arguments but that he wanted the Commission to see the dozens of veterans from the GRHV that attended this meeting. Mr. Mack stated that the appeals decision to be made by the Commissioners will directly impact the lives of these veterans. Mr. Mack stated that the decision could mean the health and well-being and, in some cases, the life or death of these veterans. He stated that this issue is about whether J2S staff should be first-line caregivers for these veterans who have faithfully served our country. A packet of complaints against J2S, addressed to the State of Michigan, was presented to the Commissioners. Mr. Mack encouraged the Commission to go through this packet to see who is being sent into these homes to care for the veterans. Mr. Mack told the Commissioners that he previously represented the veterans at a hearing where the judge found the behavior of J2S so appalling that she prevented the contract from taking place. He acknowledged that the injunction was overturned in the Court of Appeals, but the information that this judge saw first-hand was very pertinent. Mr. Mack stated that prior to this contract taking effect the J2S workers had been working in the home to supplement the State of Michigan staff. He said that there are approximately 170 nurse assistants and they are the front line of care for these veterans.

Mr. Mack indicated that before this contract became effective, the J2S workers were overseen by state-employed unit coordinators. Under the current contract, the J2S employees are supervised by J2S supervisors. This means that there is no direct State oversight of the J2S workers. Mr. Mack feels that the J2S supervisors have a financial incentive to sweep abuse and neglect under the rug. He outlined several examples of J2S employees not providing proper care to veterans in the home. He also alleged poor training was provided by J2S employees and gave examples of bad behavior by a supervisor.

Mr. Mack also expressed concern that J2S cannot provide the necessary staff. Recently, J2S advertised on Craigslist that they needed 120 people to fill jobs and that they offered training. Per the contract, J2S was to hire workers with at least 12 months work experience.

Previously, their postings indicated that they needed only 6 months experience. Currently, the Craigslist posting does not list how much experience is necessary to obtain a job caring for the veterans.

Mr. Mack stated that he believes that the Commission can reverse the J2S contract and make things right for these veterans. He asked the Commission to please review the information they have received and would hear about from other speakers to make the right decision for our veterans.

Veteran Residents at the GRHV

Residents John Palmer, Norman Tope, Gail Klukos, Tony Spallone, John Tomiasik, and Everett Carr addressed the Commission to share their opinions of a lack of quality care and abuse since the state-employed caregivers have been replaced by J2S caregivers. They requested that the State of Michigan void the J2S contract and put the state-employed caregivers back to work.

Members of the UAW Local 6000 Veterans Committee

Michael McWhirter and James Scruggs addressed the Commission to give examples of the poor care they have witnessed at the GRVH and they urged the Commission to take action.

Current or Former GRVH State-Employed Caregivers

Mark Williams, Tammy Porter, Frank Snarski, Joe Pranomvanaveom, Patrick Otto, Marie Rance, Trina Cogger, Mary Misner, and Betty Moore addressed the Commission to express their concern regarding the abuse and neglect of the veterans by the J2S workers. They gave examples of mistreatment by J2S caregivers and stated that the J2S staff does not have the necessary experience to care for the veterans.

Others who Addressed the Commission

Nick Ciaramitaro, AFSCME Director of Legislation and Public Policy, explained that the materials that were provided to the Commission include three items: one packet contains the exhibits presented to the court in the injunction case; another is a summary of the major cases of abuse and neglect by J2S; and the third is a list of the complaints against J2S from January to March 2013 that have been documented and presented to the supervisory staff.

Mr. Ciaramitaro said that the J2S workers are now being supervised by J2S supervisors so it can be expected that the quality of care will decline even further. The Director of Nursing testified in court that she does not hear any of the complaints, even if someone is seriously injured, unless the J2S supervisor decides to tell her. He also indicated that the legislature does not currently have any specific proposals dealing with this issue. However, the Military and Veterans Affairs (MVA) Subcommittee of the House Appropriations Committee held a hearing yesterday to consider the 2013-2014 budget which also included discussions of the issues at the veterans' homes. Mr. Ciaramitaro and Mr. Williams were allowed to present information to the MVA Subcommittee. They asked that they exercise their oversight responsibility and look into the matter.

Dave Baker, a 26-year state employee, said that he has visited the home and expressed his concern with the care of the veterans. Mr. Baker compared the treatment of veterans to the treatment of prisoners by saying that it's a sad day in Michigan when the criminals get treated better than our war heroes. He stated that now that the Commission has been made aware of what's going on at the GRHV, they have a moral responsibility to stop it and that they should be held accountable for their decisions.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 11:39 a.m.

NOTE:

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

A handwritten signature in black ink, appearing to read "Janet McClure", written over a horizontal line.

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
May 15, 2013**

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Chair Thomas Wardrop at 10:04 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the March 20, 2013 meeting. On motion duly made and supported, the minutes of the March 20, 2013 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

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

Unclassified Positions Report

Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of positions in the state unclassified service. Since the last report, the following approvals were processed:

- On March 15, 2013, a request was received from the Department of Insurance & Financial Services to establish an exempt unclassified position to serve as the Chief Deputy Director. This request was approved on March 22, 2013.
- On March 29, 2013, a request was received from the Department of Insurance & Financial Services to establish an exempt unclassified position to serve as the Agency Director. This request was approved on March 29, 2013.
- On April 26, 2013, a request was received from the Department of Military & Veterans Affairs to establish an exempt unclassified position to serve as the Deputy Director of State Operations. Concurrently, the Director of Interagency Operations & Plans position was abolished. This request was approved on April 29, 2013.

- On May 1, 2013, a request was received from the Department of Insurance & Financial Services to establish an exempt unclassified position to serve as the Senior Policy Advisor to the Executive Office. This request was approved on May 3, 2013.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Letter of Understanding (LOU) between the Office of the State Employer and the Michigan Corrections Organization (Interim Approval Granted)

General Counsel John Gnodtke indicated that the LOU is regarding the impact of the new non-career Corrections Officer classification based on provisions of the collective bargaining agreement. Interim approval was granted on April 8, 2013 by the Acting State Personnel Director with consent of the Chair. Chair Wardrop requested a motion to approve Item 5.A. On motion duly made and supported, the LOU was unanimously approved.

B. Letter of Understanding (LOU) between the Office of the State Employer and the Michigan State Employees Association

General Counsel John Gnodtke indicated that the LOU addresses reinstating the Labor and Trades and Safety and Regulatory unit employees removed from recall lists. Chair Wardrop requested a motion to approve Item 5.B. On motion duly made and supported, the LOU was unanimously approved.

6. PUBLIC COMMENT

Brandon Zuk addressed the Commission on behalf of the Michigan Association of Governmental Employees (MAGE), whose members' positions may be affected by the pending proposed contract between the Michigan Department of Corrections (DOC) and Aramark for the provision of food services. Mr. Zuk stated that the proposed privatization of food services was originally rejected on grounds that the proposals did not reflect the prerequisite costs savings as required by Civil Service Rules. However, later, the assumptions underlying the cost of at least one of the proposals was changed and as a result of that change, there is now a claimed cost savings. MAGE urged the Commission to be very vigilant in scrutinizing the changes in the assumptions.

Commissioner Barrett asked Acting State Personnel Director Janet McClelland to explain the process going forward as far as review by Civil Service Commission (CSC) staff.

Ms. McClelland stated that the cost savings analysis revision was received on May 14, 2013. CSC staff will conduct a cost savings analysis and make a determination. Ms. McClelland encouraged any interested parties to provide their input as soon as possible. She also indicated that the decision may be appealed to the CSC Office of Technical Appeals, then to the Employment Relations Board, which would subsequently provide a recommendation to the Commission.

Mark Williams, a former state employee who worked at the Grand Rapids Veterans Home, addressed the Commission regarding his concerns with subcontracting for services and asked the Commission to make some changes to Standard D. Mr. Williams stated that he believes that quality of service and safety are highly important when looking at the subcontracting of services, not only for the Veterans homes but for the DOC. Mr. Williams asked the Commission to be more involved, especially in reference to the quality of service provided by the subcontractors.

Stacie Dineen of Michigan American Federation of State, County and Municipal Employees (AFSCME) Council 25, representing food service leaders who work in the prisons, addressed the Commission, stating that she reviewed the Request for Purchase and the bids received. Ms. Dineen stated that one of her concerns is that since notice was only given last week, there would not be enough time to review the bid received by Aramark. Ms. Dineen stated that AFSCME is concerned about security, noting she has heard that the prisoners are upset about the changes. Ms. Dineen asked the Commission to look closely at the DOC and its employees and consider the security of the DOC regarding contracting out of food services.

Nick Ciaramitaro, Director of Legislation and Public Policy for the AFSCME and the Michigan State Employees Association (MSEA), stated that both AFSCME and MSEA are concerned about the rapid rate at which the state is contracting for services. Mr. Ciaramitaro stated there are still concerns about the quality of care at the Grand Rapids Veterans Home, and he agreed with other public comments that Standard D needs to be looked at closely by the Commission. Mr. Ciaramitaro questioned the huge variance between a 3.3% cost savings compared to a 20% cost savings recently proposed. Mr. Ciaramitaro stated that the unions will conduct an independent cost analysis.

John Alcodry, Vice President of AFSCME Local 3637, stated he has been in food service for 15 years and that it now costs \$1.79 a day to feed a prisoner. Mr. Alcodry also stated that he believes the food is a huge morale booster for the prisoners and any changes in that service may cause serious problems. Mr. Alcodry agreed that quality of service is vitally important and he also expressed concern about safety in the prisons if the contract with Aramark proceeds.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 10:27 a.m.

NOTE:

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

A handwritten signature in black ink, appearing to read "Janet McCluskey", is written over a horizontal line.

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
September 18, 2013

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas Wardrop at 10:04 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the May 15, 2013 meeting. On motion duly made and supported, the minutes of the May 15, 2013 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

Director's Report:

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

Unclassified Positions Report

Since the last report, the following approvals were processed:

Department of Military and Veterans Affairs

- On May 9, 2013, a request was received to establish an exempt unclassified position to serve as Director of the Michigan Veterans Affairs Agency. Concurrently, the Executive Director of Public Safety position was abolished. This request was approved effective March 20, 2013.
- On May 13, 2013, a request was received to establish an exempt unclassified position to serve as Senior Policy Advisor. Concurrently, the Deputy Director of Veterans Affairs position was abolished. This request was approved effective March 20, 2013.

Department of Education

- On June 7, 2013, a request was received to establish an exempt unclassified position to serve as the Deputy Superintendent for Educational Services. Concurrently, the vacant Chief Academic Officer/Deputy Superintendent position was abolished. This request was approved effective March 26, 2013.

Department of Human Services

- On July 2, 2013, a request was received to establish an exempt unclassified position to serve as the Director of Policy and Field Legal Services. Concurrently, the vacant Director for Revenue & Partnership Enhancement and the Group Executive Policy Specialist was abolished. This request was approved effective June 23, 2013.

Department of Insurance & Financial Services

- On July 2, 2013, a request was received to establish an exempt unclassified position to serve as the Policy Analyst. This request was approved effective June 23, 2013.

Department of Agriculture and Rural Development

- On August 22, 2013, a request was received to establish an exempt unclassified position to serve as the Department's External Relations Liaison in the Department of Agriculture. This request was approved effective August 18, 2013.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Proposed Fiscal Year 2014 Travel Rates

Joyce VanCoevering of the Department of Technology, Management and Budget requested an extension of the FY 2013 travel rates until the December 18, 2013 Commission meeting.

On motion duly made and supported the request for an extension of the FY 2013 travel rates was approved.

B. Letter of Understanding (LOU) between the Office of the State Employer (OSE) and the Michigan Corrections Organization (MCO) (interim approval granted)

General Counsel John Gnodtke indicated the LOU is regarding the establishment of a 12-hour pilot program at Pugsley correctional facility. Chair Wardrop requested a motion to approve Item 5.B. On motion duly made and supported, Item 5.B., the LOU between OSE and MCO was unanimously approved.

C. Letter of Understanding (LOU) between AFSCME and the Michigan Department of Education

General Counsel John Gnodtke indicated that the LOU changes the overtime subdivisions for the Michigan School for the Deaf in the Institutional Unit. Chair Wardrop requested a motion

to approve Item 5.C. On motion duly made and supported, the LOU was unanimously approved.

D. Secondary Agreement between the UAW and the Department of Licensing and Regulatory Affairs

General Counsel John Gnodtke indicated a tentative agreement on secondary negotiations has been reached for the Administrative Support and Human Services Bargaining Units. Chair Wardrop requested a motion to approve Item 5.D. On motion duly made and supported, the secondary agreement was unanimously approved.

6. PUBLIC COMMENT

State Representative Scott Dianda stated a number of concerns over the contracting out of food services by the Department of Corrections (DOC) to Aramark:

- Whether there would be actual cost savings.
- The loss of jobs in Michigan and sales tax and revenue.
- The relocation or permanent loss of jobs by DOC employees, which affects tax revenue and puts the burden on fewer Michigan residents.
- The impact on the local economy (such as farmers, businesses, and school districts) and the trickle-down effect of the job losses in the area.
- Safety in prisons.

He asked the Commission to take a close look at the Aramark contract to ensure it is beneficial to the taxpayers of Michigan.

State Representatives Tom Cochran and John Divela expressed similar concerns about the erosion of public jobs due to privatization and questioned the true savings that Aramark will provide to the State of Michigan. Representatives Cochran and Divela indicated that privatizing food services is not just about feeding prisoners, it is also about safety. Employees who currently work in food services are experienced, which facilitates the safety of all involved.

Senator Tom Casperson acknowledged that he voted for the legislation that brought this about and stated that he was informed that the bidding for food services would be a competitive process. He believes one problem that continues is that the DOC must purchase products from Michigan Service Industries (MSI) rather than going directly to vendors. MSI increases the costs for DOC to purchase the same products. Senator Casperson believes that removing MSI from the equation should have been considered in reviewing cost savings. He reiterated his concern over the negative impact on local communities and safety in the prisons.

Representative Brandon Dillon stated the negative impact of privatization at the Grand Rapids Home for Veterans (GRHV) cannot be overstated. Many J2S staff at GRHV have had little or no training, and meeting staffing requirements has been a problem that affects the quality of care given to veterans at the home. Representative Dillon expressed that the veterans deserve the best in quality care. Representative Dillon urged the Commission to reconsider the rules regarding how contracts are awarded and to not just look at the cost, but the value of the service given to the veterans.

Todd Hennigan and Chad Stevenson, both Food Service Leaders for the DOC, stated that food service staff is not only involved in the preparing and serving of food, but also in the safety of prisoners and colleagues. Experienced food services staff members are aware of their surroundings and able to assist corrections officers when emergencies arise.

Mr. Hennigan expressed his understanding of trying to save on food costs, but the DOC food services is always prepared to feed every prisoner without an additional cost. A privatized company would charge extra. Mr. Hennigan discussed the negative economic impact on the local community and its families. Mr. Stevenson voiced his concern regarding the positions that are scheduled to be abolished.

Georgi-Ann Bargamian from the UAW expressed her concern over the current process and rules governing the contracting out of state personal services and asked that a reexamination of the CS-138 process be conducted. Ms. Bargamian asked the Commission to review Standards A, B, C and D (specifically Standard D on cost savings) and also the regulations. Ms. Bargamian asked the Commission to consider accountability, quality, and competition. Ms. Bargamian stated that quality should be at the core when considering costs.

Attorney Brandon Zuk, counsel for the Michigan Association of Governmental Employees (MAGE), along with Al Quattrin, MAGE President, and Michael Deshambo, a Food Services Supervisor, spoke as to the negative impact of contracting out food services. Mr. Zuk stated that the Commission's responsibility is to approve or disapprove all personal disbursements and urged the Commission to assertively exercise that role not only with the food services contract, but with other contracts submitted for approval. Messrs. Zuk, Quattrin, and Deshambo felt that narrowly focusing on immediate costs affects quality, which in turn affects costs to the state, and the people of Michigan. Doubt was expressed regarding Aramark's proposed initial cost savings to the state and also the long-term savings since Aramark's costs will increase over the next three years. Safety in the prisons was another concern mentioned because past disturbances in the prisons have involved food services. Messrs. Zuk, Quattrin, and Deshambo asked the Commission to review the information and keep a broader perspective when considering the contracting out of DOC food services.

Messrs. Michael VanRite, James Muth, and Ken Durbal, executives at Michigan companies currently supplying food to the DOC, addressed the negative effects of privatization of food services on their companies, employees and communities. They gave examples of other local businesses that will be affected by contracting out with Aramark, which in turn could affect not only additional jobs, but the revenue of the state due to a decrease in taxes.

State Representative John Kivela stated that the contracting out of food services to Aramark is a very important topic to him. He has three correctional facilities in his district and has met with representatives from those facilities. His three primary concerns with the privatization of food services are safety, fairness, and costs.

Mr. Mark Williams addressed the Commission regarding the Grand Rapids Home for Veterans (GRHV). Mr. Williams commented that the concerns regarding J2S staff and their care for the veterans at the GRHV continues. One problem at the GRHV since July 2013 has been shortage of staff, especially on weekends. Mr. Williams gave numerous examples of abuse that the veterans at the GRHV have experienced by JS2 staff.

Mel Grieshaber, Executive Director of the Michigan Corrections Organization (MCO), expressed his concern regarding the replacement of food services workers with private vendors. MCO represents the corrections officers who are responsible for the safety and security of the prisons. In the past, prisoners have demonstrated because of issues regarding food. Mr. Grieshaber concurred with prior comments on the need to maintain experienced employees who are sensitive to the surroundings. He also concurs with other statements on the negative impact on businesses.

Peter Martel from the American Friends Service Committee, Criminal Justice Program in Ann Arbor stated that his program advocates for and with people who are incarcerated. Mr. Martel also stated that food quality and the nutritional value of food served to prisoners should be considered. The ramifications of serving poor quality food could prove more costly than the minimal savings of a private contract. Mr. Martel expressed his concern regarding the ability to monitor a private company. He believes that the cost savings with contracting out food services to Aramark will be short term.

Matt Vandesteeg from AFSCME voiced his concerns regarding the credibility of Aramark. Mr. Vandesteeg stated that Aramark has had documented unsatisfactory performance in other prisons. He also questioned the validity of the expressed cost savings to be provided by Aramark.

Nick Ciaramitaro, Director of Legislation and Public Policy for AFSCME Council 25 and for MAGE, stated that he believes that serious threats to the safety of the veterans at the GRVH have occurred. A number of examples were given of the abuse and neglect that the veterans have been subjected to from JS2 employees. Complaints submitted from residents and their families have gone unanswered. Some individuals hired by J2S had less than 6 months experience despite a guarantee that all J2S employees would have at least one year of experience. Mr. Ciaramitaro asked the Commission to review and revise its rules on outsourcing personal services.

John Alcodray, a food services supervisor with DOC and vice president of AFSCME Local 3637, echoed the previous concerns on contracting out DOC food services to Aramark.

Dr. James Dankovich's expressed his concerns regarding safety of the employees and inmates and the negative impact on businesses regarding contracting out of food services in the correctional facilities. Dr. James Dankovich stated that there is a need to have some oversight to assure that a company is adhering to its contractual obligations.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 11:27 a.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Janet McClelland, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of September 18, 2013.



Janet McClelland
Acting State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
December 18, 2013

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas Wardrop at 10:04 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the September 18, 2013 meeting. On motion duly made and supported, the minutes of the September 18, 2013 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

Director's Report:

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

Unclassified Positions Report

Since the last report, the following approvals were processed:

Department of Agriculture & Rural Development

- On September 23, 2013, a request was received to establish an exempt unclassified position to serve as the Department's Social Media Communications Coordinator. This request was approved effective September 15, 2013.

Department of Environmental Quality

- On October 8, 2013, a request was received to establish an exempt unclassified position to serve as the Department's Public Information Officer. Concurrently, the vacant Director of Communications position was abolished. This request was approved effective September 29, 2013.

Department of Natural Resources

- On October 16, 2013, a request was received to establish an exempt unclassified position to serve as the Special Advisor for City Placemaking. This request was approved effective October 13, 2013.

Department of Treasury

- On October 21, 2013, a request was received to establish an exempt unclassified position to serve as the Senior Advisor to the State Treasurer. Concurrently, the vacant Deputy Treasurer for Bond Finance position was abolished. This request was approved effective October 27, 2013.

Department of Civil Rights

- On December 3, 2013, a request was received to establish an exempt unclassified position to serve as the Deputy Director. This request was approved effective November 24, 2013.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Civil Service Budget

Items 5.A.1. and 5.A.2., Civil Service Budget

Carol Vargovich, Director of the Office of Financial and Administrative Services presented Agenda Items 5.A.1. and 5.A.2.

With regard to Item 5.A.1., Ms. Vargovich asked the Commission to approve the Certification of Aggregate Payroll of Classified State Service as required by the Michigan Constitution. Ms. Vargovich reported that the aggregate payroll for the classified state service from October 1, 2012 through September 30, 2013, is \$5,246,509,523.

The Commission has completed processing the financial transactions for Fiscal Year 2013. All expenditures and revenues have been reconciled and balanced with the State of Michigan's accounting records. The department recorded a general fund lapse of \$52,200.

With regard to Item 5.A.2., Ms. Vargovich indicated that the budget proposal for Fiscal Year 2015 has been completed and recommended that the Commission approve the proposed budget which is a continuation of the prior fiscal year with the exception of pending economic adjustments for salary and wages, retirement, insurance, and workers' compensation.

Chair Wardrop requested a motion to approve Resolution 5.A.1., Certification of the Aggregate Payroll for Fiscal Year 2013. On motion duly made and supported, the motion was unanimously approved.

Chair Wardrop requested a motion to approve Resolution 5.A.2., Budget Proposal for Fiscal Year 2015. On motion duly made and supported, the motion was unanimously approved.

5. NEW BUSINESS (Continued)

B. Collective Bargaining Agreements

1. Coalition of State Employee Unions and the Office of the State Employer

Chair Wardrop stated that a representative from the Coalition of State Employee Unions (Coalition) would address the Commission regarding the Impasse Panel's recommendations relating to economics, followed by the Limited Recognition Organizations (LROs) and then Jan Winters, Director of the Office of the State Employer (OSE). The specific contracts will be handled individually.

General Counsel John Gnodtke stated that on November 27, 2013, the Impasse Panel issued the following recommendations for consolidated impasse issues:

- **Economics:** The panel recommended a 2% increase for each year and a 0.5% lump-sum award in FY 2015.
- **Insurances:** The panel recommended moving all employees into the current new-hire health care plan and making smaller increases in cost sharing. The panel also recommended ending provisions requiring union approval of HMO offerings.
- **Union Dues:** The panel recommended language restoring the current provisions on union dues if Public Act 349 is found not to apply to state employees.

Cindy Estrada, Vice President of the United Auto Workers (UAW), addressed the Commission on behalf of the UAW International and the Coalition of State Employee Unions on concerns about the Impasse Panel's suggested changes to the health care plan. Ms. Estrada stressed the importance of cost cutting instead of cost shifting. Ms. Estrada stated the Coalition believes they have asked for fair wage increases, especially in light of the State's \$600,000,000 surplus, along with maintaining status quo in health care. Ms. Estrada indicated utilization documents were requested from Blue Cross, which was unable to provide the information. Ms. Estrada indicated that the Coalition could not bargain on behalf of its members without having all the facts, which she understood that Blue Cross now had.

Ms. Estrada stated that the 8% increase in health insurance rates was not addressed. Ms. Estrada also stated that it is inappropriate to bring something to impasse that has not been discussed at the bargaining table. Counsel for the Coalition, Marshall Widick, agreed that the 8% rate increase had not been substantiated and therefore, the Coalition would like the opportunity to review the utilization information.

Ms. Estrada asked the Commission to accept the Impasse Panel's position on the wage recommendation, approve status quo of the health care plan recommended by the Coalition, and accept the UAW's and Michigan Corrections Organization's status quo language on the joint review process.

Chair Wardrop stated that before proceeding with a response from Jan Winters of the OSE, the Commissioners believe it is important that the LROs have an opportunity to speak on the economic issues before the Commission.

Alan Quattrin, President of the Michigan Association of Governmental Employees (MAGE), expressed his support of the concerns presented to the Commission by the Coalition. Mr. Quattrin stated that when the state was in a financial deficit, the unions and LROs agreed

to a number of concessions. However, Mr. Quattrin feels it is unfair, especially during a time when Michigan is thriving, to expect employees to take on the burden of the increase in health care costs.

Bob Kopasz, Chair of the State Employee Retirees Association Coordinating Council, discussed his concerns regarding the negative impact that the health care recommendation proposed by the Impasse Panel will have on retirees. Mr. Kopasz stated that he believes the new state health plan will significantly increase co-pays, deductibles, and co-insurance. Mr. Kopasz indicated that since the majority of retirees are on a fixed income with only a possible annual increase of \$300, many retirees would not be able to afford any increases in health care costs. Mr. Kopasz asked the Commission to consider the retirees' concerns regarding this proposal.

Mel Farmer and Andre Friedlis representing the Association of State Employees in Management stated that documents were submitted to the Commission regarding opposition to the Impasse Panel's recommendation on health care. Messrs. Farmer and Friedlis concurred with previous statements on the negative impact the proposed health care plan will have on current state employees and retirees.

Jan Winters, Director of the OSE, stated that the 8% rate increase for the State Health Plan was announced during the summer of 2013 with an effective date of October 1, 2014. Average rate increases for the HMOs were 7.6%. Ms. Winters stressed the fact that total compensation should be considered, not just insurances or wage increases. Ms. Winters also stressed that total compensation needs to be a concern to all parties because money expended whether it is for insurance, wages, or overtime, is still money expended. Reserves are no longer available to supplement revenues to cover ongoing increases in health care costs.

Ms. Winters explained that the OSE received a request for utilization from the Coalition but that Blue Cross was unable to provide the information in the same format. However, additional utilization reports were provided with more detailed information than the original format. The OSE is not aware of any other information to be made available by Blue Cross. Ms. Winters stated that the Employer believes that freezing the employees' premiums and having the state absorb the increases would cost the state around \$50,000,000 a year. Ms. Winters asked the Commission to adopt the Impasse Panel recommendations as a whole which the OSE believes is fair and reasonable.

During each of their presentations, Chair Wardrop asked Ms. Estrada and Ms. Winters if they felt that the impasse hearings were fair and did the Employer and Coalition each get to present their positions? Both Ms. Estrada and Ms. Winters responded in the affirmative.

In response, Ms. Estrada stated that the decisions made by the Commission will affect approximately 100,000 lives and that aggregate utilization numbers that were provided did show utilization trends.

No formal action was required or taken on this agenda item because the recommendations in IP 2013-01 are adopted by reference in IP 2013-02 through IP 2013-08.

2. Collective Bargaining Agreement between AFSCME and OSE

John Gnodtke, General Counsel, stated that IP 2013-02 contains the Impasse Panel's recommendation for the collective bargaining agreement for the Institutional Unit, effective January 1, 2014.

Commissioner Blockett made a motion to approve Resolution 5-B(2) as drafted, seconded by Chair Wardrop.

Chair Wardrop stated that the motion before the Commission is to approve the recommendations of the Impasse Panel for the contract between AFSCME and the OSE.

Commissioner Blockett made a motion to amend Resolution 5-B(2) to state that the Commission approves the 2% salary increase but leaves the health care plan at status quo. Commissioner Swanson supported the motion.

Chair Wardrop called the question:

Commissioner Swanson – Yea
Commissioner Barrett – Nay
Commissioner Blockett – Yea
Chair Wardrop – Nay

After a brief recess, Chair Wardrop asked General Counsel John Gnodtke what would happen if the Commissioners deadlocked on Resolution 5-B(2).

Mr. Gnodtke stated that it is an unprecedented situation. The Commission has its own unique form of collective bargaining as approved in Chapter 6 of the rules. Civil Service Commission Rule 6-1.2, states:

“It is the view of the commission that constitutional provisions do not prohibit the commission from establishing a form of collective bargaining analogous to that in other public sector employment, so long as the collective bargaining agreements are subject to review, modification, and approval by the commission.”

Civil Service Commission Rule 6-3.1(a) states:

“A collective bargaining agreement or any provision of a collective bargaining agreement cannot take effect or be enforceable between the parties unless the civil service commission has reviewed and approved the agreement or provision.”

In describing the role of the collective bargaining agreement for those employees in the bargaining unit, Rule 6-2.1(d) states:

“The provisions of a collective bargaining agreement, when approved by the commission, become a subset of the civil service rules governing rates of compensation and other conditions of employment for the eligible employees in the applicable unit.”

In terms of the duration of agreements, Rule 6-3.8(b) requires that:

“Each collective bargaining agreement must contain an effective date and a termination date.”

Further, General Counsel Gnodtke indicated that Rule 6-3.8(d) “prohibits evergreen provisions allowing for the automatic extension of agreements.

Mr. Gnodtke stated that when a deadlock occurs and there is no affirmative vote of a quorum of the Commission approving substitute rules to be provided under the collective bargaining agreement, then there would be no authorized valid substitute rules and that the conditions of employment would revert to those provided in the Civil Service Rules and Regulations. Mr. Gnodtke also stated his opinion that a deadlock would mean no raises and the health care plan would stay status quo.

Commissioner Swanson made a motion to table the original motion until the January 15, 2014 Commission meeting, seconded by Commissioner Blockett. The motion was unanimously approved.

Commissioner Swanson made a motion to table Agenda Items C. and D. until the January 15, 2014 Commission meeting, seconded by Commissioner Blockett. The motion was unanimously approved.

Commissioner Swanson made a motion to extend the current contracts until the January 15, 2014 Commission meeting, seconded by Commissioner Blockett. The motion was unanimously approved.

6. PUBLIC COMMENT

Roland Zullo from the University of Michigan addressed the Commission on contracting out food services in the Department of Corrections (DOC). Mr. Zullo expressed his concerns about the economic impact on the employees and communities by contracting with Aramark and for safety of the employees and prisoners by replacing experienced staff with new hires. Mr. Zullo stated that the decision to out source should be based on the best interest of the people of the state of Michigan.

Nick Ciaramitaro, Director, Legislation and Public Policy for AFSCME Council 25 and MAGE, addressed the Commission on his concerns about the care given to veterans in the Grand Rapids Veterans Home (GRVH) by J2S employees. Mr. Ciaramitaro stated that a department response was received regarding their concerns and those responses are being reviewed. He also expressed concerns regarding out sourcing food services in the DOC. He believes that neither quality or quantity were considered when the decision was made to contract with Aramark. Mr. Ciaramitaro distributed a list of what he believes are transgressions that have been committed by Aramark. Mr. Ciaramitaro urged the Commission to reject staff findings and take responsibility and reassert its constitutional authority.

Jim Dunn, Deputy Director of the Veteran's Affairs Agency, and Leno Pretto, a member of the Grand Rapids Veteran's Home Board of Managers and Complaint Committee, addressed the Commission. Mr. Dunn addressed Mr. Ciaramitaro's comments regarding the care at GRVH. Mr. Dunn stated that not one of the complaints that Mr. Ciaramitaro listed has been brought to their attention directly and that if a concern regarding the care of a veteran is delayed, that delays the resolution of the problem. It also places in the mind of the veteran and the veteran's family members that an issue is not being addressed. Mr. Pretto indicated that his main concern is the quality of the care the veterans receive at the GRVH. He also stated that he has never been made aware of neglect on the part of staff causing the death of a veteran and would welcome any information to the contrary.

Andrew Pike addressed the Commission on behalf of Senator Thomas Casperson. Mr. Pike mentioned that the Commission has received two letters, one from Senator Casperson and another from Representative Scott Dianda. The letter from Representative

Dianda was signed by colleagues stating their concerns regarding the contracting out of food services in DOC. Mr. Pike reiterated that nothing has happened since Senator Casperson addressed the Commission at its September 18, 2013 meeting to alleviate his concerns. Mr. Pike stated that Senator Casperson maintains his opposition to the Aramark contract going forward on the basis of the information he shared with the Commission at the September 18, 2013 meeting.

Jan Winters, Director of the OSE, and Russ Marlan, Administrator with the Executive Bureau, Department of Corrections, encouraged individuals to speak directly with them regarding any concerns they might have regarding the food services contract. The legislature stated that the DOC had to issue a Request for Proposal (RFP) for food services. The RFP was managed by the Department of Technology, Management and Budget (DTMB). It was determined by the DTMB that there was cost savings to meet the Standard D threshold and the contract was awarded to Aramark. Mr. Marlan assured the Commission that maintaining custody and security of the correctional facilities is a top priority for the DOC, along with saving money and being prudent with taxpayers' money. Mr. Marlan also wanted to assure the Commission that the DOC is comfortable with the contract as it stands and is monitoring it carefully.

Jerry Carter and Robin Sanders expressed concerns regarding the recommendation made by the Impasse Panel stating that employees have carried enough of the burden during Michigan's financial difficulties. They hope that the Commission shares their concerns and do what is logical and reasonable for the common good of all Michigan citizens by rejecting the proposed health care changes.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 1:30 p.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Janet McClelland, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of December 18, 2013.



Janet McClelland
Acting State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
January 15, 2014

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas M. Wardrop at 10:04 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the December 18, 2013 meeting. On motion duly made and supported, the minutes of the December 18, 2013 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

Commissioner Charles Blockett, Jr. made a motion to delete Agenda Item 5.A., Memorandum of Understanding between the Department of Technology, Management and Budget and the Office of the State Employer, seconded by Commissioner Robert Swanson. The motion was unanimously approved.

3. INFORMATIONAL REPORTS

There were no informational reports.

4. UNFINISHED BUSINESS

A. Collective Bargaining Agreements

1. Collective Bargaining Agreement between the American Federation of State, County and Municipal Employees (AFSCME) and the Office of the State Employer (OSE)

General Counsel John Gnodtke stated that at the December 18, 2013 Civil Service Commission meeting, the Commission voted to table Agenda Item 5.B.2., the collective bargaining agreement between the AFSCME and the OSE. Before the Commission today is the motion that was made to approve the Impasse Panel's recommendation, IP 2013-02.

Cindy Estrada, Vice President of the United Auto Workers (UAW), addressed the Commission on behalf of the Coalition of State Employee Unions (Coalition). Ms. Estrada stated that she mentioned at the December 18, 2013 Commission meeting that the Coalition did feel that the Impasse Panel hearings were fair, but expressed concerns about the information available at

that time. Due to system changes, Blue Cross and Blue Shield of Michigan (BCBSM) could not produce the reports they wanted. Therefore, the Coalition was not in a position to bargain over those figures at that time since the data that was needed to bargain effectively was unavailable. Ms. Estrada also raised the issue of utilization trends. Ms. Estrada recommended that before costs are shifted to employees, especially in lieu of the State's surplus, that the Commission ask the Coalition and the OSE go back to the table to continue to look at cost cutting. The Coalition's recommendation, due to not having complete and accurate information, is to keep the health care status quo, increase wages, and discuss ways to cut health care with the OSE.

Jan Winters, Director of the OSE, stated that she and Ms. Estrada continue to have a different point of view on the data. The data that was requested from BCBSM was pursuant to a letter the OSE received on December 20, 2013, from the Coalition. The BCBSM had not received a direct request from the Coalition. The BCBSM utilized the letter that the OSE received on December 20 to produce the exact information that was requested by the Coalition. However, during bargaining the Coalition was provided with final claims information paid for the PPO plan for Fiscal Years 2011 and 2012. Fiscal Year 2013 data was not available until updated information was most recently requested on December 20, 2013, by the Coalition.

Ms. Winters stated that two-thirds of the billion-dollar surplus mentioned by the Coalition is one-time money leaving \$325 million. Of that \$325 million, \$119 million is school-aid-fund money and \$206 million is general-fund money. One-time money cannot be utilized for on-going expenses.

The Impasse Panel received numerous documents, exhibits, and testimony. The OSE believes the recommendation is a comprehensive package and should remain that way. Ms. Winters stated that the OSE hoped the Commission will adopt the Impasse Panel's recommendation in total.

There was also discussion by both Ms. Winters and Ms. Estrada regarding competing interests for the funding.

At the request of Commissioner Swanson, Jay Wortley from the Department of Treasury addressed the Commission. Mr. Wortley distributed a Consensus Revenue Agreement Executive Summary from the revenue conference he attended on December 10, 2013. Table 1 is a Consensus Economic Forecast and Table 2 summarizes the revenue consensus. They are required to make revenue estimates for both the General Fund and School Aid Fund Revenues.

Mr. Wortley stated that in Fiscal Year 2015, the only ongoing revenue would be the \$325 million and the remaining money would be considered one-time revenue because it comes from a prior year and will not continue in the future. Mr. Wortley stated that he did not know the final surplus numbers for Fiscal Year 2015 because he did not deal with the overall budget. Mr. Wortley also stated that the forecast for the economy is that it will continue to grow moderately through Fiscal Year 2016.

General Counsel John Gnodtke stated that IP 2013-02 is the Impasse Panel's recommendation for the agreement for the Institutional Unit between the AFSCME and the OSE. Resolution 4-A(1) would approve IP 2013-02, adopt IP 2013-01 by reference, approve the contract in Appendix 1 effective January 15, 2014, and extend the current secondary agreements for up to 12 months.

Commissioner Swanson made a motion to bring Agenda Item 4.A.1. back off the table for further discussion, seconded by Chair Wardrop. The motion was unanimously approved.

Commissioner Swanson made a motion to amend the current motion to:

1. Change the duration of the contract from two years to one year;
2. Maintain the status quo on plan design for the health insurance plans, and
3. Eliminate the recommended 0.5% lump-sum award.

Commissioner Blockett seconded the motion.

Commissioner Swanson indicated his discomfort with unilaterally imposing a major change to bargained benefits. He expressed his disappointment that the parties could not reach an agreement. Due to the time constraints, ordering new bargaining was not an option. Commissioner Swanson stated that a one year contract would allow more time for obtaining information to address changes that may be needed in plan design. Commissioner Swanson questioned the decision to make state employees take a permanent concession to fund a tax cut.

Commissioner Blockett stated that state employees have repeatedly made concessions over the past decades when the state has faced budgetary issues. Given the large surplus currently, Commissioner Blockett did not believe that further concessions were appropriate.

After discussion about the motion, Chair Wardrop called the question:

Commissioner Barrett – Nay
Commissioner Swanson – Yea
Commissioner Blockett – Yea
Chair Wardrop – Nay

The motion to amend the current motion failed.

Chair Wardrop stated that the motion before the Commission is to approve the recommendation of the Impasse Panel for the contract between the AFSCME and the OSE.

Commissioner Swanson stated that he was faced with two untenable choices but would support the Impasse Panel's recommendation because it is preferable to leaving state employees vulnerable without contracts and without pay raises. Commissioner Swanson stated that he felt that the result was a travesty and undermined state collective bargaining.

Chair Wardrop indicated that he would be voting to adopt the Impasse Panel's recommendation because he was not comfortable picking out just one or two items from that recommendation to change. He stated that he wanted state employees to receive a pay raise and would thus vote to adopt the recommendation.

After discussion about the motion, Chair Wardrop called the question.

Commissioner Barrett – Yea
Commissioner Swanson – Yea
Commissioner Blockett – Nay
Chair Wardrop – Yea

The motion was approved.

2. Collective Bargaining Agreement between MCO and OSE

Mr. Gnodtke stated that Resolution 4-A(2) would approve IP 2013-03, adopt IP 2013-01 by reference, approve the contract in Appendix 1, and extend current secondary agreements.

Mel Grieshaber, Executive Director of the Michigan Corrections Organization (MCO), expressed concerns regarding a Letter of Understanding (LOU) that extends 12-hour shift pilot programs for two years. Mr. Grieshaber stated that the pilots were mutually agreed upon by the MCO and the Department of Corrections (DOC) and set to expire September 30, 2014. The MCO members voted on the pilot with the expectation that an evaluation would be done on a certain date. Mr. Grieshaber stated that an extension of the pilot programs would interfere with future collaborative efforts between the parties and requested that the Commission adopt the Impasse Panel's recommendation on LOU #21, with the extension language struck.

Ms. Winters responded that during negotiations and the impasse hearings, the Employer was proposing much more flexibility than is present in the LOU. However, the OSE accepts the Impasse Panel's recommendation as a whole. The OSE feels the recommended LOU on the 12-hour shift programs is important in acquiring more stability.

Bethany Beauchine, OSE Contract Administrator for the MCO contract, stated that the provision allows modification of the agreement by mutual agreement of the parties. Therefore, nothing proposed by the Panel would stop the parties from working on changes to the agreement.

A motion was made to approve Resolution 4-A(2), the Collective Bargaining Agreement between the MCO and the OSE. On motion duly made and supported, the motion was unanimously approved.

3. Collective Bargaining Agreement between the Michigan State Employees Association (MSEA) and the OSE

Mr. Gnodtke stated that Resolution 4-A(3) would approve IP 2013-04, adopt IP 2013-01 by reference, approve the contract in Appendix 1, and extend current secondary agreements.

Attorney Brandon Zuk addressed the Commission on behalf of the MSEA stating that many issues went to impasse because the OSE failed to engage in bargaining by not responding to issues presented by the MSEA. Mr. Zuk highlighted the topics the MSEA wished to have addressed by the Commission.

1. Article 8 on the selection of arbitrators due to noncompliance by the OSE.
2. Article 15 to provide overtime rate pay for unscheduled work to recognize burdens.
3. Article 43 on pay premiums for public safety classes to address gaps with trooper pay.
4. LOU 14 on the Fire Crash Rescue Officer to address ongoing issues.
5. App C for State Worker class to curtail the use of multiple non-career appointments.

Commissioner Blockett requested that the MSEA send the Commission information regarding the non-career appointment issues that were at impasse in the MSEA contract so it could be reviewed by the CSC staff.

Ms. Winters and Cheryl Schmittiel, Deputy of the OSE, indicated that the process with the MSEA was very lengthy. Ms. Winters stated that the OSE disagrees that they failed to respond

to the MSEA. The Impasse Panel heard all the testimony from both parties and the OSE supports the Impasse Panel's recommendation.

A motion was made to approve Resolution 4-A(3), the Collective Bargaining Agreement between the MSEA and the OSE. On motion duly made and supported, the motion was unanimously approved.

4. Collective Bargaining Agreement between the SEIU (HSS) and the OSE

Mr. Gnodtke stated that Resolution 4-A(4) would approve IP 2013-05, adopt IP 2013-01 by reference, and approve the contract in Appendix 1.

A motion was made to approve Resolution 4-A(4), the Collective Bargaining Agreement between the SEIU (HSS) and the OSE. On motion duly made and supported, the motion was unanimously approved.

5. Collective Bargaining Agreement between the SEIU (S & E) and the OSE

Mr. Gnodtke stated that Resolution 4-A(5) would approve IP 2013-06, adopt IP 2013-01 by reference, and approve the contract in Appendix 1.

Bill Ruhf, President of SEIU Local 517M, and Amy Lipset, President of the Scientific and Engineering Unit discussed their request that engineers, foresters, and veterinarians receive special step increases. Ms. Lipset stated that SEIU believes that:

1. The earnings of engineers employed by the State fall behind those of engineers in both the private and public sector.
2. The disparity of compensation between the civilian forensic scientists and uniformed forensic scientists employed by the Department of State Police continues to grow.
3. The American Veterinary Medical Association report indicates that veterinarians employed by the state fall short in compensation compared to their counterparts.

Ms. Lipset also stated that foresters should receive a clothing allowance due to the nature of their work and costs associated with destroyed clothing. Ms. Lipset asked the Commission to reject the Impasse Panel's recommendation and instead adopt the SEIU's proposals.

Ms. Winters and Gerri Smith, Contract Administrator for the Scientific and Engineering Unit, responded to Ms. Lipset's comments stating that all topics were discussed with the Impasse Panel. Retention and recruitment in state government has been a factor in terms of consideration where any special pay increases are warranted and are not a problem with the classes cited. Ms. Winters suggested that the SEIU and the OSE further discuss the administrative procedures.

A motion was made to approve Resolution 4-A(5), the Collective Bargaining Agreement between the SEIU (S & E) and the OSE. On motion duly made and supported, the motion was unanimously approved.

6. Collective Bargaining Agreement between the SEIU (Technical) and the OSE

Mr. Gnodtke stated that Resolution 4-A(6) would approve IP 2013-07, adopt IP 2013-01 by reference, and approve the contract in Appendix 1.

A motion was made to approve Resolution 4-A(6), the Collective Bargaining Agreement between the SEIU (Technical) and the OSE. On motion duly made and supported, the motion was unanimously approved.

7. Collective Bargaining Agreement between the UAW and the OSE

Mr. Gnodtke stated that Resolution 4-A(7) would approve IP 2013-08, adopt IP 2013-01 by reference, approve the contract in Appendix 1, and extend the current secondary agreements.

A motion was made to approve Resolution 4-A(7), the Collective Bargaining Agreement between the UAW and the OSE. On motion duly made and supported, the motion was unanimously approved.

B. Coordinated Compensation Panel Recommendation

Mr. Gnodtke stated that Agenda Item 4.B. is the Coordinated Compensation Panel Recommendation. The panel has made a recommendation for nonexclusively represented pay and benefits for Fiscal Year 2015. Its recommendation tracked those in IP 2013-01 for a 2% base pay increase, a 0.5% lump-sum payment, and moving all employees into the same new State Health Plan and new HMO plan.

Al Quattrin, President of the Michigan Association of Governmental Employees voiced his disapproval regarding the Impasse Panel's recommendation. Mr. Quattrin stated that state employees have done more than their fair share of concessions during Michigan's financial difficulties and that it is not fair to employees to approve the Panel's recommendation to change health care plans.

A motion was made to approve Agenda Item 4.B., the Coordinated Compensation Panel Recommendation. On motion duly made and supported, the motion was unanimously approved.

C. Unclassified Compensation Recommendation

Mr. Gnodtke stated that Agenda Item 4.C. is the Unclassified Pay Recommendation for Fiscal Year 2015. Article 11, § 5 of the Michigan Constitution requires the Commission to "recommend to the governor and to the legislature rates of compensation for all appointed positions within the executive department not a part of the classified service." Typically, this non-binding recommendation of the Commission has tracked the pay determinations of the Commission for classified employees. Resolution 4.C. recommends increases in unclassified compensation of up to 2.0% for base pay and up to 0.5% in a lump-sum payment.

A motion was made to approve Resolution 4.C., the Unclassified Compensation Recommendation. On motion duly made and supported, the motion was unanimously approved.

5. NEW BUSINESS

A. Interagency Memorandum of Understanding (MOU) – Retiree Health Benefits

Agenda Item 5.A., the MOU between the Department of Technology, Management and Budget and the Office of the State Employer, was removed from the agenda at the beginning of the meeting.

B. Letter of Understanding (LOU) between OSE and MCO

Mr. Gnodtke stated that Agenda Item 5.B. is a LOU between the OSE and the MCO regarding an issue related to overtime treatment for officers.

A motion was made to approve Agenda Item 5.B., the LOU between the OSE and the MCO. On motion duly made and supported, the motion was unanimously approved.

6. PUBLIC COMMENT

Chair Wardrop asked if anyone wished to address the Commission. There was no public comment.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 1:30 p.m.

I, Janet McClelland, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of January 15, 2014.



Janet McClelland
Acting State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
March 19, 2014

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Matthew Fedorchuk, Deputy Director

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas M. Wardrop at 10:07 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the January 15, 2014 meeting. On motion duly made and supported, the minutes of the January 15, 2014 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The Commission received the following report from Deputy Director Matt Fedorchuk on behalf of Acting State Personnel Director Janet McClelland.

Unclassified Positions Report

Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of positions in the state unclassified service. Since the last report, the following approvals were processed:

Department of Insurance & Financial Services

On January 14, 2014, a request was received to establish an exempt unclassified position to serve as the Economic Development Advisor to the Director. This request was approved effective January 5, 2014.

Quality of Life – Department of Natural Resources

On February 6, 2014, a request was received to establish an exempt unclassified position to serve as the Outdoor Adventure Center Director. This request was approved effective March 24, 2014.

Department of Treasury

On February 14, 2014, a request was received to establish an exempt unclassified position to serve as the Senior Advisor to the State Treasurer. The request was approved effective February 2, 2014.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Proposed Fiscal Year 2014 and Fiscal Year 2015 Travel Rates

Rhonda Whiting of the Department of Technology, Management and Budget Travel Program asked the Commission to approve the extension of Fiscal Year 2014 travel rates, and approve an increase in meal rates for Fiscal Year 2015.

A motion was made to approve Agenda Item 5.A., the Proposed Fiscal Year 2014 and Fiscal Year 2015 Travel Rates. On motion duly made and supported, the motion was unanimously approved.

B. Letter of Understanding (LOU) between the Office of the State Employer (OSE) and the Michigan Corrections Organization (MCO)

General Counsel John Gnodtke stated that Agenda Item 5.B. is the review of a LOU between the OSE and the MCO regarding overtime provisions for Corrections Transportation Officers. Interim approval was previously granted.

A motion was made to approve Agenda Item 5.B., the LOU between the OSE and the MCO. On motion duly made and supported, the motion was unanimously approved.

C. Meal/Receipt Reimbursement Pilot – Standardized Travel Regulations (STR) (Interim Approval Granted)

Mr. Gnodtke stated that Agenda Item 5.C. is an extension of a pilot program involving receipts and travel reimbursement. Interim approval was granted previously by the Acting State Personnel Director with consent of the Chair to extend this program to NEREs.

A motion was made to approve Agenda Item 5.C., Meal/Receipt Reimbursement Pilot – STR for NEREs. On motion duly made and supported, the motion was unanimously approved.

6. PUBLIC COMMENT

Mr. Nick Ciaramitaro, Director of Legislation and Public Policy for Michigan AFSCME Council 25 and MSEA AFSCME Local 5, stated his concerns as he did at the January 15, 2014 Commission meeting regarding the outsourcing of food services in the Department of Corrections (DOC). Mr. Ciaramitaro stated that since the contract with Aramark has been implemented, there have been prison protests, food strikes, warnings from DOC to Aramark and fines of \$98,000 for contract violations. Mr. Ciaramitaro gave the Commission a copy of his testimony, along with a letter from the DOC to Aramark and Aramark's response. Mr. Ciaramitaro asked the Commission to use its constitutional authority to discontinue the contract between the DOC and Aramark.

Mr. Mel Grieshaber, Executive Director of the Michigan Corrections Organization (MCO), reminded the Commission that the MCO does not represent food services employees. The MCO represents the corrections officers. Mr. Grieshaber believes that as the police force in the prisons, corrections officers keep staff, prisoners and the surrounding community safe. Mr. Grieshaber believes that many of their concerns that were addressed to the Commission previously have come to fruition. The DOC has issued approximately three dozen stop orders in the prisons since December 2013. Since Aramark has been involved in food services in prisons for many years, Mr. Grieshaber questioned the validity of Aramark experiencing "growing pains" and asked the Commission to reject the Aramark contract.

Mr. Marty Fittante addressed the Commission on behalf of Senator Thomas Casperson. As stated previously to the Commission, Senator Casperson's principal concern is safety for those employees serving the prisons and those individuals within the prison. Mr. Fittante stated that the letters shared with the Commission regarding Aramark's violations are very troubling and support the concerns held by Senator Casperson. Mr. Fittante stated that it is Senator Casperson's hope that the Commission will reject the Aramark contract.

Jan Winters, Director of the Office of the State Employer (OSE), and Russ Marlan, Administrator of the Executive Bureau with the DOC, addressed the Commission. Ms. Winters stated that the DOC is forcefully addressing the concerns that have been brought to the attention of the Commissioners. The letters given to the Commission outline those actions that have been taken by the DOC regarding any deficiencies.

Mr. Marlan stated that 2013 appropriations required the DOC to pursue contracting out food services in prisons. The DOC set the savings threshold at 10%, which was twice as much as Civil Service requires. Bids were sent to the Department of Technology, Management and Budget for review and Aramark was granted the contract. Aramark assumed responsibility for the food services programs on December 8, 2013. The DOC has diligently been monitoring Aramark. Prior to signing the contract with Aramark, Director Daniel Heyns had personal conversations with other state directors that use Aramark for food services. Director Heyns felt confident after those discussions and discussions with Aramark management that any issues would be resolved as Aramark transitioned. The DOC understands that the consistency and stability of the food services program in the prisons is vitally important in maintaining safe and secure correctional facilities. The DOC has eight contract monitors throughout the state and wardens report any deficiencies to the contract manager in Lansing, who in turn share that information with Aramark. Included in the contract with Aramark is the DOC's right to impose fines. Aramark did receive a \$98,000 fine. Following that fine, Aramark pledged to improve, and has asked for additional communication with the DOC. An added step in monitoring Aramark is that the Director, Chief Deputy Director, and contract manager meet every Monday on any deficiencies and contract issues that came up during the previous

week. In addition, Director Heyns has a personal conversation with the vice president of Aramark weekly to address issues. Mr. Marlan assured the Commission that the DOC will continue to monitor the Aramark contract and will address each deficiency.

Commissioner Charles Blockett, Jr. asked what was wrong with the quality of food service provided by state employees. Mr. Marlan responded that nothing was wrong, but that the Fiscal Year 2013 budget required the DOC to solicit bids for food services. Commissioner Blockett asked if cheaper is better. Mr. Marlan responded that the DOC was trying to achieve an equal or enhanced level of service with taxpayer savings, acknowledged that there had been serious contract issues, and that the DOC was being diligent to ensure compliance with contractual requirements. Commissioner Blockett asked if a Yugo was the standard of service that was being strived for. Mr. Marlan stated that the DOC would make sure that the quality was where the DOC wanted it, which was being worked on every day. Commissioner Blockett expressed concern that public health and safety were not being considered in contracting decisions and that the quality from contractors should be the same as with current state employees.

Commissioner Robert W. Swanson asked Mr. Marlan about the comment by Mr. Fittante that there have been additional serious violations by Aramark since the February 27, 2014 letter. Mr. Marlan responded that the contract requires compliance with staffing ratio numbers and recently, a few more stop orders have been issued but the DOC is continuing to be diligent in monitoring those contracts to make sure Aramark is adhering to all requirements.

Commissioner Swanson asked how the DOC determines the amount of a fine. Mr. Marlan stated that he would look into the specific basis for the amounts.

Commissioner James Barrett asked when it would be expected that Aramark will perform at the quality standards stipulated in the contract. Mr. Marlan responded that the expectation is that Aramark will always perform at the quality of standards indicated in the contract.

Mr. Bob Kopasz, Chair of the State Employees Retiree Association, thanked the Commission for removing Item 5.A., Interagency Memorandum regarding retiree health benefits from the January 15, 2014 Civil Service Commission agenda. Mr. Kopasz stated that a meeting was held in February 2014 with the Office of the State Employer and Civil Service Commission staff and all the parties will continue to meet.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 10:34 a.m.

I, Matthew Fedorchuk, Deputy Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of March 19, 2014.


Matthew Fedorchuk
Deputy Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
May 7, 2014

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas M. Wardrop at 10:04 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the March 19, 2014 meeting. On motion duly made and supported, the minutes of the March 19, 2014 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

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

Unclassified Positions Report

Department of Technology, Management and Budget

On April 9, 2014, a request was received to establish an exempt unclassified position to serve as the Legislative Liaison and Policy Advisor. This request was approved effective March 30, 2014.

Department of Attorney General

On April 17, 2014, a request was received to establish an exempt unclassified position to serve as the Chief Deputy Director. This request was approved effective April 13, 2014.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. LOUs – Health Insurance Summary Appendices

General Counsel John Gnodtke stated that Agenda Item 5.A. involves Letters of Understanding (LOUs) issued following the Commission's approval at the January 2014 meeting. After that approval, errors were found in the benefit summary charts for the State Health Plan and HMOs. The LOUs reference corrections to the aforementioned charts. The LOUs were granted interim approval by the Acting State Personnel Director with consent of the Chair.

A motion was made to approve Agenda Item 5.A., the LOUs – Health Insurance Summary Appendices. On motion duly made and supported, the motion was unanimously approved.

B. Secondary Agreement between the Department of Education and AFSCME

General Counsel John Gnodtke stated that Agenda Item 5.B. is the Secondary Agreement between the Department of Education and AFSCME. The agreement has been reviewed by staff and no provisions implicating prohibited subjects of bargaining have been identified.

A motion was made to approve Agenda Item 5.B., the Secondary Agreement between the Department of Education and AFSCME. On motion duly made and supported, the motion was unanimously approved.

6. PUBLIC COMMENT

Gregory Boyd, with the Michigan Mental Health Association and Partners in Crisis Mental Health and Justice Coalitions, addressed the Commission. Mr. Boyd stated his belief that incarcerated individuals need adequate medication and sufficient guidance and oversight from medical and mental health professionals. Many do not receive adequate mental health services and only a small portion of the population is returned to society. Mr. Boyd stated that even though those incarcerated are under the supervision of the Department of Corrections, he believes that the Commission is responsible for assuring that qualified staff and quality services are provided for prisoners and individuals with mental illness to improve their circumstances and increase their chance for success upon release. If the Commission does not fulfil these duties to review quality and cost effectiveness issues in personal services contracts, the state will place those individuals at potential risk should the state bid out mental health or juvenile justice services. Mr. Boyd asked the Commission to assess potential contracts not only on cost, but also on quality and the overall return for taxpayer dollars.

Georgi-Ann Bargamian addressed the Commission on behalf of the UAW. Ms. Bargamian expressed concerns about the actual cost savings and the diminished service quality or failure of service exhibited by Aramark. Ms. Bargamian asked the Commission to establish a work group to review and improve Civil Service rules and regulations on contracting out personal services, including Standard D. She continued that a work group would give all parties a fresh look at the process, specifically factoring in quality as a cost component, whether services are provided by classified employees or employees of a private contractor. Ms. Bargamian

discussed the rules governing privatization in Massachusetts, considered among the most stringent in allowing privatization, and Utah, considered among the most permissive.

George Heath addressed the Commission. He stated he has worked for the Department of Transportation (MDOT) for 25 years and is also the Divisional Vice President for the SEIU Technical Unit. Mr. Heath indicated that he has witnessed many changes during his 25 years of service. He believes that MDOT went from an organization that handled the majority of their own work to an organization where a large amount of work is contracted out. He stated that in 1997 there were 148 contracts totaling \$14,734,969 and in 2013 there were 766 contracts totaling \$129,235,785. He also stated that MDOT employees supervise contract employees who are paid more and that our system is broken. Mr. Heath distributed several documents to the Commission and asked the Commission to take a serious look at how the state is doing business.

Chair Wardrop commented that in looking at the charts in 2001 there were 920 contracts and in 2013 there were 766 contracts indicating the number of contracts has decreased. The dollar amount of contracts between 2001 and 2013 only increased approximately \$800,000. Chair Wardrop questioned Mr. Heath as to whether the stated problem existed back in 2001 also.

Mr. Heath stated that the chart was created by a vice president of SEIU who was unable to attend the Commission meeting. Mr. Heath also stated that his belief is that the problem did exist back in 2001. He added that he recently returned from Washington DC, and that the Federal Highway Trust Fund will be broke before the end of the fiscal year.

Chair Wardrop commented that the consultants are not the workers who build the roads and Mr. Heath agreed they are not.

Commissioner Blockett asked Mr. Heath to elaborate on his statement that "our system is broken." Mr. Heath responded that initially contracts were based on a level of expertise and cost savings, but currently there are contract employees being paid \$39 an hour and state employees are paid \$27 an hour for the same work. Mr. Heath stated that often consultants must receive direction from MDOT employees when significant decisions are made.

Commissioner Barrett stated that he thought it would be instructional to hear feedback on this presentation and the rationale for the contracting out from the leadership of the Michigan Department of Transportation.

Nick Ciaramitaro, Director of Legislation and Public Policy for Michigan AFSCME Council 25 and MSEA AFSCME Local 5, addressed the Commission to state his concerns regarding outsourcing food services in the prisons. Mr. Ciaramitaro stated his belief that if a corporation merely alleges that it will save the state money, then state workers are fired and the corporation takes over. Bids are approved by DTMB merely based on alleged savings of a corporation without monitoring to assure the corporation's charges do not overrun the approved dollar amount in the Request for Proposal (RFP). Mr. Ciaramitaro also stated his belief that the costs are actually higher than the approved bid, so there is no consideration to true savings or consideration to the quality of the service, thereby putting cost ahead of value. Because quality of service is not a consideration, veterans at the Grand Rapids Home for Veterans have received poor care causing injury and even death. Mr. Ciaramitaro also mentioned the myriad problems that have arisen in the prisons since Aramark has taken over food services.

Commissioner Barrett asked Mr. Ciaramitaro about his remark, "No consideration is given to the quality of the services provided, thereby putting cost ahead of value." Commissioner Barrett asked Mr. Ciaramitaro if there are quality provisions in the contracts. Mr. Ciaramitaro responded that there are quality performance standards in some contracts, but under the rules the Commission only looks at cost. Mr. Ciaramitaro asked the Commission to convene a work group with staff, unions, and any other necessary parties.

Commissioner Blockett asked Mr. Ciaramitaro about the report in New Solutions suggesting that management and unions meet to discuss different ways of doing things better, including contracting out. Mr. Ciaramitaro responded that meetings have occurred, but meaningful dialogue was absent.

Jim Dunn, Deputy Director of the Michigan Veteran's Affairs Agency, and Sarah Dunne, Administrator for the Grand Rapids Home for Veterans (Home), addressed the Commission. Mr. Dunn stated even though there were initially some difficulties at the Home, there has been a huge amount of success in providing excellent quality care. Quality care indicators have improved. In 2009, there were 22 incident reports; in 2013 there were only two. Annual surveys continue to show significant progress. Five years ago, the Home had 25 citations; this year there have been only five and none had to do with quality of care. When contracts are changed there is normally an adjustment period. The training given to the current aides is the same training that was given to state employees. The aides continue to be monitored; poor performance is tolerated less and the director of nursing is notified within minutes of any concerns that may arise. The Veterans Administration completed an annual survey in March. In regard to the quality of care, every individual in the Home they contacted remarked as to how well they are treated. Mr. Dunn responded to Commissioner Barrett's request on allegations about the death of veterans. Mr. Dunn stated that since the contract has been in place there has not been a death associated with care provided by aides. Ms. Dunne added that any performance issues are reported directly to the nurses working on the unit and a report is filled out. The care is monitored to assure that the contractor addresses the issues appropriately.

Russ Marlan, Administrator of the Executive Bureau of the Department of Corrections, addressed the Commission. In response to questions from Commissioner Barrett, Mr. Marlan indicated that the Aramark contract contains performance indicators. In the food services contract, the vendor must serve the same quality of food on the same calendar with the same recipes. Aramark employees receive the same training as state employees received. Since the last Commission meeting, there has been a decline in unauthorized meal substitutions and disciplinary actions have diminished.

Phillip Jeffery from the Department of Technology, Management and Budget stated that as an RFP is developed, part of the process is baselining the data in terms of the current level of services provided. In the Aramark contract, the fact that measures were established that needed to be achieved and penalties were put in place if the level was not met validates that quality of service is considered. Once that RFP process was accomplished, the cost comparison brought to the Civil Service Commission considered all those other factors.

Commissioner Barrett asked what provisions are in place to deal with cost overruns referred to by Mr. Ciaramitaro. Janet McClelland, Acting State Personnel Director, stated that for Standard D approvals, the CSC approves disbursements up to a specified dollar amount for a specified period of time based on the cost savings analysis submitted. If there are cost overruns, the agency would need to resubmit a CS-138 with a new dollar amount and a new cost analysis showing that they still satisfy the required cost savings.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 10:34 a.m.

I, Janet McClelland, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of May 7, 2014.

A handwritten signature in black ink, reading "Janet McClelland", written over a horizontal line.

Janet McClelland
Acting State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
September 17, 2014

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas M. Wardrop at 10:14 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the May 7, 2014 meeting. On motion duly made and supported, the minutes of the May 7, 2014 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

Commissioner Blockett made a motion to move Item 5.D. to 5.A. on the Agenda and to add 5.G., Chapter 7 Rules. The amendments were adopted.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

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

Unclassified Positions Report

Department of Technology, Management and Budget

On June 16, 2014, a request was received to establish an exempt unclassified position to serve as the Director of the Office of Children's Ombudsman with the vacant Public Information Officer concurrently abolished. This request was approved effective June 8, 2014.

On August 7, 2014, a request was received to establish an exempt unclassified position which will serve as the Enterprise Procurement Director. This request was approved effective September 1, 2014.

Department of Transportation

On July 2, 2014, a request was received to establish two exempt unclassified positions which will serve as the Commission and Governmental Affairs Advisor and the Legislative and

Constituent Advisor. Concurrently, the position of Commission Advisor and Office of Governmental Affairs Director will be abolished. This request was approved for the Commission and Governmental Affairs Advisor with an effective date of March 2, 2014 and for the Legislative and Constituent Advisor with an effective date of June 22, 2014.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Memorandum of Understanding (MOU) on Retiree Health Benefits (Interim Approval Granted)

General Counsel John Gnodtke stated that Agenda Item 5.A. is an interagency Memorandum of Understanding between the Department of Technology, Management and Budget (DTMB) and the Civil Service Commission. Earlier this year, the Commission approved insurance plan changes for active employees. Under the State Employees' Retirement Act, the DTMB Director and Commission authorize any changes to plans offered to retirees. After discussions, an MOU to adopt most of the changes that were made for active employees' health benefits was reached. Interim approval was granted by the Acting State Personnel Director with the consent of the Chair.

Bob Kopasz, Chair of the State Employee Retirees Association (SERA), reviewed what has been accomplished over the last few months with the Office of the State Employer (OSE) and the Employee Benefits Division (EBD) regarding Retiree Health Benefits. While retirees are not necessarily happy with the outcome, Mr. Kopasz stated that retirees have traditionally tracked what active employees have received. Mr. Kopasz stated that SERA will continue to meet with OSE and EBD to look at ways to adapt the retiree health plans to save the state and retirees money.

Jan Winters, Office of the State Employer Director, followed up on Mr. Kopasz's comments. A series of meetings took place on the needed changes, the reasons, and the costs associated with increased health care costs. OSE is very interested in continuing discussions with SERA. Ms. Winters mentioned several ways that retirees are informed of changes in health care benefits. The OSE wanted the Commission to know that they fully support continued meetings with SERA.

Commissioner Swanson stated in the interest of full disclosure, that as a retired state employee the MOU has a direct impact on him. Commissioner Blockett also indicated that he is a retired state employee.

On motion duly made and supported to approve Agenda Item 5.A., the Memorandum of Understanding on Retiree Health Benefits, the motion was unanimously approved.

B. Proposed Fiscal Year 2016 Travel Rates

Ronda Whiting from the Department of Technology, Management, and Budget (DTMB) stated that the rates submitted to the Commission for FY 2016 reflect no changes in hotel or meal rates. DTMB requests approval now to allow departments time to budget for travel. The premium mileage, which is indexed to the IRS standard business rate, will change based on the methodology approved and the standard mileage rate will also change based on the State's mid-sized car cost.

On motion duly made and supported to approve Agenda Item 5.B., Proposed Fiscal Year 2016 Travel Rates, the motion was unanimously approved.

C. Letter of Understanding (LOU) between OSE and MCO (Interim Approval Granted)

General Counsel John Gnodtke stated that Agenda Item 5.C. is a Letter of Understanding between OSE and MCO involving implementation of a 12-hour shift pilot program at the St. Louis Correctional Facility. Similar LOUs have been approved by the Commission for other pilots. The LOU was granted interim approval by the Acting State Personnel Director with consent of the Chair.

On motion duly made and supported to approve Agenda Item 5.C., Letter of Understanding between OSE and MCO, the motion was unanimously approved.

D. Letters of Understanding (LOUs) between OSE and UAW (Interim Approval Granted)

General Counsel John Gnodtke stated that Agenda Item 5.D. is two Letters of Understanding between OSE and UAW both involving overtime procedures; one related to Probationary Emergency Dispatchers and the other related to clearing a backlog in a program area. Both LOUs were granted interim approval by the Acting State Personnel Director with consent of the Chair.

On motion duly made and supported to approve Agenda Item 5.D., Letters of Understanding between OSE and UAW, the motion was unanimously approved.

E. Secondary Agreements (Interim Approval Granted)

Assistant General Counsel Nicholas Kechkaylo mentioned that last year the Commission extended all secondary agreements for one year after approving new primary agreements. Since the Commission's last meeting, 14 secondary agreements have been received and granted interim approval by the Acting State Personnel director with the consent of the Chair. Staff has reviewed the agreements and found no prohibited subjects of bargaining implicated.

On motion duly made and supported to approve Agenda Item 5.E., Secondary Agreements, the motion was unanimously approved.

F. Pay Increases effective September 1, 2014 (Interim Approval Granted)

General Counsel John Gnodtke stated that Agenda Item 5.F. Pay Increases effective September 1, 2014, increases the minimum hourly compensation for five state classifications to \$8.15. The state's minimum wage act had been amended to increase the minimum wage to that amount on that date. Interim approval granted the pay increases for those 5 classifications.

On motion duly made and supported to approve Agenda Item 5.F., Pay Increases effective September 1, 2014, the motion was unanimously approved.

G. Chapter 7 Rules

Commissioner Blockett indicated that he had been a state employee for 33 years and that approval of contracts is one core reason that the Commission was established, to assure a quality work force and protect the merit system. The state has a competent and dedicated workforce by design. Commissioner Blockett commented that in the past Michigan was recognized as having one of the strongest merit systems in the nation. He stated his objection to contracting out several hundred aide positions at the Grand Rapids Home for Veterans and food-service positions at prisons based on cost savings with no consideration to the quality of the work or public health and safety. Previous commissions have said repeatedly that the contractual services process needed to be reviewed. In 1988, the Citizens Review Committee specifically recommended that the Commission be more involved in the process. He concluded that the Standards should be revised. Commissioner Blockett moved:

That a Civil Service work group be appointed to review the current system to approve requests for contractual personal services in Chapter 7 of the Rules and report back to the Commission by its December meeting.

Commissioner Swanson seconded the motion.

Commissioner Barrett asked Janet McClelland if cost alone is the basis for contracting out public services, what savings were associated with the two Departments noted by Commissioner Blockett, and what percentage of the state workforce has been affected by contracting out. Ms. McClelland responded that there are four standards for contracting out: (1) temporary and intermittent work, (2) work uncommon to the classified workforce, (3) equipment and facilities not reasonably available to the agency, and (4) Standard D for cost savings. While she did not have the exact savings for the DMVA and DOC disbursements, she indicated that they were around 40% and 20%, respectively. The percent of the 49,000-member state workforce affected is very small, with very few Standard D requests approved involving layoffs.

Commissioner Blockett emphasized that over the last two years there have been three times more employees laid off due to contracting out than in the previous 16 years.

Commissioner Swanson stated his agreement with Commissioner Blockett that the current standards, particularly Standard D, are not adequate and complete.

Chair Wardrop called the question.

Commissioner Barrett – Nay
Commissioner Swanson – Yea
Commissioner Blockett – Yea
Chair Wardrop – Nay

The motion failed.

6. PUBLIC COMMENT

Nick Ciaramitaro, Director of Legislation and Public Policy for Michigan AFSCME Council 25 and MSEA AFSCME Local 5, expressed his disappointment with the refusal to form a work group to review the rules on contracting out services. Mr. Ciaramitaro indicated his belief that J2S and Aramark have demonstrated an unwillingness to provide quality services. At the

Grand Rapids Home for Veterans, J2S has faced continued staffing shortages resulting in overworked staff, insufficient number of staff, shorted paychecks, staff unrest and turnover, and untrained employees assuming full work responsibilities. All these issues can result in neglected veterans. Mr. Ciaramitaro stated that Aramark has failed to properly perform the requirements of its contract and that Aramark employees are not vetted for potential conflicts or tested for competency. Mr. Ciaramitaro reiterated his request that the Commission establish a work group to examine and debate the question of outsourcing and the roll of the Commission, and any needed changes.

Jim Dunn, Deputy Director of the Michigan Veteran's Affairs Agency, oversees the Grand Rapids Home for Veterans. Mr. Dunn addressed Mr. Ciaramitaro's comments. Mr. Dunn stated that while some staff shortages occurred as happens at any 24/7 facility, J2S has mandated employees to stay on for less than 2% of its hours of service. This is common in the industry. Mr. Dunn assured the Commission that the Director of Nursing reviews the shifts every week and the number of people on those shifts. There is no reason to believe that J2S submitted false figures or the implication that J2S employees were allowed to work a 24-hour shift. Mr. Dunn noted that in the year after J2S replaced the state employee aides, the number of residents reporting bedsores dropped 50%, which is inconsistent with allegations of neglect. Mr. Dunn has spent hours discussing with the legislature the issue of complaints and has met with people at the Home to develop a better complaint process. Mr. Dunn assured the Commission that quality care is being provided.

Leno Pretto, Member of the Board of Managers for the Grand Rapids Veterans Home, suggested that if Mr. Ciaramitaro's intent is to resolve issues, then the issues should be raised at the home and not brought to meetings such as the Commission meeting much later.

Dr. L. J. Padula, Ph.D., a psychologist at Walter Reuther Psychiatric Hospital (WRPH) stated his understanding that the Department of Community Health has submitted a notice to outsource psychiatric services. At WRPH, about half the patients are incompetent to stand trial on criminal charges or have been adjudicated not guilty by reason of insanity. The hospital has used many medical extenders instead of filling positions with psychiatrists. Dr. Padula believes that contractual psychiatrists tend to have higher turnover and more absences with a lower standard of care and he is concerned because patients need the stability of a relationship with psychiatrists. Providers that are not skilled and experienced as psycho-diagnosticians or with prescribing medications would be detrimental to patients and dangerous to public safety. Dr. Padula asked the Commission to look at not only monetary concerns but also public safety and quality of care.

State Representative Scott Dianda expressed his concern about public safety due to contracting out food service in the prisons. He mentioned the problem of narcotics coming into prisons and expressed his opinion that inmates, employees, and the local community are at risk because of this situation. He stated that many individuals have been negatively affected economically by the Aramark contract. In addition, he commented that he has constituents who have not received the severance pay to which they are entitled. Representative Dianda asked the Commission to consider establishing an independent committee to review the rules on contracting out personal services.

John Eck addressed the Commission on behalf of SEIU members at the Michigan Department of Transportation (MDOT). Mr. Eck has been an employee with MDOT for 30 years and has actively opposed contracting out. Mr. Eck stated that in the past MDOT contracted out work requiring skills that were specialized or technically unique skills. Since 1996, MDOT requested blanket authorization approvals from Civil Service under Standard A for services that are temporary, intermittent, or irregular. Further, Mr. Eck stated that the current 300 vacant

positions could be filled to save money by reducing use of contract workers. After reviewing some exhibits, Mr. Eck asked the Commission to form a taskforce to review its rules, including reviewing all disbursements under Standards A and D, discontinuing the practice of extending existing CS-138s to increase their dollar amount or length, discontinuing the approval of CS-138s with open dollar amounts, and increasing Civil Service staff who review applications and limiting their reliance on the requesting Department's staff to justify the need.

Greg Johnson, Chief Operations Officer for MDOT, and Myron Frierson, Director of the Bureau of Finance for MDOT, addressed the Commission. Mr. Johnson discussed how MDOT conducts its business. The dollar amount that MDOT contracts out each year varies. This year \$111 million has been contracted out, but no MDOT employees have been displaced. MDOT contracts out less work compared to 10 years ago. MDOT's financial situation has been variable and uncertain for many years. Savings from some vacancies help MDOT receive federal aid. Mr. Johnson also stated that data provided by unions did not contain appropriate employee costs to make an accurate comparison. When correct figures are compared, consultants are comparable to the overall cost for technicians. Mr. Johnson indicated that MDOT has not laid off any permanent employees in the 25 years he has worked at MDOT because it keeps employees for base programs rather than matching peaks based on bonding or one-time dollars. Mr. Johnson also discussed how technological advances have changed how MDOT conducts business, making the work process more efficient and effective. Mr. Frierson confirmed that MDOT's financial situation varied from year to year.

Commissioner Swanson asked if personal contract employees commonly earn more than state employees. Mr. Frierson responded that it varies by classification but some personal contract employees receive more money and some less.

Jeremy Tripp, Deputy of Government Affairs, Michigan Corrections Organization, stated his disappointment that the Commission did not create a work group because one is needed for the inclusion of quality. Since the beginning of its contract, Aramark has continually served poor food quality, had food shortages, and made costly substitutions. Aramark employees' offenses include not showing up for work, overfamiliarity with inmates, and drug smuggling. Mr. Tripp asked the Commission to reconsider its decision on creating a work group.

Russ Marlan, former Administrator of the Executive Bureau of the Department of Corrections (DOC), stated that over the last few months he has recapped the history of contracting out of food services. A request for proposal was sent out to operate food services in the DOC. The savings required under Standard D was satisfied, a vendor was selected, and Aramark began on December 8, 2013.

Commissioner Barrett asked Mr. Marlan to respond to the comment about drugs being brought into correctional facilities compared to the past. Mr. Marlan indicated that drugs have come into the prison by classified and contractual employees. Since January 2012, there have been ten instances of state employees investigated for bringing contraband into the prison and two Aramark employees.

Commissioner Swanson asked Mr. Marlan about the \$98,000 fine that was suspended and why the Commission was not informed about that suspension. Commissioner Swanson stated that in March the DOC described its concerns and the corrective actions the DOC was taking to remedy the situation without mentioning the suspension. Mr. Marlan responded that the contract allows imposing fines at the discretion of the Director of DOC, but that the DOC's overall strategy is that it wants Aramark to comply with the contract. Fines are not used to punish but to force the vendor into compliance. There was not a formal letter issued to

Aramark on suspending the fine. After the Director's conversation with Aramark, he felt the plan was adequate and was comfortable suspending the fine.

Chair Wardrop asked Mr. Marlan how many fines have been imposed. Mr. Marlan stated that three fines had been imposed. The \$98,000 was comprised of two parts and the second fine imposed last month was \$200,000 and is taken out of Aramark's billing.

Chair Wardrop asked General Counsel Gnodtke if Civil Service had control over the Aramark contract. Mr. Gnodtke responded that the Commission approves the disbursement of funds for personal services. Historically, the Commission has not been involved in the review and approval of contracts.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 12:02 p.m.

I, Janet McClelland, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of September 17, 2014.



Janet McClelland
Acting State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
December 10, 2014

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas M. Wardrop at 10:14 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the September 17, 2014 meeting. On motion duly made and supported, the minutes of the September 17, 2014 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

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

Department of Technology, Management and Budget

A request was received to establish an exempt unclassified position, which will serve as the Procurement Contract Monitor. This request was approved effective August 17, 2014.

Department of State Police

On September 16, 2014, a request was received to establish an exempt unclassified position to serve as the Community Safety Education and Grant Coordinator. This request was approved effective September 28, 2014.

Department of Community Health

On October 16, 2014, a request was received to establish an exempt unclassified position to serve as the Facility Director of the Kalamazoo Psychiatric Hospital. Concurrently, the vacant Chief Deputy Director position was abolished. This request was approved effective October 12, 2014.

On October 28, 2014, a request was received to establish an exempt unclassified position to serve as the Deputy Director of the Operations Administration. Concurrently, the vacant

Special Assistant to the Director position was abolished. This request was approved effective November 9, 2014.

Department of Treasury

On November 13, 2014, a request was received to establish an exempt unclassified position to serve as the Executive Director of the Financial Review Commission. Concurrently, Treasury abolished the vacant Senior Advisor to the State Treasurer position. This request was approved effective November 9, 2014.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Civil Service Budget

Carol Vargovich, Director of the Office of Financial and Administrative Services, presented Agenda Items 5.A.1. and 5.A.2.

With regard to Item 5.A.1., Ms. Vargovich asked the Commission to approve the Certification of Aggregate Payroll of Classified State Service as required by the Michigan Constitution. Ms. Vargovich reported that the aggregate payroll for the classified state service from October 1, 2013 through September 30, 2014, was \$5,381,653,168.

The Commission has completed processing the financial transactions for Fiscal Year 2014. All expenditures and revenues have been reconciled and balanced with the State of Michigan's accounting records.

With regard to Item 5.A.2., Ms. Vargovich indicated that the budget proposal for Fiscal Year 2016 has been completed and recommended that the Commission approve the proposed budget, which is a continuation of the current fiscal year with the exception of pending economic adjustments for salary and wages, retirement, insurance, and workers' compensation.

On motion duly made and supported to approve Resolution 5.A.1., the Certification of the Aggregate Payroll for Fiscal Year 2014 was unanimously approved.

On motion duly made and supported to approve Resolution 5.A.2., the Budget Proposal for Fiscal Year 2016 was unanimously approved.

B. Letter of Understanding – MSEA (Interim Approval Granted)

General Counsel John Gnodtke stated that Item 5.B. is a Letter of Understanding (LOU) adjusting the hours in a standard work period and other related issues for Fire Crash Rescue Officers. The LOU was previously granted interim approval by the Acting State Personnel Director with the consent of the Chair.

On motion duly made and supported to approve Agenda Item 5.B, the Letter of Understanding was unanimously approved.

C. Secondary Agreements (Interim Approval Granted)

Assistant General Counsel Nicholas Kechkaylo stated that Agenda Item 5.C. is Secondary Agreements between the Office of the State Employer and UAW, AFSCME, and MSEA. With consent of the Chair of the Commission, interim approval has been granted for the 27 secondary agreements. Staff has reviewed the secondary agreements for violations of the Commission's rules on prohibited subjects of bargaining and has not identified any violations.

On motion duly made and supported to approve Resolution 5.C., the Secondary Agreements were unanimously approved.

D. Secondary Agreement

Assistant General Counsel Nicholas Kechkaylo stated that Agenda Item 5.D. is a Secondary Agreement that has not received interim approval between the Office of the State Employer and AFSCME for the Department of Corrections. Staff has reviewed the secondary agreement for violations of the Commission's rules on prohibited subjects of bargaining and has not identified any violations.

On motion duly made and supported to approve Resolution 5.D., the Secondary Agreement was unanimously approved.

E. Impasse Panel Recommendation 2014-02

Assistant General Counsel Nicholas Kechkaylo stated that during secondary negotiations SEIU and the Department of Transportation (MDOT) requested Impasse Panel assistance on proposed changes to certain employees' travel reimbursements under the Department's travel regulations. The Impasse Panel recommended denying both parties' proposals.

George Heath, SEIU Divisional Vice President, stated that the information submitted to the Impasse Panel by MDOT showing a cost of approximately \$566,000 is not accurate. Mr. Heath found 27 individuals on the list that are not part of the Technical Unit or are Schedule I employees. In 2013, there was a double payment because of a grievance filed and SEIU believes that amount was included in the total.

John Eck, SEIU 517M Vice President, expressed his concern over the travel reimbursement rates for the MDOT technicians classified as Schedule II Field employees. Mr. Eck stated that travel reimbursement has been an issue for some time for those 233 technicians who are assigned to highway and bridge construction projects, often located far from their offices and homes. MDOT unilaterally eliminated Schedule II language and reduced the mileage rate to \$.2525/mile, while other state employees continue to receive the full \$.555/mile. Mr. Eck asked the Commission to not accept the Impasse Panel's recommendation and to restore the full travel reimbursement rate and adjust the partial day per-diem rate for MDOT technicians being asked to travel for work.

Commissioner Barrett asked to hear from MDOT on the rationale for the reimbursement differential.

Jan Winters, Director of the Office of the State Employer (OSE), introduced Todd White, Human Resources Director with MDOT. Mr. White was involved in secondary negotiations and the impasse proceedings. Ms. Winters agreed that mileage reimbursement for Schedule II field employees has been an issue for some time. Ms. Winters stated that the

issue is very complex and OSE has every intention of taking this issue to the main bargaining table so that the full range of information and facts can be discussed. The situation involves a very small group of employees, less than half percent of state workers, and MDOT's business has changed over the years. In many cases now, employees are no longer driving considerable distances to a project or job; they are driving to and from a transportation center.

Mr. Heath responded that the employees may be few, but that they are 10% of MDOT's employees and are the frontline for MDOT projects. Mr. Heath stated that it is often cheaper for the employer to give employees the \$.25 rate than to have them use a state car. Mr. Heath also stated that the parties hoped they could come to an agreement during secondary negotiations. Mr. Heath agreed with Mr. Eck that employees are being assigned to areas that are far from their homes. Some employees are assigned to two-year projects and can't possibly drive back and forth.

On motion duly made and supported to approve Agenda Item 5.E., the Impasse Panel Recommendation 2014-02 was unanimously approved.

F. Impasse Panel Recommendation 2014-03

Assistant General Counsel Nicholas Kechkaylo stated that during secondary negotiations, MSEA and the Department of Environmental Quality (DEQ) requested Impasse Panel assistance on MSEA's request to increase the uniform cleaning allowance for Environmental Investigators (EIs).

Peter Clark stated that on November 17, 2014 the MSEA received the recommendations of the Impasse Panel on the tentatively agreed to DEQ Secondary agreement, which included an increase from \$500 to \$1,000 for cleaning allowance for EIs. The Panel agreed that the criteria exist for such an increase, but recommended that the proper forum for this issue is primary negotiations. Mr. Clark asked the Commission to disregard the Panel's recommendation and grant the increase. The union indicated that if the Commission passes the Panel's recommendation, the disparity will continue until the fall of 2015, beginning of 2016. Mr. Clark indicated that an important point is that the DNR contract has been \$1,000 for a while, so the employees at DEQ have been dealing with this disparity for quite some time. The total amount for the year would be \$4,000 and there was never a question as to whether the money was available in the budget.

Kenneth Moore, President of MSEA, stated that MSEA is only seeking parity in the same classification and bargaining unit.

Commissioner Swanson asked to hear from the Office of the State Employer. Chair Wardrop asked if both sides agreed, then why wasn't this proposal accepted and why would OSE object to the increase when the amount was in DEQ's budget.

Ms. Winters stated that a letter was sent in 1997 which indicated that the inclusion of that item was an oversight. It never should have been part of the secondary agreement. Ms. Winters said that it was not approved by OSE because it is properly covered under the primary agreement as a compensation matter.

Commissioner Swanson stated that he found it difficult to continue to ask eight employees to be treated inequitably compared to their counterparts when the Department agreed to give them an increase this year. Ms. Winters stated that she will follow up with MSEA to determine if there is another way to address this situation. Ms. Winters urged the

Commission to accept the Impasse Panel's recommendation because if not, she felt it would open the door to matters of compensation being dealt with during secondary negotiations.

Chair Wardrop made a motion to postpone Agenda Item 5.F. until the next Commission meeting and the motion was unanimously approved.

G. Coordinated Compensation Panel Recommendation (CCP)

General Counsel John Gnodtke stated that Item 5.G. is the CCP recommendation for Fiscal Year 2016. The CCP is the annual pay-setting process for non-exclusively represented employees. Last year, the Commission approved collective bargaining agreements with a 2% base wage increase for represented employees in Fiscal Year 2016. The CCP recommends awarding the same 2% increase to NEREs starting next October. The recommendation also includes increased funding for the NERE professional development fund, and a pilot incentive payment program for three classifications in the Department of Insurance and Financial Services that have experienced high turnover during the last several years.

Al Quattrin, President of the Michigan Association of Governmental Employees (MAGE), addressed the wage compression problem between the rank and file and employees in managerial positions. Mr. Quattrin believes that a morale problem exists among these employees due to the wage compression but also for not receiving overtime compensation. Mr. Quattrin asked the Commission to resolve these problems by creating an incentive bonus solely for those employees in managerial positions.

Brandt Wimbush, second Vice-President of MAGE, discussed the morale of state employees, particularly managers and supervisors. Mr. Wimbush stated that state employees get paid substantially less than their counterparts in the private sector and that many employees are not willing to apply for promotions because of the minimal increase in pay when compared to the massive increase in responsibilities.

Mr. Wimbush thanked Commissioner Blockett for his years of service to the State of Michigan and the Commission.

On motion duly made and supported to approve Agenda Item 5.G., the Coordinated Compensation Panel Recommendation was unanimously approved.

H. Unclassified Compensation Recommendation

General Counsel John Gnodtke stated that Item 5.H. is the unclassified pay recommendation, which is required by Article 11, Section 5 of the Michigan Constitution. Consistent with previous recommendations, an increase up to the amount approved by the Commission for classified employees (i.e., 2 percent) is before the Commission for its consideration.

On motion duly made and supported to approve Agenda Item 5.H., the Unclassified Compensation Panel Recommendation was unanimously approved.

6. PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 12:02 p.m.

I, Matthew Fedorchuk, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of December 10, 2014.

A handwritten signature in black ink, appearing to read 'Matthew Fedorchuk', is written over a horizontal line.

Matthew Fedorchuk
Acting State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
May 20, 2015

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

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas M. Wardrop at 10:00 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the December 10, 2014 meeting. On motion duly made and supported, the minutes of the December 10, 2014 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The Commission received the following report from the State Personnel Director.

Department of Agriculture and Rural Development

On December 18, 2014, a request was received to establish an exempt unclassified position to serve as Director of Policy Development & Legislative Affairs. Concurrently, the vacant Legislative Liaison position was abolished. This request was approved, effective December 7, 2014.

Department of Attorney General

On December 23, 2014, a request was received to establish an exempt unclassified position to serve as Director of Public Relations. Concurrently, the vacant Chief Deputy Director position was abolished. This request was approved, effective November 9, 2014.

Department of Transportation

On January 2, 2015, a request was received to establish an exempt unclassified position to serve as Commission Advisor. Concurrently, the vacant Office of Business Development Director position was abolished. This request was approved, effective January 4, 2015.

Department of Licensing & Regulatory Affairs

On March 9, 2015, a request was received to establish an exempt unclassified position to serve as Director of the Office of New Americans. Concurrently, the vacant Deputy Director position was abolished. This request was approved, effective March 1, 2015.

On April 10, 2015, a request was received to establish an exempt unclassified position to serve as Director of the Michigan Agency for Energy. Concurrently, the vacant Chief of Staff position was abolished. This request was approved, effective March 29, 2015.

Department of Talent & Economic Development

On March 5, 2015, a request was received to establish five exempt unclassified positions. These positions are: Executive Director of MSHDA, Executive Director of Talent Investment Agency, Deputy Director of Finance & Operations, Deputy Director of Legislative Affairs, and Deputy Director of Communications. This request was approved, effective March 16, 2015.

Department of Technology, Management & Budget

On April 3, 2015, a request was received to establish an exempt unclassified position to serve as Assistant to the State Budget Director and Deputy Director for the State Budget Office. Concurrently, the vacant position of Director of the Children's Ombudsman was abolished. The request was approved, effective March 29, 2015.

On May 18, 2015, a request was received to establish an exempt unclassified position to serve as State's School Reform Officer. Concurrently, the vacant position of Procurement Contract Monitor was abolished. The request was approved, effective May 10, 2015.

Department of Health & Human Services

On April 17, 2015, a request was received to establish an exempt unclassified position to serve as Special Assistant to the Director. The request was approved, effective April 12, 2015.

Department of Civil Rights

On April 23, 2015, a request was received to establish an exempt unclassified position to serve as Public Affairs Graphic Designer. Concurrently, the vacant position of Outreach Liaison was abolished. The request was approved, effective April 12, 2015.

ERB Appointment

The Honorable William C. Whitbeck has been appointed to the Employment Relations Board to serve as a member for a term through May 1, 2017.

4. UNFINISHED BUSINESS

A. Impasse Panel Recommendation 2014-03

General Counsel John Gnodtke stated that Agenda Item 4.A., which was tabled at the Commission's last meeting, is the Impasse Panel recommendation over a secondary impasse between the Michigan State Employees Association (MSEA) and the Department of Environmental Quality (DEQ). The dispute involved clothing and cleaning allowances for a few DEQ employees. The parties disagreed over whether the subject was properly addressed in primary or secondary negotiations. A letter of understanding (LOU) has since been reached, which the Commission will review later today, implementing the allowance for the employees during the current primary agreement rather than waiting until the next one. Before the Commission now is IP 2014-03. While the LOU addresses the impasse issue, final action approving IP 2014-03 is required to adopt the rest of the secondary agreement not at impasse for the rest of the contract period.

On motion duly made and supported, Agenda Item 4.A., Impasse Panel Recommendation 2014-03, was unanimously approved.

5. NEW BUSINESS

A. Letter of Understanding – MSEA and OSE (Interim Approval Granted)

General Counsel John Gnodtke stated that Agenda Item 5.A. is the previously referenced LOU between the MSEA and Office of the State Employer (OSE) on cleaning and clothing allowances arising in response to the secondary impasse with the DEQ. Staff has reviewed the LOU and identified no prohibited subjects of bargaining implicated. Interim approval with the Chair's consent was previously granted.

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

B. Letter of Understanding – UAW and OSE (Interim Approval Granted)

General Counsel John Gnodtke stated that Agenda Item 5.B. is an LOU between the UAW and OSE on procedures to request transfers involving a reduction in force. Staff has reviewed the LOU and identified no prohibited subjects of bargaining implicated. Interim approval with the Chair's consent was previously granted.

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

C. Letter of Understanding – UAW and OSE (Interim Approval Granted)

General Counsel John Gnodtke stated that Agenda Item 5.C. is an LOU between the UAW and OSE on procedures for grievance responses. Staff has reviewed the LOU and identified no prohibited subjects of bargaining implicated. Interim approval with the Chair's consent was previously granted.

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

D. Letter of Understanding – UAW and OSE (Interim Approval Granted)

General Counsel John Gnodtke stated Item 5.D. is an LOU between the UAW and OSE on overtime procedures related to a particular program. Staff has reviewed the LOU and identified no prohibited subjects of bargaining implicated. Interim approval with the Chair's consent was previously granted.

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

E. Amendments to CSC Rules 1-4, 5-5, 5-6, and 5-9

General Counsel John Gnodtke stated that Item 5.E. is amendments to the Commission's Rules, which were previously circulated for comment in SPDOC 13-04. The amendments reflect executive-branch reorganizations and renamed departments. Attempts were also made to remove departmental references that could require future rule revisions. The Commission has been given a document listing a few additional changes to Rules 5-5 and 5-6 from the version previously circulated. In Rule 5-5.1, the term P-rate has been added to include the term most commonly used to describe the special prison premium. Also, references to eligibility in the Department of Community Health are updated to more

precisely reflect that the P-rate is available to employees at the Center for Forensic Psychiatry involved with forensic patients. Finally, a reference to “the Camp Shawano in Grayling” is corrected to reflect the accurate spelling of the facility. The Commission has before it now, the revised rule amendments circulated in SPDOC 15-04, as revised in the document provided today with the additional minor changes previously described.

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

F. Letter of Understanding – MSEA and OSE

General Counsel John Gnodtke stated that Agenda Item 5.F. is an LOU between the MSEA and OSE on overtime equalization. Staff has reviewed the LOU and identified no prohibited subjects of bargaining implicated.

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

G. Collective Bargaining Agreement (Interim Approval Granted)

General Counsel John Gnodtke stated Agenda Item 5.G. is the voluntary agreement reached by the Michigan State Police Troopers Association (MSPTA) and OSE. Staff has reviewed the agreement and identified no prohibited subjects of bargaining implicated. Interim approval with the Chair’s consent was previously granted to facilitate seeking a legislative waiver to allow pay increases outside the normal budget process.

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

H. Letter of Understanding – UAW and OSE

General Counsel John Gnodtke stated that Agenda Item 5.H. is an LOU between the UAW and OSE addressing the creation of the Department of Health and Human Services (DHHS). Staff has reviewed the LOU and identified no prohibited subjects of bargaining implicated.

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

6. PUBLIC COMMENT

Peter Clark, Labor Relations Specialist for the MSEA, stated that the Michigan Department of Transportation (MDOT) altered the Transportation Technician’s job specification to include, “Operates heavy-duty dump trucks with snowplows, underbody blades, salt spreaders, and liquid applications”. Mr. Clark indicated that this work is traditionally performed by Labor and Trades employees and that the technician specification does not include any information that would indicate that these employees operate heavy equipment. Mr. Clark also stated that he was concerned about training and licensure, medical examinations, vehicles to provide the CDL road test and employees being rendered unqualified from receiving a CDL.

Mr. Clark asked the Commission to review the decision rendered by MDOT to add the snow-removal requirement to the technician classification.

Ken Moore, President of the MSEA, agreed with Mr. Clark and added that MSEA has lost 30% of its membership over the last several years, and it is Mr. Moore’s belief that this change in

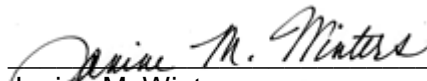
responsibilities of the technician classification is a continued effort to downsize the bargaining unit, and that this change is not in the best interest of the taxpayers of Michigan.

George Heath, SEIU 517M Technical Unit President, stated his concerns on the change in duties for the Transportation Technician. Mr. Heath believes that these changes will be an "adverse employment action" by changing the condition of employment and possibly rendering current employees unqualified for their own positions. Mr. Heath also stated that he believed these changes would create a "hostile work environment" by forcing employees to violate existing union contracts of other employees, creating supervision problems, raising call-back, on-call, and overtime balancing issues that have been negotiated. Mr. Heath asked the commissioners to reject these changes.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 10:33 a.m.

I, Janine M. Winters, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of May 20, 2015.



Janine M. Winters
State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
September 16, 2015

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

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas M. Wardrop at 10:08 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the May 20, 2015 meeting. On motion duly made and supported, the minutes of the May 20, 2015, Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The Commission received the following report from the state personnel director.

Department of Natural Resources

A request was received to establish an exempt unclassified position which will serve as the Northern Michigan Outreach Specialist. Concurrently, the positions of Chief of the Office of Legal Services and the Resource Economic Development Liaison were abolished. This request was approved effective June 21, 2015.

A request was received to establish an exempt unclassified position which will serve as the Special Advisor for Invasive Species. This request was approved effective August 30, 2015.

Department of Health & Human Services

A request was received to establish an exempt unclassified position which will serve as the Director for Special Projects. Concurrently, the position of Chief Deputy Director was abolished. This request was approved effective August 2, 2015.

A request was received to establish an exempt unclassified position which will serve as the Senior Assistant to the Director. Concurrently, the position of Interagency Collaboration Program Specialist was abolished. This request was approved effective August 2, 2015.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Standard Travel Regulations and Travel Rates

Joyce VanCoevering of the Department of Technology, Management and Budget (DTMB) stated that last year DTMB submitted the 2015/2016 travel rates and indicated that there is now a two-year rate cycle. The 2016 rates were approved by the Commission, but an adjustment has been made to the standard travel mileage rate from 39 cents to 36 cents. Also, suggested changes to the standardized travel regulations were submitted to the Commission.

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

B. Revised Bylaws

General Counsel John Gnodtke stated that Item 5.B. contains housekeeping amendments to the bylaws, which were last substantively revised in 1983. The revisions before the Commission:

- Make the bylaws more concise
- Provide for election of a chair and vice-chair at least every two years
- Add language on distributing a tentative agenda for regular meetings
- Make other minor clarifications to reflect longstanding practices, such as requiring scheduling rather than holding five regular meetings, recognizing telephonic participation by commissioners, and authorizing different quorum requirements in the rules

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

C. Amendments to CSC Rule 6-7

General Counsel John Gnodtke stated that Item 5.C. covers amendments to Rule 6-7 in response to a recent Michigan Supreme Court decision finding Rule 6-7.2 unconstitutional to the extent that it allows collective bargaining agreements to compel payment of service fees. The proposed revisions remove language allowing service fees as a condition of employment and provisions on accounting, notice, and objection processes related to service fees. Language added to Rule 6-7.1 would allow voluntary service fees, which most current union contracts contain. The proposed revisions were circulated in SPDOC 15-11.

On motion duly made and supported, Agenda Item 5.C. was unanimously approved, with an amendment to replace the word representative with represented in the previously circulated proposal in SPDOC 15-11.

D. Letter of Understanding – MCO and OSE (Interim Approval Granted)

General Counsel John Gnodtke indicated that Item 5.D. is an LOU between the Office of the State Employer and the Michigan Corrections Organization on mandatory overtime procedures. The state personnel director previously granted interim approval with the chair's consent. It is now before the commission for final approval.

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

6. PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 10:19 a.m.

I, Janine M. Winters, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of September 16, 2015.



Janine M. Winters
State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
December 16, 2015

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

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas M. Wardrop at 10:18 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the September 16, 2015, meeting. On motion duly made and supported, the minutes of the September 16, 2015 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The Commission received the following report from the State Personnel Director.

Department of Military and Veterans Affairs

A request was received to establish an exempt unclassified position which will serve as the Chief Executive Officer of the Michigan Veterans Health System. This request was approved, effective October 1, 2015.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Civil Service Commission Budget

Carol Vargovich, Director of the Office of Financial and Administrative Services, presented Agenda Item 5.A.1. and 5.A.2.

Ms. Vargovich asked the Commission to approve the Certification of Aggregate Payroll of classified state employees as required by the Michigan Constitution. Ms. Vargovich reported that the aggregate payroll from October 1, 2014 to September 30, 2015, was \$5,439,304,638.

The Commission has completed processing the financial transactions for Fiscal Year 2015. All expenditures and revenues have been reconciled and balanced with the State of Michigan's accounting records.

With regard to Item 5.A.2., Ms. Vargovich indicated that the budget proposal for Fiscal Year 2017 is completed and recommended that the Commission approve the proposed budget, which is a continuation of the prior fiscal year except for pending economic adjustments for salary and wages, retirement, insurance, and workers' compensation.

On motion duly made and supported, Resolution 5.A.1., the Certification of the Aggregate Payroll for Fiscal Year 2015, was unanimously approved.

On motion duly made and supported, Resolution 5.A.2., the Budget Proposal for Fiscal Year 2017, was unanimously approved.

B. Amendments to Rule 6-3

General Counsel John Gnodtke introduced proposed amendments to Rule 6-3. There has been a recent increase in prohibited subject of bargaining complaints. Many grievances have sought effective ownership of particular duties by classes or bargaining units. The state personnel director has issued a number of decisions, upheld by the Commission and Circuit Court, restating that classification and conditions outside the bargaining unit are prohibited subjects. The rules prohibit such grievances from being filed. The proposed changes will memorialize and clarify the longstanding practice of the commission.

George Heath, SEIU Divisional Vice President, addressed the commission on his concerns related to the proposed changes, which would negatively impact bargaining unit members. Mr. Heath's concern is that job duties may be done by one classification in one bargaining unit and are then by a different classification in a different bargaining unit.

Commissioner Wardrop indicated that it is the commission's responsibility to classify.

Peter Clark, MSEA, stated that changes have been made within existing classes to now require SEIU employees to obtain a CDL. If the employee did not qualify, then that employee would not meet a condition of employment. Mr. Clark asked why was it acceptable to arbitrate certain situations in the past, but it is not acceptable today? The ability to keep the correct people doing the correct job will be lost. Mr. Clark asked the Commission to carefully consider the rule before approving it.

On motion duly made and supported, Item 5.B., Amendments to Rule 6-3 was unanimously approved.

C. Letter of Understanding between OSE and SEIU (Technical Unit)

General Counsel John Gnodtke indicated that Item 5.C. is an LOU between the OSE and SEIU on the pay range for the Transportation Aide-E classification. The state personnel director previously granted interim approval with the chair's consent. It is now before the commission for final approval.

On motion duly made and supported, Item 5.C., the LOU between the OSE and SEIU, was unanimously approved.

D. Letter of Understanding between OSE and MSEA

General Counsel John Gnodtke indicated that Item 5.D is an LOU between the OSE and MSEA for a pilot program to use the employer's email system to transmit union information to bargaining unit members. The state personnel director previously granted interim approval with the chair's consent. It is now before the commission for final approval.

On motion duly made and supported, Item 5.D., the LOU between the OSE and MSEA, was unanimously approved.

E. Collective Bargaining Agreements

General Counsel John Gnodtke indicated that Items 5.E(1) through (7), address seven collective bargaining agreements voluntarily reached between the Office of the State Employer and various exclusive representatives for bargaining units.

Item 5.E(1), Agreement between the OSE and AFSCME

Staff have reviewed all agreements and found no prohibited subjects of bargaining. Mr. Gnodtke indicated that the bargaining units with secondary agreements have requested the extension of current secondary agreements to allow negotiations over new secondary agreements. The resolutions also incorporate two letters of understanding that were just approved that were not included in the version sent out for ratification.

On motion duly made and supported, Item 5.E(1), the Collective Bargaining Agreement between the OSE and AFSCME was unanimously approved.

Item 5.E(2), Agreement between the OSE and MCO

Chair Wardrop requested a motion to approve Resolution 5.E(2), Collective Bargaining Agreement between the OSE and MCO. On motion duly made and supported, the motion was unanimously approved.

Item 5.E(3), Agreement between the OSE and MSEA

Chair Wardrop requested a motion to approve Resolution 5.E(3), Collective Bargaining Agreement between the OSE and MSEA. On motion duly made and supported, the motion was unanimously approved.

Item 5.E(4), Agreement between the OSE and SEIU (HSS)

Chair Wardrop requested a motion to approve Resolution 5.E(4), Collective Bargaining Agreement between the OSE and SEIU. On motion duly made and supported, the motion was unanimously approved.

Item 5.E(5), Agreement between the OSE and the SEIU (S & E)

Chair Wardrop requested a motion to approve Resolution 5.E(5), Collective Bargaining Agreement between OSE and SEIU. On motion duly made and supported, the motion was unanimously approved.

Item 5.E(6), Agreement between OSE and SEIU (Technical)

Chair Wardrop requested a motion to approve Resolution 5.E(6), Collective Bargaining Agreement between the OSE and SEIU. On motion duly made and supported, the motion was unanimously approved.

Item 5.E(7), Agreement between OSE and UAW

Chair Wardrop requested a motion to approve Resolution 5.E(7), Collective Bargaining Agreement between the OSE and UAW. On motion duly made and supported, the motion was unanimously approved.

Commissioner Swanson congratulated the OSE and bargaining units for their successful negotiations.

F. Coordinated Compensation Panel Recommendation (CCP)

General Counsel John Gnodtke stated that Item 5.F. is the CCP recommendation for Fiscal Year 2017. The recommendation includes a 1% base pay increase, a 1.5% lump-sum payment, some minor changes to insurance offerings that track negotiated changes for exclusively represented employees, funding for the professional development fund, changes to the sick leave policy to track the majority of represented employees, and some studies of further issues for next year's CCP.

Al Quattrin, President of MAGE, Carolyn Madding, Director of Nursing from the Hawthorne Center, and Bobbie Tignes and Casandra Craig, nurse supervisors from Kalamazoo Psychiatric Hospital, stated their concerns on a recruitment and retention problem of nursing staff. The parties believe that the problems exist due to the reduction of health benefits for state employees over the years, low wages, an unsafe work environment at facilities, and mandated overtime.

Chair Wardrop stated that the Panel recommended that MAGE meet with the Office of the State Employer to try to resolve issues. If those discussions are not successful, the parties could then address the commission next year to provide more concrete information. Chair Wardrop asked MAGE to bring back next year to the commission data on overtime hours and staff shortages.

Commissioner McClelland stated that there is a question whether the shortage of nurses is due to wages. Commissioner McClelland indicated that it would help next year to receive a salary survey with wage comparisons in the areas where the hospitals are located to see if there is a shortage in the nursing industry in general or specific issues on pay.

Commissioner Swanson stated that the Commission is in a difficult situation when the department states there is not a problem and MAGE states that there are recruitment and retention problems. The CCP recommended that the OSE, MAGE, and departments meet to come up with a joint recommendation or separate proposals. Commissioner Swanson also stated that he expects data from MAGE and the department to allow an informed decision.

Chair Wardrop stated that the CCP's specific recommendation is that the parties get a joint proposal or identify the issues and create a more fully developed record.

On motion duly made and supported, Item 5.F., the Coordinated Compensation Panel Recommendation was unanimously approved.

G. Unclassified Pay Recommendation

General Counsel John Gnodtke stated that Item 5.G. is the constitutionally required Unclassified Compensation Recommendation provided for in Article 11, Section 5. The commission considered a change for unclassified pay of up to a one-percent base wage

increase and up to a one-and-one-half-percent lump sum not rolled into the base, effective October 1, 2016.

On motion duly made and supported, Resolution 5.G., the Unclassified Pay Recommendation, was unanimously approved.

6. PUBLIC COMMENT

George Heath, President of SEIU 517M, and Joey Combs, HSS Unit President, addressed the Commission. Mr. Heath indicated that SEIU had concerns over veterans' preference. Ms. Combs stated that there is a problem with the consistency of the application of Civil Service Rule 3-8. The state does not need to change the Veterans' Preference Program, but must actually implement it and make it easier for Michigan veterans to use it. Ms. Combs also stated that state workers who must be veterans as part of federally funded programs should not have to use their one preference opportunity on a position that already must be filled by a veteran. Ms. Combs asked the Commission to require that all state of Michigan hiring processes fully use Civil Service Rule 3-8.

Commissioner Barrett asked staff if they would like to respond.

State Personnel Director Janine M. Winters indicated there have been a number of changes and hoped that all parties are aware of those changes. In hiring processes, every posting now asks if applicants are veterans. Commission staff has met with many groups, including legislators, to review actions taken. Ms. Winters had never heard from the SEIU with these concerns and suggested a meeting to discuss all the current practices in place assisting veterans.

General Counsel John Gnodtke indicated that the notion that the rule is optional is not accurate. It is a rule that binds all hiring processes. Also, several years ago CSC implemented a military technical appeal complaint process. In five years CSC, has received two complaints and neither was substantiated. Mr. Gnodtke stated from a population perspective, the percentage of state employees who have self-identified as veterans far exceeds the ratio in the state generally. The notion that the state is not hiring veterans at all is not backed up by our hiring statistics.

Matt Fedorchuk, Deputy Director, added that the CSC has also worked closely with the Michigan Veterans Affairs Agency on ways to bring more flexibility to internal hiring processes.

Chair Wardrop asked Ms. Combs to submit examples to the CSC and if not satisfied with the outcome, to write the Commission or address the Commission at a future meeting.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 11:24 a.m.

I, Janine M. Winters, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of December 16, 2015.



Janine M. Winters
State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
May 18, 2016

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

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas M. Wardrop at 10:09 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the December 16, 2015 meeting. On motion duly made and supported, the minutes of the December 16, 2015 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The Commission received the following report from the State Personnel Director.

Department of Treasury

A request was received on January 6, 2016, to establish an exempt unclassified position which will serve as the Deputy Treasurer, Tax Policy. This request was approved effective January 3, 2016.

Department of Agriculture & Rural Development

A request was received on January 13, 2016, to establish an exempt unclassified position which will serve as the Deputy Director. Concurrently, the vacant External Relations Liaison position will be abolished. This request was approved effective January 3, 2016.

A request was received on February 2, 2016, to establish an exempt unclassified position which will serve as the Accela Project Manager. Concurrently, the vacant Senior Policy Analyst position will be abolished. This request was approved effective January 31, 2016.

A request was received on May 3, 2016, to establish an exempt unclassified position which will serve as MDARD's resource on special projects as well as assist the Director with legislative and research responsibilities. This request was approved effective May 8, 2016.

Department of Environmental Quality

A request was received on January 21, 2016, to establish an exempt unclassified position which will serve as the Policy Advisor to the Director. Concurrently, the vacant Senior Policy Advisor position will be abolished. This request was approved effective January 17, 2016.

A request was received on March 18, 2016, to establish an exempt unclassified position which will serve as the Associate Director of the Department. Concurrently, the Policy Advisor to the Director position will be abolished. This request was approved effective March 13, 2016.

Department of Health and Human Services

A request was received on February 10, 2016, to establish an exempt unclassified position which will serve as the Chief Medical Executive. Concurrently, the Special Assistant to the Director position will be abolished. This request was approved effective January 31, 2016.

Department of Corrections

A request was received on March 1, 2016, to establish an exempt unclassified position which will serve as the Health Care Services Administrator. This request was approved effective March 13, 2016.

Department of Technology, Management & Budget

A request was received on March 16, 2016, to establish an exempt unclassified position which will serve as the Director for the Office of Performance and Transformation for the State Budget Office. Concurrently, the vacant position of the Assistant to the State Budget Director & Deputy Director for the State Budget Office will be abolished. This request was approved effective February 28, 2016.

Department of Natural Resources

A request was received on March 18, 2016, to establish an exempt unclassified position which will serve as the Policy Advisor to the Director. Concurrently, the vacant Northern Michigan Outreach Specialist position will be abolished. This request was approved effective March 13, 2016.

Department of Education

A request was received on March 28, 2016, to establish an exempt unclassified position which will serve as the Administrative Assistant to the Deputy Superintendent for Educational Services. Concurrently, the vacant School Reform Officer position will be abolished. This request was approved effective March 27, 2016.

A request was received on April 11, 2016, to establish an exempt unclassified position which will serve as the Chief Deputy Superintendent. Concurrently, the vacant Deputy Superintendent for Educational Services position will be abolished. This request was approved effective April 10, 2016.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Letter of Understanding (LOU) – OSE and MCO (Interim Approval Granted)

General Counsel John Gnodtke presented an LOU involving a shift-trading pilot at Ojibway Correctional Facility. The LOU had previously been granted interim approval. On motion duly made and supported, the LOU was unanimously approved.

B. Memorandum of Understanding (MOU) on Retirement Health Benefits (Interim Approval Granted)

General Counsel John Gnodtke presented a memorandum of understanding with the director of the DTMB implementing changes to retiree insurance benefits adopted for state employees in the most recent bargaining and CCP cycles. Interim approval was previously granted. On motion duly made and supported, the MOU between the DTMB and Commission was unanimously approved.

C. Secondary Agreements (Interim Approval Granted)

General Counsel John Gnodtke presented Resolution 5.C., which grants final approval to 36 secondary agreements for which interim approval was previously granted. Staff has reviewed the agreements and identified no prohibited subjects of bargaining implicated. On motion duly made and supported, Resolution 5.C. was unanimously approved.

D. Article 22 Revisions between OSE and SEIU 517M, HSS (Interim Approval Granted)

General Counsel John Gnodtke presented on revised text for Article 22 of the SEIU collective bargaining agreement for the human services support unit. An incomplete version was submitted and approved last year. Staff has reviewed the complete article, which was previously granted interim approval by the director. On motion duly made and supported, the revisions were unanimously approved.

E. Reimbursement Policy Change (Interim Approval Granted)

General Counsel John Gnodtke presented on approval to end the pilot status of a program to not require receipts for all meal reimbursement requests. Similar changes were included in the union contracts approved last December. Interim approval was previously granted. On motion duly made and supported, the policy change was unanimously approved.

F. Increase in Minimum Hourly Compensation (Interim Approval Granted)

General Counsel John Gnodtke presented on final approval of increases in the minimum compensation for five state classes to match the minimum wage provided under Michigan law. Interim approval was granted for the increases, effective January 1. On motion duly made and supported, the increase was unanimously approved.

G. Letter of Understanding on MDOT Travel Reimbursement (Interim Approval Granted)

General Counsel John Gnodtke presented an LOU on modifications to MDOT travel regulations. Interim approval was previously granted. On motion duly made and supported, the LOU was unanimously approved.

H. Letter of Understanding between OSE and MSEA (Interim Approval Granted)

General Counsel John Gnodtke presented an LOU on overtime equalization at the DNR for which interim approval was previously granted. On motion duly made and supported, the LOU was unanimously approved.

I. Letter of Understanding between OSE and AFSCME (Interim Approval Granted)

General Counsel John Gnodtke presented an LOU on foot protection for which interim approval had been granted. On motion duly made and supported, the LOU was unanimously approved.

6. PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 10:20 a.m.

I, Janine M. Winters, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of May 18, 2016.



Janine M. Winters
State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
September 21, 2016

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

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas M. Wardrop at 10:06 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the May 18, 2016 meeting. On motion duly made and supported, the minutes of the May 18, 2016 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

A motion was made and supported to amend the agenda to add Item 5.C, Election of a Vice-Chair. The motion was unanimously approved. Item 5.C was added to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The Commission received the following report from the State Personnel Director.

Department of Insurance & Financial Services

On June 2, 2016, a request was received to establish an unclassified position as: performance excellence officer. Concurrently, the economic development advisor to the director position is abolished. The request was approved, effective June 5, 2016.

Department of Environmental Quality

On July 21, 2016, a request was received to establish an unclassified position as communications director. Concurrently, the public information officer position is abolished. The request was approved, effective July 31, 2016.

Department of Licensing and Regulatory Affairs

On July 27, 2016, a request was received to establish an unclassified position as deputy director. The request was approved, effective July 25, 2016.

Department of Talent & Economic Development

On August 17, 2016, a request was received to establish an unclassified position as director of talent communications. Concurrently, the deputy director of legal affairs position is abolished. The request was approved, effective August 14, 2016.

Department of Attorney General

On August 24, 2016, a request was received to establish an unclassified position as chief deputy director. Concurrently, the solicitor general position is abolished. The request was approved, effective August 14, 2016.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A.1 Letter of Understanding (Interim Approval Granted) between OSE and AFSCME (Institutional Unit)

General Counsel John Gnodtke stated that Agenda Item 5.A.1 is an LOU between the AFSCME and Office of the State Employer (OSE) on assignment locations in the Kalamazoo Psychiatric Hospital. Staff has reviewed the LOU and identified no prohibited subjects of bargaining implicated. Interim approval with the chair's consent was previously granted.

On motion duly made and supported, Agenda Item 5.A.1 was unanimously approved.

A.2 Letter of Understanding (Interim Approval Granted) between OSE and SEIU (Scientific & Engineering Unit)

General Counsel John Gnodtke stated that Agenda Item 5.A.2 is an LOU between the SEIU and the Office of the State Employer (OSE) on jury and witness fees. Staff has reviewed the LOU and identified no prohibited subjects of bargaining implicated. Interim approval with the chair's consent was previously granted.

On motion duly made and supported, Agenda Item 5.A.2 was unanimously approved.

B. Resolution 5.B – Secondary Agreements (Interim Approval Granted)

General Counsel John Gnodtke stated that Item 5.B is a resolution granting final approval for six secondary agreements between departments and exclusive representatives:

- International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) and the Departments of Civil Rights, Corrections, Health and Human Services, and State.
- Service Employees International Union (SEIU) Local 517M and the Departments of Corrections and Technology, Management and Budget.

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

C. Election of a Vice-Chair

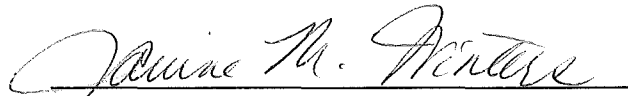
John Gnodtke presented Item 5.C. stating that the commission's bylaws require a chair and a vice-chair. The office has been vacant since the end of Commissioner Charles Blockett's term. A motion was made and supported to elect Janet McClelland as vice-chair. It was unanimously approved.

6. PUBLIC COMMENT

ADJOURNMENT

There being no further items for commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 10:11 a.m.

I, Janine M. Winters, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of September 21, 2016.

A handwritten signature in cursive script, reading "Janine M. Winters", is written over a horizontal line.

Janine M. Winters
State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
December 14, 2016

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

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas M. Wardrop at 10:06 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

On motion duly made and supported, the minutes of the September 21, 2016, Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The Commission received the following report from the state personnel director.

Department of Agriculture & Rural Development

On October 13, a request was received to establish an unclassified position as Research Analyst and abolish the position of Special Projects Coordinator. The request was approved, effective October 10, 2016.

Department of Treasury

On October 17, a request was received to establish an unclassified position as Executive Director of the Detroit Public Schools and the City of Detroit's Financial Review Commission and abolish the position of Deputy State Treasurer for Local Government Services. The request was approved, effective October 31, 2016.

Department of Education

On November 1, a request was received to establish an unclassified position as Legislative Analyst assisting the Legislative Liaison and abolish the position of Administrative Assistant. The request was approved, effective November 7, 2016.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Retirement Resolution for William J. Braman

On motion duly made and supported, a resolution thanking Employment Relations Board Member Bill Braman for his 29 years of service to the Commission was unanimously approved.

B. Fiscal Year 2017 Proposed Travel Rates (interim approval granted)

Ronda Whiting, Department of Management and Budget, Vehicle and Travel Services, requested the commission approve travel rates for FY 17.

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

C. Civil Service Budget

Amy Pung, Director of the Office of Financial and Administrative Services presented information on the FY 16 Aggregate Payroll Certification and FY 18 Civil Service Commission Budget.

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

D. Letters of Understanding (LOUs) between OSE and AFSCME (Institutional Unit)

General Counsel John Gnodtke introduced two letters of understanding between OSE and AFSCME (Institutional Unit) on holiday scheduling and shift trading. With the chair's consent, the state personnel director granted interim approval of the LOUs in October 2016.

On motion duly made and supported, Agenda Item 5-D, Letters of Understanding between OSE and AFSCME (Institutional Unit), was unanimously approved.

E. Collective Bargaining Agreements

General Counsel John Gnodtke introduced seven collective bargaining agreements submitted by the Office of the State Employer for approval. In 2015, the Commission approved agreements that allowed reopening of some economic provisions. The parties have reached voluntary agreements on wage and insurance provisions and the amendments were ratified by the respective memberships. Staff has reviewed the provisions and identified no prohibited subjects of bargaining.

On motion duly made and supported, Resolutions 5-E(1) through 5-E(7) were unanimously approved.

F. Coordinated Compensation Panel Recommendation

General Counsel John Gnodtke introduced the coordinated compensation panel (CCP) recommendation for FY2018. After a hearing last month, the panel recommended a base-wage increase of 3%, effective October 1, 2017, which matches the increase approved for represented employees. The panel also recommended additional funding for the NERE professional-development fund. The panel did not recommend adopting pilot retention and

recruitment programs for RN Managers because the parties did not provide specific parameters to the panel. Subsequently, the OSE provided the Commission an outline for pilot programs expiring in 2019 with discretionary one-time bonuses of up to \$5,000. Commissioner McClelland moved to adopt the CCP recommendation with the modification to include the RN Manager pilot program proposed by the OSE in its letter of December 5, 2016.

Upon motion duly made and supported, the Coordinated Compensation Panel recommendation, as amended, was unanimously approved.

G. Unclassified Pay Recommendation

Resolution 5-G, consistent with previous Commission actions, recommends a pay increase for unclassified employees of up to the same 3% as was approved for classified employees. The recommendation is required by Article 11, § 5.

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

H. Executive Order 2016-22

General Counsel John Gnodtke introduced a resolution accepting the potential transfer back to the Commission of the long-term disability and employee-services programs. These programs were transferred from the Commission to the Office of the State Employer in 1996 and would be returned to the Commission in March 2017 under Executive Order 2016-22.

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

I. Secondary Impasse, UAW-TED

Assistant General Counsel Nick Kechkaylo introduced the Impasse Panel Recommendation for the secondary agreement between the UAW Local 6000 and Department of Talent and Economic Development (TED). The panel recommended adoption of the employer's proposal, which would have allowed employees from two agencies located in TED, the Michigan Strategic Fund (MSF) and Michigan State Housing and Development Authority (MSHDA), to bump and transfer into the remainder of TED but not allow other TED employees to bump or transfer into the MSF or MSHDA. The parties had earlier tentatively agreed to this arrangement, but the UAW sought department-wide bumping at impasse after a failed ratification vote.

Commissioner Swanson moved to amend the Impasse Panel Recommendation to create three siloed-off organizational units within TED to more equitably treat all TED employees. Upon motion duly made and supported, the Impasse Panel Recommendation, as amended, was unanimously approved.

6. PUBLIC COMMENT

Al Quattrin, representing the Michigan Association of Governmental Employees (MAGE) and Kay Hiltenun, an RN Manager at the D.J. Jacobetti Home for Veterans, addressed the Commission on Agenda Item 5-F, offering thanks for hearing MAGE's concerns on RN supervisors. Mr. Quattrin informed the Commission that MAGE also advocated during the CCP process to address problems facing Corrections Shift Supervisors and hopes that the Commission will address this in the future.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 10:28 a.m.

I, Janine M. Winters, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of December 14, 2016.



Janine M. Winters
State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
April 26, 2017

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 Civil Service Commission (Commission) was opened by Vice-Chair McClelland at 10:08 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Vice-Chair McClelland requested a motion to approve the minutes of the December 14, 2016 meeting. On motion duly made and supported, the minutes of the December 14, 2016 meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The Commission received the following report from the State Personnel Director.

Department of Environmental Quality

On December 20, 2016, a request was received to establish an unclassified position to serve as the Outreach Director. Concurrently, the position of Associate Director was abolished. The request was approved, effective January 1, 2017.

On December 21, 2016, a request was received to establish an unclassified position to serve as the Department Director's Chief of Staff. Concurrently, the position of the Economic & Strategic Initiatives Director was abolished. The request was approved, effective January 15, 2017.

On January 17, 2017, a request was received to establish an unclassified position to serve as the External Relations Chief of Staff. Concurrently, the position of the Policy & Legislative Affairs Director was abolished. The request was approved, effective January 15, 2017.

Department of Natural Resources

On January 18, 2017, a request was received to establish an unclassified position to serve as the Special Advisor for Communications. Concurrently, the position of the Outdoor Adventure Center Director was abolished. The request was approved, effective January 15, 2017.

On January 31, 2017, a request was received to establish an unclassified position to serve as the Legislative Liaison. Concurrently, the position of the Policy Advisor to the Director position was abolished. The request was approved, effective January 29, 2017.

On February 21, 2017, a request was received to establish an unclassified position to serve as the Special Advisor for Southeast Michigan. Concurrently, the position of the Public Information officer will be abolished. The request was approved, effective February 12, 2017.

Department of Attorney General

On December 28, 2017, a request was received to establish an unclassified position to serve as the Chief Deputy Director. Concurrently, the position of the Chief Legal Counsel was abolished. The request was approved, effective January 1, 2017.

Department of State Police

On March 30, 2017, a request was received to establish an unclassified position to serve as the Special Assistant to the Director. The request was approved, effective March 26, 2017.

Regulations

Civil Service rules require that the director report to the commission on the promulgation of regulations to further implement the commission rules. Since the last report, the following regulations were promulgated:

Reissuance of All Civil Service Regulations (effective January 1, 2017)

SPDOC 16-06 reissued all regulations to (1) update out-of-date rule references, agency names, and contact information; (2) standardize formatting and citation conventions; and (3) correct typographical errors. The revisions also struck unnecessary rule references and definitions. These revisions did not include any material changes to the text of standards of any regulation. SPDOC 17-02 also issued a single document containing all currently promulgated regulations.

Regulation 5.18, Complaints About Benefits (effective March 12, 2017)

SPDOC 17-02 amended Regulation 5.18, Complaints About Benefits, by:

- Updating the table of third-party administrators to reflect current plans and TPAs.
- Updating language to direct LTD appeals to the Employee Benefits Division instead of the Office of the State Employer.
- Streamlining the appeal process by eliminating one of two levels of administrative appeal before final appeal to the commission.
- Clarifying the record to be considered in appeals.

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. Letters of Understanding (Interim Approval Granted) between OSE and AFSCME, MCO, and UAW

Item 5.B includes six interim approval granted letters of understanding since the Commission's last meeting. They include LOUs on transfers and shift trading for the MCO; on an attendance incentive pilot program for AFSCME; and on overtime exceptions and apparel policies for the UAW.

On motion duly made and supported, Items 5.B.1 and 5.B.2, Letters of Understanding between OSE and MCO, were unanimously approved.

On motion duly made and supported, Item 5.B.3, Letter of Understanding between OSE and AFSCME, was unanimously approved.

On motion duly made and supported, Items 5.B.4, 5.B.5 and 5.B.6, Letters of Understanding between OSE and UAW, were unanimously approved.

C. Minimum Compensation Increase (Interim Approval Granted)

Item 5.C is the interim approval granted by the director with the consent of the chair to increase the minimum compensation for five classes with wage levels previously below the \$8.90 to which the state's minimum wage was increased effective January 1, 2017.

On motion duly made and supported, Item 5.C, Minimum Compensation Increase was unanimously approved.

D. Amendments to Rule 5-6 (Interim Approval Granted)

Item 5.D is proposed rule changes to authorize, effective October 1, 2017, pilot signing-and retention-bonus programs for Registered Nurse Managers. The concept was approved by the commission during last year's coordinated compensation plan process. Staff circulated proposed rule language to implement the program.

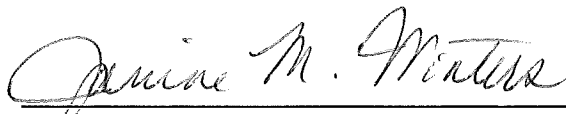
On motion duly made and supported, Item 5.D, Amendments to Rule 5-6, was unanimously approved.

6. PUBLIC COMMENT

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair McClelland called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 10:17 a.m.

I, Janine M. Winters, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of April 26, 2017.



Janine M. Winters
State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
September 20, 2017

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 Civil Service Commission (Commission) was opened by Chair McClelland at 10:02 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 April 26, 2017 meeting. On motion duly made and supported, the minutes of the April 26, 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 ten requests from departments to establish unclassified positions and nine requests to abolish were received and approved.

Interim approval was also granted for appointments to the Employment Relations Board. Susan H. Zurvalec was reappointed to serve as chair through May 1, 2018. Matthew J. Wesaw was appointed to serve as a member through May 1, 2019. The Honorable William C. Whitbeck was reappointed to serve as a member through May 1, 2020.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Employment Relations Board Appointments

On motion duly made and supported, the interim reappointments of Susan H. Zurvalec as chair through May 1, 2018, and the Honorable William C. Whitbeck as a member through May 1, 2020, and the interim appointment of Matthew J. Wesaw as a member through May 1, 2019, were unanimously approved.

B. Letters of Understanding (Interim Approval Granted) between LARA and MSEA

A letter of understanding on provisions for vacant Workplace Safety Representative positions within MIOSHA was previously granted interim approval by the director with the

consent of the chair. On motion duly made and supported, Item 5.B., Letter of Understanding between LARA and MSEA, was unanimously approved.

C. Proposed Amendments to Rules 2-5, 2-16, 3-2, 3-4, 3-5, 5-6, 6-2, 6-3, 6-4, 6-7, 6-9, 8-3, and 9-1

General Counsel John Gnodtke stated that commissioners asked staff to review the rules for potential gains in operational efficiencies. Staff reviewed previous bargaining impasses and grievances and complaints from current and past administrations, directors, and HR staff. A recurring area of concern was agencies' authority to assign staff. Since the commission approved collective bargaining in 1980, many different union provisions on bumping, recall, transfers, overtime assignment, shift assignment, and scheduling have developed that are administratively challenging. The proposed amendments were based on a goal of simplification by applying the same rules that cover staffing for nonexclusively represented employees to all employees. Additional proposed changes included standardizing provisions on paid union leave and dues authorization, reinstating rules of general applicability as a failsafe measure, prohibiting bargaining on merit-pay systems, and instituting a new critical-position-pay pilot program for NEREs.

After the proposed amendments were circulated, staff met with four unions to discuss the proposals. The commission also received over 1,000 comments during the public-comment period. About 98% were nearly identical comments opposing the rules generated through a website set up by the Michigan AFL-CIO. They urged rejection because civil servants deserve the right to bargain over important job protections. Around 20 other unique brief statements of opposition were submitted. Comments supporting the proposal were received from the Mackinac Center, Michigan Chamber of Commerce, and Michigan Freedom Fund.

AFSCME, MCO, MSEA, SEIU, and UAW submitted comments against the proposals. They focused on the importance to employees of seniority-based protections and benefits provided under the current union contracts, the effects on unions' ability to provide services if paid union leaves were cut, and opposition to the potential unilateral amendment of contracts by the commission through rules of general applicability. The OSE provided the employer's coordinated response supporting the proposals, which included examples of the status quo under union contracts that were administratively burdensome and inefficient.

Based on the meetings and public comments, staff drafted four clarifying amendments to the rules as circulated. The first was to correct a typo by inserting the word "and" in rule 6-3.2(b)(9). The second was housekeeping to delete a missed reference in rule 6-3.9(a) referencing union contracts being able to address union leave. Another change to rule 6-9.3(c) would add a sentence to specifically recognize that the director could authorize paid administrative leave for specified labor-relations activities in regulations, as is currently done for NEREs. The final change was to modify the definition of rule of general applicability to limit its use to the compensation plan after a declaration of budgetary emergency by the governor. This was done to address concerns that the proposed rule was too broad.

After a motion was duly made and supported to adopt Resolution 5.C, the comment and discussion period began.

Commissioner Barrett explained his belief that the goal for creating civil service in the 1930s was not simply to prevent cronyism and patronage. While this was certainly a goal, history shows that this was not the only or even the primary goal. Commissioner Barrett highlighted the purpose section of the initial civil service act, which read: "The purpose of this Act is

to... increase the efficiency of the governmental departments and agencies by the improvement of methods of personnel administration." The original 1940 constitutional provision also required that candidates be evaluated "exclusively on the basis of merit, efficiency, and fitness." In 1963, the commission's constitutional provision was amended to add language requiring that all positions be created or abolished only for "reasons of administrative efficiency." Commissioner Barrett expressed concern that the current system (1) uses seniority hours as a proxy for fitness and efficiency when that number is unrelated to actual merit and (2) prohibits considering actual efficiency and employees' skills and fitness. The unions were asked to clarify how mechanical application of seniority hours is an appropriate method to achieve the primary historical goal of improving personnel administration through a system based on merit, efficiency, and fitness.

Commissioner Barrett asked staff to address claims in media reports and comments on the decreasing quality of the workforce and inability to recruit candidates, allegations that the proposals would cut overtime pay, and assertions that grievance rights were being lost. Director Winters summarized the quality and number of applicant pools and the benefits offered. She also summarized that overtime pay was not affected by the proposals, which addressed the scheduling of overtime. General Counsel Gnodtke clarified that the proposals maintain grievance rights, but provide for their consideration by the commission instead of arbitrators under contractual grievance processes.

Commissioner Bolger echoed concerns of President Franklin Delano Roosevelt about the need for special consideration of the relationship between public servants and the public. He stated that the current system reduces responsiveness to the will of the people. Commissioner Bolger advocated acting now because the parties should have time to prepare for bargaining next summer and because some of these common-sense reforms have not been acted on despite being identified almost 25 years ago.

Commissioner Bolger highlighted hundreds of pages of union agreements creating dozens of unique bumping procedures that can require several hundred hours of staff time just to figure out what will happen during one layoff. He also asked about the equity in treating employees differently on these conditions of employment, including the 30% of the workforce that is not unionized. General Counsel Gnodtke was asked to and did summarize several dozen definitions of seniority, tiebreakers, and exceptions across all the contracts. Commissioner Bolger asked for comments to focus on facts and the public we serve.

Commissioner Swanson first indicated that he understood the motivation for the proposals, which would have made his life easier when he was director of a department. But he also believed that the resulting provisions were the result of negotiations and concessions, so unilateral changes are antithetical to the bargaining process and undermine trust. He also commented that rules of general applicability were never invoked, detrimental to labor-management relations, and were not supported by a clear statement of need.

Commissioner Swanson moved to amend the resolution to not amend rules 6-2, 6-3.1, 6-3.4, 6-3.10, and thus not reinstate rules of general applicability. The motion received no support and failed.

Commissioner Swanson then moved to amend rule 6-3.9(c)(6) in the resolution to allow the 2,088 hours to be used by multiple employees for union business instead of limiting it to a single officer. The motion received no support and failed.

At the request of the chair, General Counsel Gnodtke summarized the public comment provisions in the bylaws. Chair McClelland asked speakers to focus on substantive discussion of the proposals and their most salient issues. She emphasized that the commissioners had reviewed several hundred pages of public comments and wanted to use time effectively and not just have comments reread or hear previously made arguments. She also asked unions to discuss how current union contracts, which require that staff be assigned work only based on seniority and prohibit considering employee performance, are consistent with effective public administration and a civil service based on merit, efficiency, and fitness.

Ava Barbour and Ed Mitchell commented on behalf of UAW. They emphasized that seniority is used in union contracts to promote fairness and efficiency and avoid individualized determinations based on nepotism or cronyism. Seniority is also a reward to employees for long service to the state and a fair way of choosing between large groups of employees. The proposals would not prioritize who served longest, but who someone knows or supported in the last election. For nearly 40 years, collective bargaining and union representation have fostered a stable workforce benefiting employees and taxpayers. Vague claims of streamlining have not shown that the current system is broken.

Chair McClelland asked for clarification of how union provisions requiring managers to take the most senior employee with no consideration of job match or only choose from among the three most senior when filling positions met concepts of merit and fitness. Mr. Mitchell responded that any candidate would have to be minimally qualified and long-term employees have the experience and ability to do the job.

Commissioner Bolger asked why supervisory time is excluded from seniority hours if service to the state was to be respected. Mr. Mitchell responded that once they left the bargaining unit they were no longer doing the work. Ms. Barbour indicated that the seniority provisions were bargained over and the proposed changes came out of nowhere.

UAW appreciated the clarification to the proposed rule of general applicability, but continued to argue it was unnecessary and ill-advised. The administration of the staff-assignment provisions was described as routine. UAW also highlighted that its contractual grievance process was more efficient than the civil service system and argued that hiring additional hearing officers would be needed to offset the gatekeeping function performed by unions. Reducing leave time would also hamper the unions' ability to play this role and would ultimately not save the state money. UAW also noted its disgust at unjustified suppression of union representation. UAW concluded by asserting that state employment before collective bargaining was based on favoritism, nepotism, and cronyism.

Commissioner Barrett asked UAW to comment on the OSE's example of a single bump chain requiring over 1,000 hours of HR staff time just to implement in addition to the time lost from the hundreds of resulting bumps where employees had to learn new jobs. He asked why the NERE system that still ensure seniority bumping with recall rights was not acceptable. UAW could not speak on the OSE's example, but suggested time spent on the front end would affect time on the back end. UAW also questioned the efficiency of the NERE system and grievance process.

President Tom Tylutki and Chief of Staff Andy Potter commented for MCO. MCO emphasized its strong working relationship with management and 50-year commitment to address concerns together. MCO labeled the proposal as a slap in the face that would erase bargains with the OSE. Recruiting and morale problems were cited. MCO argued that the

unique security issues its employees face are not conducive to one-size-fits-all solutions. MCO referenced partnerships with the employer where systems were revamped to save millions of dollars and find new recruits.

Chair McClelland asked about existing overtime equalization processes for NEREs. MCO responded that the system created by employees was efficient and manageable. Chair McClelland also noted that the proposal would allow agencies flexibility to address unique agency concerns.

President Ken Moore and Labor Relations Coordinator Peter Clark commented for MSEA. MSEA argued that the rules do not address the diversity of services, classifications, and agencies served by MSEA. This diversity demands individual and unique rules. MSEA criticized the proposal to reinstitute rules of general applicability as politics. MSEA argued that the contractual staff-assignment procedures are merit-based because employees do not get 20 years of seniority unless they are good employees.

Chair McClelland asked whether the seniority-based processes achieved the best fit of employee and position. MSEA responded that its contract allowed the employer to choose from among the three most senior employees and long-time employees are competent and would fit.

MSEA asked why rules of general applicability were sought now. Chair McClelland emphasized that the rule was intended for emergency situations and revised to address concerns on its breadth. Director Winters described thousands of layoffs that a rule of general applicability could have prevented during a budget crisis in the 1980s.

MSEA stated that the proposal would remove protections bargained for in good faith less than a year earlier. MSEA also noted that seniority benefits reward employees for service at no cost to taxpayers, unlike pay for performance. MSEA criticized the lack of procedure in the regulations addressing staff-assignment issues and argued that the details in the union agreements are needed to address them. Absent these procedures, MSEA indicated concern that favoritism would occur.

MSEA also indicated that it has a fantastic relationship with all departments and has collaborated to reduce the number of arbitrated grievances over the years. MSEA argued that its arbitration process has fewer levels and is more efficient than the NERE appeal process. MSEA also questioned whether it was clear where complaints would be filed if the proposal was adopted. MSEA also expressed concern that the reforms to bumping and recall would prevent retention of skilled workers.

President George Heath and Bargaining Unit Presidents David Berridge, Joey Combs, and Arnold Beller commented for SEIU, which asked the commission to remember that it represented state employees. The commission was created to take politics out of the state personnel system as a neutral and not represent employee nor management interests exclusively. The proposed changes are not neutral and were not negotiated or talked about. SEIU questioned the need for rules of general applicability given employees' demonstrated willingness to make concessions through negotiations. SEIU also objected to the proposed changes to union leaves because one person could not possibly handle the different issues statewide across three very different contracts.

The unit presidents argued that the proposal was designed to take away employees' voice and protection and questioned whether employees would have access to the commission.

Current language comes from over 30 years of working together with departments to create fair and equitable approaches for staff assignment. Prohibiting the subject will allow misuse by the employer. They emphasized the three separate units represent employees at hundreds of worksites and in over 100 classifications. The reduction to a single paid position for union leave would be unworkable. SEIU also questioned the fairness of changing a contract's term unilaterally while it was in effect. Rules of general applicability should not be used. Mutual provisions must be honored. Unions have made concessions in the past through communication and negotiation in good faith. SEIU claimed that the proposal would prevent a grievance over an arbitrary and capricious action. The SEIU echoed the comments of other unions and asked the commission to avoid the negative impact of the proposals and send the issues back to the parties for collective bargaining.

General Counsel Gnodtke clarified that the rules specifically authorize grievances to be filed for arbitrary actions. They do not prevent grievances in such situations.

President Lawrence Roehrig, Vice President Robyn Clark, and Mark Williams commented for AFSCME. AFSCME indicated that the commission has accomplished something already by uniting the labor movement. Top-down imposition of conditions is what led to Flint. Unions can solve problems without slowdowns or strikes if treated as equals. The commission was created to protect employees from employers. It should do something right with the OSE to collaborate and make things work. Rules reached through mutual respect work better than a whip, chain, and chair. AFSCME argued that its contract not only focuses on seniority, but allows consideration of experience and performance. AFSCME has worked with the OSE through concessions to address budgetary issues and negotiations to improve efficiency. There are few grievances in process on overtime and seniority where the union works with the employer. The proposals will not help morale. AFSCME asked to be allowed to be part of the solution.

State Employer Marie Waalkes commented in support of the proposal. She stood behind the written comments, which were provided after consultation with state agencies. Commissioner Swanson asked why substantive problems were not raised at the bargaining table. Ms. Waalkes replied that departments indicated that they had brought up issues, but they had not gone through. Commissioner Swanson also asked for the rationale for supporting rules of general applicability when her predecessors had opposed it as detrimental. Ms. Waalkes indicated that the employer could still go back and discuss concessions even with the rule in place.

State Representative Tim Greimel commented in opposition to the proposal. He stated that state workers put their lives on the line and deserved respect and dignity in the workplace. Representative Greimel stated that the rules would make workers less efficient, less productive, and reestablish political favoritism. Limiting the scope of collective bargaining risked going back to the days before bargaining and unrest. He highlighted rules of general applicability as egregious. He claimed the rules would prohibit resolution of grievances on state time and require managers and workers to spend time after hours. He expressed concern with giving managers and directors more power to assign staff, which risked allowing favoritism and corruption. He believed the proposals could make it harder to attract quality applicants, further lower morale, and drive good people away.

State Representative Scott Dianda commented in opposition to the proposal. He stated that what is in place has worked well since 1963. Labor-management relations can ensure issues never get to the grievance process. While the state is trying to attract businesses,

the commission should not lower morale and hang concerns over the heads of long-term employees. The commission should have an open dialogue about changes to the system.

Wendy Block, senior director of health policies, human resources, and business advocacy for the Michigan Chamber of Commerce, commented in support of the proposal. She highlighted the additional flexibility for managers and modernization of systems that will lead to a more productive workforce. She stated that compensation based on performance and not just seniority is long overdue. Ms. Block also supported changes regarding dues deductions and cutting taxpayer subsidies for around 34 government employees who report to work but do work for their unions.

Dirk Wilcox, senior attorney at the Mackinac Center, commented in support of the proposal. He referenced his written comments, which were previously submitted. While he appreciated that current systems were negotiated in good faith, the system that has developed focuses on unchanging procedures instead of improving best practices. The rules must be updated to encompass best practices and ensure taxpayer money is well spent and public services are well managed.

Bob Kopasz, chair of the Michigan State Employee Retirees Association, commented in opposition to the proposal. He expressed concern about the proposal's lack of specifics. Mr. Kopasz described his role in bargaining sessions. The shift assignment provisions were among the most important provisions to employees. He expressed concern that the employer still tried to circumvent these provisions. Mr. Kopasz stated his hope that the state and commission would move labor relations forward and not backwards.

Michael Duell spoke in opposition to the proposal. He indicated that he began as a contract employee for MDOT before being hired as a civil servant. He stated that contract employees were used because managers could not manage, yet these poor managers remain in their positions. Mr. Duell argued that NERES' efficiency had to be improved. He also spoke of the need to reward workers for good performance and highlighted the creation of extra layers of management to reward employees. Mr. Duell indicated that employees were being lured away by private employers who could offer higher salaries. The state must pay fairly, offer flexible hours and respect, inspire autonomy among employees, and improve benefits.

After a short recess, public comment resumed.

Diane Adams, a dental hygienist, expressed her concern that the proposed rules will not allow workers' safety to be guaranteed. She expressed concern over the state's economy and the lack of employees' voice.

Russ Bellant commented in opposition to the proposal. Mr. Bellant indicated he had worked in the public and private sector as management and as a union member. He stated that unions can bring higher standards than management. Mr. Bellant warned that less participation is a failed model under emergency management, in Europe, and in Michigan. He referenced Aramark, the Detroit school system, and Flint. He argued that the proposals are not about efficiency, but about eliminating voices and urged avoidance of partisanship.

Charles Blockett, former commissioner, summarized his history with the state. He argued that the current systems have been handled for decades without the technology available today. He stated that focus on cost savings led to the situations at the veterans facility and with prison food workers and that the commission should start by considering rules on

contracting out. Mr. Blockett indicated that the proposals could destroy good labor relations and that life would be hell if they passed.

John Eck commented in opposition to the proposal. Mr. Eck noted that an advisory taskforce on civil service reform had recommended allowing collective bargaining, which was implemented in 1980. A 1987 taskforce endorsed the progress. Strong unionism has worked and departments cannot be trusted to know the ins and outs. The current system with the OSE and commission works well. Mr. Eck accused Commissioners Bolger and Barrett of being political.

Brent Heyer, an electrician for the state, expressed his concerns and focused on proposed changes on overtime equalization. He indicated his worry that the state would have unqualified people performing electrical work that could create safety risks. He also stated that he worked for the state based on its better fringe benefits, leave entitlements, and overtime opportunities than other employers, but the proposals could cause people to leave state employment for higher wages elsewhere.

Roderick Jackson commented in opposition to the proposal. He stated that it hurt to see what is going on in America and an attack on workers by our own government. He described the proposal as a blatant attack on rights of workers and unions used to force out the voice of reason. Mr. Jackson called commissioners biased and asked that the unfair and unrighteous changes not be forced on employees.

Michelle Kusnier commented in opposition to the proposal. She stated that she was able to be hired back to state employment after a layoff because of help from her union and that she works for the state because of the union.

SEIU 517M Executive Director Liza Estlund Olsen commented in opposition to the proposal. She stated that although labor-management meetings could be testy, they ultimately resolved issues without grievances. She argued that there was no reason for the proposal and that the proposal for rules of general applicability reused political language from 20 years ago. Ms. Estlund Olson accused Commissioners Bolger and Barrett of hostility to unions and claimed the governor's appointments had created a political commission. She criticized the unwillingness to consider the amendments proposed by Commissioner Swanson. She disputed that the changes had anything to do with efficiency and questioned reducing the rights of unionized workers to what the smaller population of NEREs have.

After public comment ended, the commissioners discussed the proposal.

Commissioner Swanson stated that the more things are mutually discussed, the more collaboration occurs and the better we all are. He questioned what problems the rules addressed. Commissioner Swanson indicated that they were not substantive problems, but were what was viewed in some corners as allowing too much for the state and union to talk about. Commissioner Swanson described this as an attack on state employees rather than treating them as colleagues and partners in government. He characterized them as the governor's rule changes since he has appointed the majority of commissioners. He called adopting the rules a disservice.

Commissioner Bolger indicated that these issues had not been addressed for decades. He also defended authorizing rules of general applicability rather than waiting for an emergency to begin emergency preparations. Commissioner Bolger stated that he was convinced that the changes will increase efficiency, improve effectiveness of state service, and empower

employees to do the work. While he appreciated the passion in the room and the service provided by employees, Commissioner Bolger indicated that most employees did not voice opposition and several reached out to him with support but were not comfortable doing so publicly.

Commissioner Barrett asked for clarification of issues that would remain part of collective bargaining process. General Counsel Gnodtke indicated several dozen subjects related to compensation, benefits, grievances, discipline, reimbursements, leaves, health and safety, union issues, and conditions of employment that could still be bargained.

Chair McClelland stated that the constitutionally based merit system since 1941 has maintained an equitable employment system for state employees on a "for cause" basis. She disagreed that the proposals diminished the merit system by adjusting its bargaining process. State government is not the private sector. Expanding prohibited subjects does not leave represented employees without any protections. They have the same protections in affected subjects as non-represented employees. Chair McClelland appreciated the feedback received from the OSE, unions, employees, and the general public. She believed that the revised proposal will enable state government to conduct operations in a way to serve the people of the state through efficient and standardized processes while maintaining a system for employees to have a voice.

On motion duly made and supported, Resolution 5.C, was approved by a vote of 3 to 1, with Commissioner Swanson voting No.

6. PUBLIC COMMENT

John Collins addressed the commission to express his concern over the lack of action taken by other state agencies in response to discrimination complaints involving migrant workers. He asked for establishment of (1) a centralized system to report discrimination and track complaints, (2) a statewide set of protocols to investigate complaints including timeliness standards, and (3) mandatory training for those investigating these complaints.

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 2:08 p.m.

I, Janine M. Winters, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of September 20, 2017.



Janine M. Winters
State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
December 13, 2017

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 10:07 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 September 20, 2017 meeting. On motion duly made and supported, the minutes of the September 20, 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 one request from the Department of Talent and Economic Development was received to establish an unclassified position of Deputy Director of Legislative Affairs. Concurrently, the position of Director of Talent Communications was abolished. The request was approved, effective September 21, 2017.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Fiscal Year 2018 Proposed Travel Rates (Interim Approval Granted)

Sherri Irwin, Department of Technology, Management and Budget, Vehicle and Travel Services, requested the commission approve travel rates for FY18, including a decrease in the standard travel rate.

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 FY17 Aggregate Payroll Certification and FY18 Commission Budget.

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

C. Coordinated Compensation Panel Recommendation

General Counsel John Gnodtke stated that the Coordinated Compensation Panel (CCP) has issued its recommendation for NERE compensation to the commission. The CCP recommends a 2% base-pay increase for FY19, which tracks a raise previously approved by the commission for represented employees. The CCP also recommends adopting an OSE proposal to adjust the pay schedule for State Police Lieutenant and Lab Manager 14 classes. The CCP does not recommend adoption of a MAGE proposal for an additional 5% base-pay increase for RN Managers. Pilot retention and recruitment bonuses were approved by the commission last year, which took effect in October, that the CCP felt should be given a chance before additional action was taken. The CCP also recommends funding of \$200,000 for the NERE professional development fund.

MAGE President Al Quattrin addressed the commission and focused on compensation of RN supervisors, which MAGE has addressed in the past. The recruitment and retention bonuses for RN Supervisors came about to address mandatory-overtime problems that exacerbate retention. The CCP panel strongly encourages agencies to participate in these programs, but the three departments that employ nurses have indicated they will not take advantage of the programs. DHHS indicated it might consider the signing bonus, but not the retention bonus. DMVA and DOC have indicated no interest in implementing these bonuses.

Andrea Vanderbergh, Nurse Executive at Hawthorne Center, addressed the commission on her experience in the private sector and for the state. She indicated that RN positions have been posted the entire time that she has been back. Interviews occur as soon as an application is received, but there are still RN vacancies. RN Managers start at the top of the State of Michigan pay scale, so there is no room for growth and nurses still make over \$5.00 less than private nurses who do not have to supervise. The state's population is also violent and not appealing. State hospitals have a high percentage of patients with forensic involvement who have committed crimes. The children's hospital has a significant number of children with intellectual disabilities and autism spectrum disorders that can be very violent. There is a high potential for nurses to be attacked and injury rates are several times higher than at private hospitals. While there are benefits to working for the state, a further increase in pay is sorely needed.

Commissioner Swanson acknowledged the problem of recruiting and expressed that the recruitment bonus could be a greater incentive to attracting qualified candidates than the suggested 5% increase in pay.

Quattrin responded that both are needed given the market. After additional comments from Quattrin and Vanderbergh, Commissioner Barrett asked if departmental representatives could address the rationale for not offering bonuses.

DHHS HR Director Victoria Grant and MDOC HR Director Jonathan Patterson both indicated that finalization of spending plans was needed to determine whether budgets would allow participation, but neither had decided not to participate. Grant indicated that DHHS intended to take advantage of those opportunities if the money was there. Patterson also indicated that the DOC had retention and recruitment issues with RNs and not RN Managers.

Commissioner Swanson strongly encouraged departments involved to use these tools to move forward on this issue. Chair McClelland agreed that the tools are meant for agencies to pinpoint where there is a recruitment or retention problem.

On motion duly made and supported, the Coordinated Compensation Panel Recommendation was unanimously approved.

D. Letter of Understanding Psychiatrist Retention Bonus (UAW)

General Counsel John Gnodtke indicated Item 5-D is a letter of understanding (LOU) between the UAW and OSE establishing a discretionary retention bonus for psychiatrists due to difficulty in filling these positions. Staff has reviewed the LOU and identified no prohibited subjects of bargaining implicated. The effective date for the LOU will be October 1, 2018, unless a legislative waiver is obtained.

On motion duly made and supported, the Letter of Understanding on Psychiatrist Retention Bonus was unanimously approved.

E. NERE Psychiatrists Compensation Increase

General Counsel John Gnodtke introduced Item 5-E, which is a related request involving three managerial psychiatrist classifications. DHHS, the only state agency currently using the classes, has asked to have the 19 and 20 level classes join the 21-level class in a performance-pay plan instead of a schedule with steps. DHHS has also asked to increase the maximum rate of pay for all three classes. The OSE supports the request. The transition to performance pay would take effect immediately based on the existing pay range. Increases in maximum pay rates would need to be included in the FY 2019 budget and take effect October 1, 2018, unless a legislative waiver is obtained.

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

F. Unclassified Pay Recommendations

Item 5-F is the non-binding pay recommendation for unclassified positions that Article 11, § 5 of the Michigan constitution requires. Resolution 5-F would approve a base-pay increase of up to 2% for unclassified positions to track those received by classified employees, as has historically been done.

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

G. Increased Minimum Compensation for Classifications

Item 5-G is a recommendation to increase the minimum wage for four non-career classifications to match the increase in the state's minimum wage that will take effect January 1, 2018. Similar increases have been approved the last few years.

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

H. SPDOC 17-10 Draft Amendments to Rules 2-3, 2-6, 3-6, 5-3, 8-1, and 8-2

Item 5-H are revisions to the commission's rules on performance ratings, disciplinary ratings, and probationary ratings, which were circulated for public comment in October. The proposals were mainly organizational and stylistic. A major focus was making the rules more concise. Additionally, provisions on probationary ratings, which are part of the selection process, were all moved to chapter 3 of the rules to emphasize this fact. The proposals

attempted to better distinguish between grievable disciplinary actions, such as reprimands and interim ratings, and non-disciplinary actions, such as counseling and discussions of performance. The proposals also clarified agencies' ability to extend probationary and follow-up periods without issuing ratings and facing discipline, while newly allowing probationary employees to request a rating if not promptly issued and be granted status if no action is taken. The commission received some comments and staff met with representatives from two unions to discuss the proposals. Based on feedback, staff are recommending a few minor changes and corrections from the circulated proposal, which are reflected in Resolution 5-H. The only substantive change included is decreasing the maximum period for extension to follow-up rating periods from twelve months to six. The modified proposal also clarifies that behavior is part of performance. If the commission approves these rule amendments, the director plans to issue revised regulations to correspond to the approved rule changes.

David Berridge, president of the Scientific and Engineering Unit, highlighted a few issues of concern to SEIU. General Counsel John Gnodtke clarified that an employee would be granted status or returned to satisfactory status if an agency did not respond to the employee's request for a rating after one was not timely issued. This tracks current practice for employees under disciplinary interim ratings and would allow employees to make similar requests for all three rating types.

Berridge also inquired about new language authorizing feedback that are not ratings that could be used as part of future ratings, but have no process for review when given. General Counsel Gnodtke explained that periodic progress meetings are not disciplinary actions and are thus no different from other counselings or instructions of expectations. If a disciplinary rating or action is taken based in any part on these conversations, the validity of them could be challenged at that point. The rule amendments were intended to encourage feedback and counseling between staff and management and clarify that non-disciplinary discussions and counselings are not adverse actions subject to grievance processes.

Berridge indicated that SEIU appreciated the reduction in the maximum length of a follow-up rating period before a rating was required, but believed that an extension of a rating should also be grievable as discipline. If the employee believes the extension is being issued without cause and has facts or circumstances to prove they are now satisfactory and the interim service rating should not be extended, there must be an avenue to grieve their concern. General Counsel Gnodtke indicated that the current rules have a default follow-up rating period of three months, but the employer could make it for any length. Staff viewed six months as providing reasonable flexibility granting appointing authorities discretion on how to proceed with follow-up ratings while still encouraging relatively prompt attention that also prevents employees from being in limbo for up to a year as was initially proposed.

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

I. Collective Bargaining Agreement - MSPTA and OSE (Interim Approval Granted)

Item 5-I is the collective bargaining agreement between the MSPTA and OSE. The staff review under the commission's more limited role in trooper bargaining under article 11, § 5, identified no concerns. To facilitate the legislative-waiver process, interim approval was granted with the consent of the chair shortly after ratification. The contract is now before the commission for final approval.

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

J. Letters of Understanding (Interim Approval Granted)

Item 5-J is two letters of understanding involving the Department of Corrections. The first involves a shift-trading policy at two facilities with MCO. The second addresses firearms training and carrying policy with UAW. Both have been granted interim approval and are now before the commission for final approval.

On motion duly made and supported, Item 5-J(1) Letter of Understanding DOC Shift Trades at Ojibway and Baraga Correctional Facilities and 5-J(2) DOC Firearms Training and Carrying Policy were 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 10:57 a.m.

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

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
July 25, 2018

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 Schmittziel, 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.

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 reinstituted by the MDOC next fiscal year. The eleventh reinstitutes 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.