

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
January 20, 2000**

Present: Susan Grimes Munsell, Chairperson
Rae Lee Chabot, Commissioner
Robert P. Hunter, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell, at 11:05 a.m. in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported the Commission approved the minutes of the meeting of November 18, 1999.

COMMISSION BUSINESS

1. Carol Vargovich, Department of Civil Service, Budget and Financial Services Division, briefed the Commission on the Financial Activity report for the Department of Civil Service, and the certified aggregate statewide classified payroll for fiscal year 1999. Ms. Vargovich reported that the Department closed the books with the Office of Financial Management in mid-December with a balanced account.

The Constitution requires that Department of Civil Service certify the aggregate payroll of the classified service. The aggregate payroll for fiscal year 1998-99 is \$3,461,127,004. One percent of the payroll is \$34,611,270 and is the Constitutional funding base for fiscal year 2000.

On motion duly made and supported, the Commission approved the certified aggregate payroll for fiscal year 1999 for transmission to the Governor and the Legislature.

INFORMATIONAL REPORTS

1. Carol Mowitz, Human Resource Services, Department of Civil Service, provided a report on the implementation of changes to the pay for performance plan for executive and administrative employees. Ms. Mowitz noted that under the new regulation on performance pay programs, the

state personnel director asked each department to submit a performance evaluation plan for Group 4 and SES employees, and staff is now in the process of evaluating those plans. She noted that the competencies have been finalized along with the rating scales, and forms have been developed which will allow an integration of the competency assessment with the individual employee's performance objectives. Staff will next issue an advisory with those forms, and a procedure for requests to exceed 5% of merit pay. Ms. Mowitz responded to a question from Chairperson Munsell that the competency charts and performance appraisal forms will be available for use on the Internet.

NEW BUSINESS

1. Carol Mowitz presented the Employment Relations Board's recommendations for Coordinated Compensation for Fiscal Year 2000-2001. The Board recommended approval of four compensation proposals: 1) a 2% across-the-board pay increase and a \$375 lump sum payment with a 401(k) employer match option; 2) emergency response compensation at the rate of \$3.75 per day to the employees of the Michigan State Police at the command officers of Lieutenant and above; 3) a pre-tax parking and commuting benefit as outlined by the 1998 Federal Transportation equity Act for the 21st Century, to be implemented as soon as administratively feasible through the new Human Resources Management Network (HRMN), in the amount of \$55 per month for mass transit, and \$145 for parking, and 4) renewal of the Professional Development Fund for Managerial, Supervisory and Confidential employees at at \$150,000 and renewal of the Professional Development Fund for Business and Administrative employees at \$50,000.

Ms. Mowitz stated the Board recommended that the Commission deny a special wage increase proposed by the Michigan Supervisory Union for Youth Specialist Supervisors 11 and Youth Residential Directors 13, a 25% general wage increase for dentists at the 16, 17 and 18 levels, and a 6% wage increase requested for senior attorneys 16 as well as increases to the performance pay maximum from 8% to 10% for all of the attorneys covered by the attorney general performance pay program. The Board also recommends the Commission deny the proposal to study feasibility of including coverage for laser vision surgery and a recommendation to increase the dental benefits maximum from \$1,000 to \$3,000 and increase the orthodontic maximum from \$1500 to \$3000.

Ms. Mowitz noted that the ERB additionally proposed the Commission order some studies be conducted. Those proposals include a classification study of the Corrections Shift Supervisor 11, 12 and 13 positions. The Board proposes the Commission direct the development of a recruitment plan to address the staffing needs for Dentist 16s in the Department of

Corrections, and that OSE include the Dentist 16 classification in its next compensation survey. The Board recommends the Commission direct the Labor Management Health Care Committee to study the availability of HMOs in the upper peninsula and other areas of the state, and to direct the OSE to continue its study of additional 401(K) match option possibilities under the new HRMN system.

a) Mr. William Richards, Deputy Attorney General, presented the Department of Attorney General's response to the Employment Relations Board's Coordinated Compensation Proposal. The Attorney General's written response is by reference a part of the record of this meeting. Mr. Richards summarized their position in support of a 6% increase in the control point for Senior Attorney 16s, and responded to questions from the Commission.

b) Ms. Janine Winters, Director, Office of State Employer, presented the position of the OSE on the Coordinated Compensation Proposal. Ms. Winters addressed questions raised in regard to the Laser Vision Surgery, Dental Coverage, and the Attorney General's request and noted that OSE supports the Employment Relations Board recommendations in their entirety and asked that the Commission consider the information presented by the Board and adopt the Coordinated Compensation Proposal.

On motion duly made and supported, the Commission approved the Employment Relations Board's Coordinated Compensation Proposal for Fiscal Year 2000-2001 as presented.

2. Carol Mowitz summarized the staff proposal to transmit salary increase recommendations to the Governor and the Legislature for unclassified salaries for fiscal year 2001, of a three percent merit pay increase, special adjustments of up to ten percent based on performance or other factors for department directors and Executive Office officials, and that the Commission recommend approval by the Legislature of line-item funding necessary to support the pay increases recommended for executive department appointed positions.

On motion duly made and supported, the Commission approved the Unclassified Pay Recommendation as presented.

3. D. Daniel McLellan, General Counsel, briefed the Commission in regard to Impasse Panel Recommendation IP 2000-01. The Police Officers Association of Michigan (POAM) and the OSE submitted two issues to the Impasse Panel: 1) The POAM request for an equity pay adjustments for conservation officers; and 2) the POAM request for a \$500 annual increase in cleaning for certain of their employees. The ERB has recommended that the two special increases be denied. Mr. McLellan explained that by

approving the recommendations of the Board the Commission would be approving the collective bargaining agreement without the special additional pay for conservation officers or the cleaning allowance. He also pointed out that the salary increases will require a legislative waiver, since they are effective October 1, 1999.

On motion duly made and supported, the Commission approved the following resolution Regarding Impasse Recommendation 2000-01 between the Office of the State Employer and the Police Officers Association of Michigan (Safety and Regulatory Unit.)

With the exception of two issues, the Office of the State Employer (**OSE**) and the Police Officers Association of Michigan (**POAM**) reached agreement on a proposed collective bargaining agreement. The OSE and the POAM submitted the two issues and the remainder of the proposed collective bargaining agreement to the Impasse Panel for review and recommendation.

The Impasse Panel has submitted its recommendation, **IP 2000-01**, to the Civil Service Commission for action.

After consideration of IP 2000-01:

1. The Commission approves the recommendation of the Employment Relations Board in IP 2000-01 and thereby approves the recommended collective bargaining agreement as the collective bargaining agreement between the OSE and the POAM for all eligible employees in the Safety and Regulatory Unit (the Approved Agreement), effective immediately.
2. The wage and benefit increases authorized in the Approved Agreement effective October 1, 1999, are approved subject to further approval by the legislature, as provided in Article 11, §5, of the Michigan Constitution of 1963.
3. Before the parties publish the text of the Approved Agreement, the parties may undertake any of the following so long as the substantive provisions of the published Approved Agreement as approved by the Civil Service Commission are not altered:
 - (1) Change the organization, numbering, and formatting of the collective bargaining agreement.
 - (2) Correct typographical, punctuation, and grammatical errors.
 - (3) Correct references that are incorrect or obsolete.
 - (4) Update the list of classifications in the Safety and Regulatory Unit.

After publication, the parties shall jointly provide to the State Personnel Director at least one complete printed copy of the Approved Agreement as published and one copy of the text of the Approved Agreement, as published by the parties, in an electronic format.

4. D. Daniel McLellan stated that staff has reviewed the agreement on non-economic issues for the Institutional Unit reached between the Office of State Employer and AFSCME Council 25, and recommends that the Commission approve the proposed collective bargaining agreement.

On motion duly made and supported, the Commission approved Resolution G-4 regarding a proposed Collective Bargaining Agreement between the Office of the State Employer and AFSCME Council 25 (Institutional Unit.)

In January 1999, the Commission approved economic provisions (for the period October 1, 1999, through September 30, 2002) of a proposed collective bargaining agreement between the Office of the State Employer (**OSE**) and AFSCME Council 25 (**AFSCME**) regarding eligible employees in the Institutional Unit. The OSE and AFSCME have now reached agreement on the **noneconomic** provisions of the proposed collective bargaining agreement and the parties have submitted those provisions to the Civil Service Commission for review and approval.

After review of the noneconomic provisions:

1. The Commission approves the proposed noneconomic provisions submitted by the OSE and AFSCME, effective immediately and ending September 30, 2001.
2. Effective immediately, the collective bargaining agreement between the OSE and AFSCME for all eligible employees in the Institutional Unit (the Approved Agreement) shall consist of (1) the noneconomic provisions approved today and (2) the economic provisions in Article 22 (Compensation and Benefits) approved by the Commission in January 1999, as set forth fully in appendix 1.
3. Before the parties publish the text of the Approved Agreement, the parties may undertake any of the following so long as the substantive provisions of the published Approved Agreement as approved by the Civil Service Commission are not altered:
 - (1) Change the organization, numbering, and formatting of the collective bargaining agreement.
 - (2) Correct typographical, punctuation, and grammatical errors.

- (3) Correct references that are incorrect or obsolete.
- (4) Update the list of classifications in the Institutional Unit.

After publication, the parties shall jointly provide to the State Personnel Director at least one complete printed copy of the Approved Agreement as published and one copy of the text of the Approved Agreement, as published by the parties, in an electronic format.

5. On motion duly made and supported, the Commission approved the Secondary Agreement between the United Auto Workers and the Department of Community Health covering employees in the Administrative Support and Human Services Bargaining Units.
6. On motion duly made and supported, the Commission approved the Secondary Agreement between the United Auto Workers and the Department of Transportation covering employees in the Administrative Support and Human Services Bargaining Units.

COMMISSION APPEALS

1. In closed session on December 16, 1999 and January 20, 2000, the Commission considered 22 decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

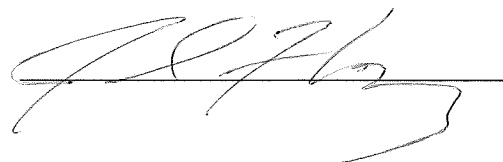
ADJOURNMENT

The meeting was adjourned at 12:30 p.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020).

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of January 20, 2000.

A handwritten signature in black ink, appearing to read 'J. F. Lopez', with a long horizontal line extending to the right.

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
May 18, 2000**

Present: Susan Grimes Munsell, Chairperson
Rae Lee Chabot, Commissioner
Robert P. Hunter, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell, at 10:00 a.m. in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported the Commission approved the minutes of the meeting of January 20, 2000.

COMMISSION BUSINESS

On motion duly made and supported, the Commission adopted the following Resolutions.

1. Whereas, William G. "Bill" Hardwick has decided to retire from State Government after more than 30 years, all with the Department of Civil Service, and

Whereas, Bill, in his role as head of the Local Government Division, worked extensively with cities, counties and townships in helping them set up state-of-the-art classification and compensation systems, and

Whereas, Bill, in professional capacity, has been so involved in selection and classification issues affecting the Department of Corrections that he is now considered the "resident expert" on issues affecting that department, and

Whereas, Bill, when he departs, will take with him a vast amount of knowledge on the historical perspective of the Department of Civil Service and its relationship to other public sector entities, and

Whereas, Bill, in retirement, will have more time to spend with his wife, Janice, his five children and especially his new grandchild, and

Whereas, Bill will be able to further indulge his love of travel and his downhill skiing, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to William Hardwick its heartfelt thanks for his years of service; and be it further

Resolved, that the Commission extends to Mr. Hardwick its gratitude and warmest wishes for health, happiness and a long life in his retirement years.

2. Whereas, Charles Green, Jr. has decided to retire from State Government after 34 years, all with the Department of Civil Service, and

Whereas, Charles demonstrated commitment and dedication throughout his career as a public servant, gaining the respect and admiration of his colleagues, and

Whereas, Charles, in his capacity as Director of the Central Processing Division, was responsible for the administration of the state's personnel and payroll system now known as the Human Resource Management Network project, and

Whereas, Charles, with his experience, knowledge and foresight, took the lead in the early stages of the technological redesign of the state's personnel and payroll system now known as the Human Resources Management Network project, and

Whereas, Charles, when he departs, will take with him a vast amount of knowledge on the historical perspective of the Department of Civil Service and its relationship to other public sector entities, and

Whereas, Charles, in retirement will have more time to spend with his wife, Linda, his three children and especially his granddaughter, and

Whereas, Charles will be able to further indulge his love of bowling, basketball, travel and golf, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Charles Green, Jr. its heartfelt appreciation for his dedicated efforts and many accomplishments during his years of service to the department; and be it further

Resolved, that the Commission extends to Mr. Green its warmest wishes for much health and happiness throughout his retirement.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.
 - a) Susan Zurvalec has been reappointed to the Employment Relations Board. Ms. Zurvalec will continue to serve as chairperson for a term expiring April 30, 2003.
 - b) At your January 20, 2000, Commission Meeting you approved increases in rates of compensation for members of the Police Officers Association of Michigan (POAM). In order to permit an October 1, 1999, retroactive date for these increases, it was necessary that the Legislature waive the prior notice requirement for increases in rates of compensation for certain employees in the classified service. The House of Representatives on March 14, 2000, and the Senate on March 29, 2000, adopted House Concurrent Resolution No. 88 which waives the prior notice requirement and permits the October 1, 1999, retroactive date.
 - c) Civil Service Commission Rules require that I report to the commission on the promulgation of regulations. Regulations are issued to implement commission rules.

Since the last commission meeting, the following regulations have been promulgated:

Regulation 3.02, Preauthorized Evaluation Process For Approved Classifications. This regulation extends the preauthorization option for agencies to process applications to apply to any classifications approved by the Civil Service Bureau of Human Resource Services. Previously, this preauthorization was limited to designated health care and engineering and scientific classifications.

Regulation 3.04, A Process for Hiring Seasonal Workers. This regulation was updated to reflect the current practices, organizational changes, and processing standards implemented since the June 1997 reorganization of the Department of Civil Service.

Regulation 3.05, Selective Certification for Position Specific Qualifications. This regulation establishes that selective certification approvals will remain in effect for the duration of the position, no longer for one year or the duration of the appointment as previously required, unless

there has been a substantial change in duties and responsibilities affecting the qualification requirements.

Regulation 3.16, Examination Administration. This regulation includes the procedure by which disabled applicants can make a request for any reasonable accommodations needed to participate in a written test.

Regulation 3.17, Examinations for Workforce Needs. *This regulation was updated to reflect the current practices, organizational changes, and processing standards implemented since the June 1997 reorganization of the Department of Civil Service.*

Regulation 3.18, Subclass Code Establishment and Assignment. This regulation establishes that positions may be assigned up to five subclass codes, however, a person's employment list record for a particular class can be assigned up to fifteen subclass codes.

Regulation 4.22, Establishment and Reallocation of State Transitional Business and Administrative Technician E9 Positions. This regulation creates a classification that is similar in concept to the State Transitional Professional and the State Transitional Manager classifications. It facilitates moving an employee from an administrative or office support classification to a business or administrative technician classification provided the employee meets the minimum experience requirement for the beginning level of the new classification.

Regulation 6.08, Designation and Review of Excluded Positions. This regulation establishes a time limit of 14 calendar days for exclusive representatives to challenge the State Employer's designation of a position as "excluded."

2. Theodore Benca, Department of Civil Service Deputy Director and Human Resources Management Network (HRMN) Project Sponsor, and Richard Huneke, HRMN Project Director, provided an update on the HRMN project. Mr. Benca indicated that the "Go Live" date is August 29, 2000, at which time parallel payroll systems will run for two pay cycles. He asked that Mr. Huneke brief the Commission on details of the project.

Mr. Huneke indicated the first stage of the project covers the core functions, from recruitment to retirement of employees, and described the changes taking place. There are some functionality differences within the system, which are moving through the rule revision and collective bargaining processes. Mr. Huneke noted that the self service feature of the system will allow employees to make some of their own information changes in the system, and privately obtain information on such things as their leave

balances, tax withholding, benefits, etc. Mr. Huneke stated that at one and two year intervals they will review the impact of this system.

Mr. Huneke stated they will return to the Commission in the fall to discuss Stage II, the implementation of the Project.

Mr. Huneke responded to a question from Chairperson Munsell that the system includes a tracking process for performance ratings. They are exploring ways of expanding that to include the forms and creation of the ratings.

3. Carol Mowitz - Department of Civil Service, James Farrell - Department of Transportation, and Tom Hall – Office of State Employer, presented a report on the Statewide Human Resources Strategic Transformation Plan. Ms. Mowitz gave an overview of the plan, and noted it is a statewide plan developed with input from the entire personnel community. The plan approved by co-sponsors of the project, John F. Lopez and Janine Winters.

Mr. Farrell described the statewide HR vision and HR Strategic Goals, and Mr. Hall discussed the specific roles and responsibilities within Department of Civil Service, Office of State Employer and the departmental offices of human resources.

Carol Mowitz noted the plan is to be completed over the next 18 months.

NEW BUSINESS

1. Gayle Pratt, Director of Vehicle and Travel Services, Department of Management and Budget discussed the recommended schedule of travel rates for the fiscal year beginning October 1, 2000. Vehicle and Travel Services sought feedback from state travelers, and based on the positive response received, the proposed rates were developed using the Federal General Service Administration rates for meal reimbursement rates, and the Official Airline Guide as the index for the lodging. A chart was provided which shows a comparison of current reimbursement rates and proposed rates. Mileage rates for private vehicles now floats with the IRS rates, so an announcement will be coming out in late December for January of next year. Vehicle service rates will be announced just before the beginning of the fiscal year.

On motion duly made and supported, the Commission approved the proposed Schedule of Travel Rates for Classified Employees Effective October 1, 2000.

2. D. Daniel McLellan stated that currently before the Commission for approval is the proposed revision of the Rules of the Civil Service Commission,

Revision C, dated May 17, 2000. Following review of comments that were received on Revision A of proposed amendments, Revision B was circulated on May 10, 2000. As a result of the review of those changes staff has now proposed Revision C, to go into effect August 20, 2000. Mr. McLellan noted that a document has been provided which shows the changes from Revision B to Revision C. Anyone wishing to make full analysis and comment has the opportunity to do so by June 16, 2000, and staff will bring further recommendations back to the Commission as needed.

Janet McClelland indicated the majority of the changes in Revision are typographical errors or changes in grammar, and discussed the changes that are substantive.

Commissioner Chabot stated that the Commission received a letter from the UAW that raised a question regarding the change from "shall" to "may" in proposed Rule 6-7.3, Limitations on Service Fee. Mr. McLellan stated the purpose of the rule always has been to limit the maximum amount of the service fee. The amount of the service fee (below the maximum) is negotiable and the rule does not require that the service fee include all permissible costs. Therefore, it is proper for the rule to correctly reflect its permissive nature by providing that the "service fee may include" those costs.

Commissioner Chabot noted further that the letter from UAW indicates opposition to the rule that permits the Commission to revise rules through case decision. Commissioner Chabot indicated that this merely restates the Commission's authority as they have always enjoyed it under the Constitution.

On motion duly made and supported, the Commission approved agenda Item G-2, Revision C to the Civil Service Rules.

3. D. Daniel McLellan stated that the principal issue in Impasse Panel Recommendation IP 2000-02, MSEA and DCH Secondary Agreement was the definition of work location. The Impasse Panel recommended changing the term "work location" to "agency/facility" in the secondary agreement to preserve the layoff and bumping rights from the previous secondary agreement.

On motion duly made and supported the Commission approved IP 2000-02, an Impasse Panel Recommendation regarding the secondary agreement between the Michigan State Employees Association and the Department of Community Health, dated May 8, 2000.

4. Mr. McLellan noted that the Michigan Professional Employees Society and Michigan Department of Transportation reached impasse on the issue of the

length of the lunch period. The Impasse Panel in IP 2000-03, recommends that management retain its discretion to set the length of the lunch period.

On motion duly made and supported the Commission approved IP 2000-03, an Impasse Panel Recommendation regarding the secondary agreement between the Michigan Professional Employees Society and the Michigan Department of Transportation, dated May 8, 2000.

On motion duly made and supported, the Commission approved Agenda Items G-5 and G-6:

5. Confirmation of the Interim approval granted of a Letter of Understanding between the Office of the State Employer and Local 31-M regarding a training rate of pay.
6. Letter of Understanding between MSEA and the Office of State Employer regarding the State Worker 4 classification.

On motion duly made and supported, the Commission approved Agenda Items G-7, G-8, G-9, and G-10:

7. The Secondary Agreement between the Department of Natural Resources and MSEA covering employees in the Labor and Trades Bargaining Unit.
8. The Secondary Agreement between the Employment Service Agency and the UAW Local 6000 covering employees in the Administrative Services and Human Services Bargaining Units.
9. The Secondary Agreement between the Department of Civil Rights and the UAW covering employees in the Human Services and Administrative Support Bargaining Units.
10. The Secondary Agreement between the Department of Management and Budget and the UAW, covering employees in the Human Services and Administrative Support Bargaining Units.

PUBLIC COMMENT

1. Kevin Davis, Conservation Officer, Department of Natural Resources introduced himself and Conservation Officers Tom Sweet, and Detective Bruce Borkovich, all members of the Safety and Regulatory Unit. Mr. Davis stated they had originally prepared a presentation that compiled over 300 pages of supporting documentation dealing with the issue of pay rates for conservation officers. He stated that discussions with D. Daniel McLellan led them to a better understanding of Commission authority on the issues, and they now appear before the Commission to express their dissatisfaction

with the approved collective bargaining agreement between Office of State Employer and Police Officers Association of Michigan with regard to pay rates fixed for Conservation Officers, being approximately \$3,500 less than those of the Michigan State Police Troopers. Mr. Davis asked that the Commission take the opportunity to read some of the dozens of letters submitted by conservation officers from around the state. Mr. Davis respectfully requested that the Commission encourage the OSE and the POAM to meet and attempt to resolve the compensation issue through a Letter of Understanding.

Chairperson Munsell stated that the Commission will consider the information provided. Commissioner Rae Lee Chabot noted that she has had an opportunity to read the letters submitted by Conservation Officers, and thanked them for coming forward with this information.

COMMISSION APPEALS

1. In closed session on April 7, 2000 and May 18, 2000, the Commission considered 16 decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

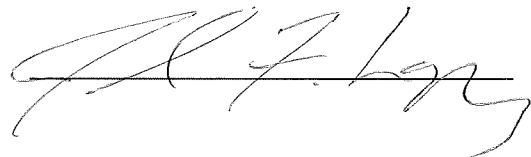
ADJOURNMENT

The meeting was adjourned at 11:30 am.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020).

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of May 18, 2000.

A handwritten signature in black ink, appearing to read "John F. Lopez", is written over a horizontal line.

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
July 20, 2000**

Present: Susan Grimes Munsell, Chairperson
Rae Lee Chabot, Commissioner
Robert P. Hunter, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell, at 11:10 a.m. in the Harbor Room, Landmark Inn, 230 N. Front Street, Marquette, Michigan.
2. On motion duly made and supported the Commission approved the minutes of the meeting of May 18, 2000.

COMMISSION BUSINESS

On motion duly made and supported, the Commission adopted the following Resolutions.

1. Whereas, George J. Minerick has decided to retire from State Government after 36 years, 32 of them with the Department of Civil Service, and
Whereas, George demonstrated commitment and dedication throughout his career as a public servant, gaining the respect and admiration of his colleagues, and
Whereas, George who, throughout his career with the Department of Civil Service, applied unique problem-solving skills and determination to assist agencies in developing alternative solutions to their classification issues, became known by his colleagues as the state's "classification expert", and
Whereas, George, whose career ladder within the Department of Civil Service took him from professional staff member to manager to administrator, was responsible for the implementation of two classification system redesigns, one in the early 1970's and another in the early 1990's, and
Whereas, George, as Classifications Division Director, spearheaded the development and implementation of the Group 4, Senior Executive Service, and Senior Executive Management Assistant Service, and
Whereas, George, upon his departure, takes with him a vast amount of experience and knowledge of the historical perspective of the Department of Civil Service, including an unprecedented ability to recall names, events and circumstances from the department's past, and

Whereas, George, in retirement, will have more time to spend with his family, especially his wife, Dawn, his two daughters, Victoria and Amanda, and his two grandchildren Kyle and Aleah, and

Whereas, George will be able to further indulge his love of wildlife and nature and to pursue his love for carpentry and woodworking, and

Whereas, George can now pursue his next goal of becoming the most accomplished wildlife huntsman in the history of Michigan's Upper Peninsula, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to George J. Minerick its heartfelt appreciation for his dedicated efforts and many accomplishments during his years of service to the department and to the state; and be it further

Resolved, that the Commission extends to Mr. Minerick its warmest wishes for much fresh air, health, and happiness throughout his retirement.

2. Whereas, Barbara J. Long has decided to retire from State Government after 30 years, all with the Department of Civil Service, and

Whereas, Barb demonstrated commitment and dedication throughout her career as a public servant, gaining the respect and admiration of her colleagues, and

Whereas, Barb, in her professional capacity in the Department of Civil Service Personnel Office, was responsible for administering payroll services and processing personnel transactions for all Civil Service employees, and

Whereas, Barb, with her experience, knowledge, and foresight in Personnel issues was widely recognized as the Personnel Historian for the Department of Civil Service, and

Whereas, Barb, when she departs, will take with her a vast amount of knowledge on the historical perspective of the Department of Civil Service and its relationship to other public sector entities, and

Whereas, Barb, in retirement, will have more time to spend with her husband, Larry, her two children, and especially her two granddaughters, and

Whereas, Barb will be able to further indulge her love of WalMart shopping, travel to sunny Florida in the winter, and spend her summers here in Michigan, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Barbara J. Long its heartfelt appreciation for her dedicated efforts and many accomplishments during her years of service to the department; and be it further

Resolved, that the Commission extends to Ms. Long its warmest wishes for much health and happiness throughout her retirement.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.

a) B & A Election: According to the election ballot count held on June 28, 2000, professional-level classified employees voted against union representation. On June 12, 2000, ballots were mailed to 3,600 professional-level classified state-employees, giving them the option to vote either for exclusive representation by the Michigan Professional Employees Society (MPES) or for no representation. Of the 2,641 votes cast, the final ballot count was 1,029 for MPES representation and 1,574 for no representation. Thirty-eight ballots were voided by challenges from either the MPES or the Office of the State Employer (OSE).

The ballot count was monitored by representatives of the MPES; the OSE; and the Department of Civil Service Hearings, Employee Relations, and Mediation Office.

b) Unclassified Position Report: Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. Since the last commission meeting, I approved requests from the Department of Education and the Department of Agriculture.

Department of Education: I received an April 18, 2000, request from the Department of Education to establish an unclassified position, Communications Outreach Coordinator. The position reports to the Executive Assistant to the Superintendent, and will be responsible for developing a communication plan for the Department of Education. This request was approved on May 11, 2000.

Department of Agriculture: I received a June 7, 2000, request from the Department of Agriculture to establish an unclassified position, *Director of Policy*. The position reports to the Racing Commissioner and has primary responsibility for analysis and development of all racing policies and regulatory procedures. At the same time, the Department of Agriculture requests the abolishment of the unclassified position of *Director of Michigan Agriculture Resource Programs*. This request was approved on June 13, 2000.

c) Union Merger: The United Technical Employees Association (UTEA) and Michigan Professional Employees Society (MPES) have proposed to become affiliated. The UTEA is required to conduct an election of its members on the merger. Ballots have been sent and are due back by the end of July.

NEW BUSINESS

1. D. Daniel McLellan, discussed the Proposed Amendments to the Discrimination and Harassment Rules that are before the Commission in Revision C, dated July 19, 2000. Mr. McLellan indicated these amendments make the Rule consistent with the Elliott-Larson and Persons with Disabilities Civil Rights Acts. The proposal also changes the language regarding sexual harassment to cover all

possible areas of discrimination. The proposal adds height, weight, marital status and genetic information as prohibited bases of discrimination.

On motion duly made and supported, the Commission approved the amendments to the Rules of the Civil Service Commission, Revision C, dated July 19, 2000, as proposed in Agenda Item G-1, effective August 20, 2000.

2. Janet McClelland briefed the Commission on the follow-up amendments to the rule revisions approved at the May meeting, to become effective August 20, 2000. She noted that the majority of the changes are for clarification, and are not substantive.

On motion duly made and supported, the Commission approved the amendments to the Rules of the Civil Service Commission, Revision A, dated June 21, 2000, proposed in Agenda Item G-2, effective August 20, 2000.

3. Janet McClelland discussed the proposal to extend the Information Technology Classification and Compensation Pilot Program. In January 1999, the Commission approved the program with a sunset date of January 7, 2001. Ms. McClelland provided data gathered from the experience with the program to date, and noted that Civil Service staff recently met and discussed the data with Chief Information Officers (CIOs) in the other departments. The CIOs agreed with extending the pilot. The extension will allow the opportunity to review data from one or two more ratings, and determine whether to return to the Commission with a request to continue the program.

On motion duly made and supported, the Commission approved the extension of the Information Technology Special Classification and Compensation Pilot Program until September 21, 2001.

4. On motion duly made and supported, the Commission approved the extension of the Voluntary Work Schedule Adjustment Program Plans A and C until September 29, 2001 for Managerial, Supervisory, Confidential and non-exclusively represented Business and Administrative Unit employees.

On motion duly made and supported, the Commission approved Letters of Understanding extending the Voluntary Work Schedule Adjustment Program Plans A and C until September 29, 2001 for employees in the Administrative Support, Human Services, Labor and Trades, Technical, Scientific and Engineering, Safety and Regulatory and Human Services Support units.

5. On motion duly made and supported, the Commission accepted two letters of understanding between the Department of State Police and the Michigan State Police Troopers Association and the Office of State Employer dealing with the transfer of employees to the Department Motorcycle Project, and the equalization of scheduled overtime.

6. On motion duly made and supported, the Commission approved the negotiated amendments to the collective bargaining agreements related to the implementation of the HRMN for employees in the Administrative Support, Human Services, Technical, Scientific and Engineering, Labor and Trades, Safety and Regulatory, Security, Human Services Support, and Institutional Units.
7. AFSCME and Family Independence Agency reached impasse on Article 14, Sections C and C(1)(b) - Eligibility to Transfer to a Vacancy and Designation of Assignment Locations, and Article 15, Section L(1)(D) – Overtime Subdivisions. D. Daniel McLellan noted that the Impasse Panel took testimony and argument, and made their recommendations in Impasse Panel Recommendation IP 2000-04.

A) Jan Miller, Office of State Employer, addressed the Commission in regard to the OSE objections to the recommendations, as submitted in their written response to IP 2000-04. The written submission of the OSE is by reference a part of the record of this meeting.

Mr. Miller noted that the Panel incorporated part of a Letter of Understanding dealing with reassignment within an assignment location at Maxey Training School. He noted that reassignment is not delegated to secondary negotiations by the parties to the primary agreement.

Mr. Miller stated in regard to the issue of overtime subdivisions, the Panel found that FIA had presented compelling evidence concerning the demands it faces in filling the overtime openings under the current procedure or secondary agreement, and provided some relief to the problem with their proposed language. However OSE believes that it may not provide sufficient relief.

Mr. Miller stated that the OSE requests that the Commission remand these two issues back to the Impasse Panel for further testimony and not act on the recommendations of the Impasse Panel today.

Zane Vinton, on behalf of AFSCME Council 25 and Local 1327, addressed the Commission in regard to AFSCME's position on IP 2000-04 and provided copies of their written statement. AFSCME's written statement is by reference a part of the record of this meeting. Mr. Vinton stated AFSCME's position is that the panel has rendered a well thought-out recommendation that should be adopted by the Commission to protect the integrity of the process.

The Commission noted the need for clarification of the jurisdictional issue, in light of the claim that reassignment is not a proper delegation in secondary negotiations. D. Daniel McLellan responded to a question from Chairperson Munsell that, if remanded, the matter would be brought back to the Commission for action at the September meeting, and that the Commission reserves the right to decide the entire matter at that meeting if they wish.

Zane Vinton responded to comments from Commissioner Chabot that AFSCME did not respond to the issue of the jurisdiction in their position statement.

On motion duly made and supported, the Commission remanded Impasse Panel Recommendation IP2000-04 to the Impasse Panel for further consideration of the issues, including the specific question of jurisdiction, to be back before the Commission at the September meeting.

8. On motion duly made and supported, the Commission approved the Secondary Agreements between AFSCME Council 25 and the Department of Career Development, Department of Community Health, Department of Corrections, Department of Education, and Military and Veterans Affairs, covering employees in the Institutional Unit.
9. On motion duly made and supported, the Commission approved the Secondary Agreements between the Police Officers Association of Michigan and the Departments of Agriculture, Attorney General, Community Health, Consumer and Industry Services, Corrections, Education, Environmental Quality, Family Independence Agency, Management and Budget, Military and Veterans Affairs, State, State Police, and Transportation, covering employees in the Safety and Regulatory Unit.

COMMISSION APPEALS

1. In closed session the Commission considered nine decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

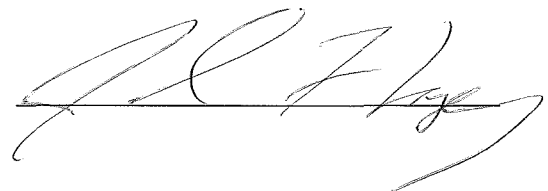
ADJOURNMENT

The meeting was adjourned at 11:55 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020).

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of May 20, 1999.

A handwritten signature in black ink, appearing to read "J. F. Lopez", is written over a horizontal line.

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
September 27, 2000**

Present: Susan Grimes Munsell, Chairperson
Rae Lee Chabot, Commissioner
Robert P. Hunter, Commissioner
James P. Pitz, Commissioner
Janet McClelland, Deputy State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell, at 10:05 a.m. in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported the Commission approved the minutes of the meeting of July 20, 2000.

INFORMATIONAL REPORTS

1. Chairperson Munsell noted that in the absence of the State Personnel Director, the Commission would receive the report of State Personnel Director, presented by Deputy Director Janet McClelland.
 - a) Governor John Engler recently appointed State Ethics Board member Robert A. Jarema to serve as Chair succeeding Ms. Lita Masini Popke. Mr. Jarema graduated from Michigan State University with a Bachelor of Arts Degree in Finance, and received his Juris Doctorate Degree from Wayne State University School of Law. He has been a member of the State Board of Ethics since 1997.
 - b) Governor John Engler recently appointed three new commissioners to serve as members of the State Officers' Compensation Commission (SOCC) through 2004. New members are Mr. Lewis Dodak of Montrose, Mr. Eugene Gargaro, Jr. of Grosse Point Shores, and Dr. Gordon Guyer of East Lansing. They join returning members Mr. Arthur Blackwell of Detroit, Dr. Sonya Friedman of West Bloomfield, Mr. Robert Webster of Birmingham, and Mr. Ronald Weiser of Ann Arbor.

The SOCC will convene this fall to make compensation determinations for the offices of Governor, Lt. Governor, Legislator, and Justice of the Supreme Court. Staff is preparing briefing materials for the commission and an initial meeting has been scheduled for October 24th.

c) The Legislature has enacted the budgets for Fiscal Year 01 including the appropriation for the Department of Civil Service. The appropriated budget totals \$30,405,600.

In addition, a Fiscal Year 00 work project supplemental has been enacted which provides \$1,200,000 for the installation of the Human Resources Management Network. The advantage to the Department of Civil Service of budgeting this as a work project is that the money is available in the current year and can be carried forward in the following year if not spent.

The total of these two appropriations is lower than the Fiscal Year 01 budget proposal approved by the commission. The difference of \$2,886,800 results from the department's withdrawal of its proposal for statewide end-user computer training and an increase in economic adjustments made by the Department of Management and Budget. All other items of the budget appropriation are identical to those previously approved by the Commission.

d) Based on a ballot election in late July, the United Technical Employees Association (UTEA) membership approved a merger of the UTEA with the Michigan Professional Employees Society (MPES). On August 9, 2000, the state personnel director signed a Certification of Exclusive Representation that recognizes the UTEA, a division of the MPES, as the sole and exclusive representative of the eligible classified employees in the Technical Unit.

Civil Service Commission Rules require that the State Personnel Director report to the commission on the promulgation of regulations. Regulations are issued to implement commission rules. Since the last commission meeting, the following regulations have been promulgated:

Regulation 3.03, Student Assistant Classifications: This regulation was updated to streamline the classification, applicant processing and hiring processes for student assistants. Improvements include a single classification for all student positions, a tiered pay range to recognize three levels of educational attainment and duties, agency recruitment, and a simplified application process for students.

Regulation 5.05, Longevity Compensation: This regulation discontinues the anniversary date longevity procedure for nonexclusively represented employees and replaces it with an annual October longevity payment. It also establishes the policy for conversion from anniversary dates to an October payment date this year. The re-qualifying period after a separation has been reduced from 6 years to 5 years. These changes are consistent with agreements approved by the Civil Service Commission for exclusively represented employees. Longevity payments will be issued under the conversion policy on October 26, 2000.

NEW BUSINESS

1. D. Daniel McLellan, General Counsel, stated the Letter of Understanding between the Office of State Employer and Michigan State Employees Association LOU corrects an error in the existing collective bargaining agreement by changing a date which was inadvertently not changed at the time it was originally approved.

On motion duly made and supported, the Commission confirmed the interim approval granted by the State Personnel Director on July 24, 2000, of the Letter of Understanding between the Office of State Employer and the Michigan State Employees Association.

2. D. Daniel McLellan reported that following the Commission's approval of the revisions of the Civil Service Rules to be effective with the implementation of the Human Resources Management Network Project in August, the State Personnel Director, with the consent of the Civil Service Commission Chair, changed the effective date of the rule revisions to November 12, 2000, to coincide with the revised implementation date for the HRMN project.

On motion duly made and supported, the Commission approved the interim action of State Personnel Director John F. Lopez taken on August 18, 2000 (CS-6922), delaying the effective date of the amendments to the civil service rules approved on May 18, 2000, and July 20, 2000, from August 20, 2000, to November 12, 2000.

3. Mr. McLellan explained that there are two sets of rules in the proposed Amendments to Rules in agenda item G-3. First is a series of amendments correcting language in the amendments previously approved by the Commission to become effective November 12, 2000. Second are amendments to Rule 4-6 (Disbursements for Personal Services) to become effective immediately. Mr. McLellan noted that these amendments are recommended based on a ruling issued by the Ingham County Circuit Court which incorrectly interpreted Rule 4-6. amendments. He stated that the changes are recommended to clarify the original intent of the Civil Service Commission so that the confusion with respect to approving disbursements versus the actual contracts which led to the court's decision will not reoccur in the future.

Brandon Zuk addressed the Commission regarding the proposed changes that affect Rule 4-6, on behalf of the Michigan State Employees Association. MSEA's written comments are by reference a part of the record of this meeting. Mr. Zuk indicated agreement that the rule amendments do not constitute substantive change in the existing rule. Mr. Zuk discussed MSEA's objections to comments in the appointing authority letter which went out with the rule, and the staff comments under rule 4-6.13(b) indicating that the changes are intended to address what is characterized as confusion or misinterpretation of the existing growing perception that this whole process has a built in bias in favor of privatization no matter the cost, no matter the underlying rationale.

MSEA requests that the Commission either not adopt this rule amendment, or make some indication on the record contrary to comments in the appointing authority letter and the staff comment embodied in the draft rule that finders of fact still are free to consider all the facts in determining whether there is indeed a long term cost saving; and that part of that is whether the appointing authority can show if it has to assume a multi-period of time to recover its conversion costs that it really is going to have a contractual relationship to do so in that time.

Chairperson Munsell noted that the staff comments do not continue in the body of rules once they are adopted.

D. Daniel McLellan responded to Mr. Zuk's comments, and stated that he believes the staff comments correctly capture the essence of the dispute and that the amended language will clarify that for the future.

On motion duly made and supported, the Commission approved the amendments to the rules proposed under agenda item G-3.

Resolution G-3:

Section 1. The proposed amendments to the rules of the Civil Service Commission, CS-6923 (Revision A, dated August 24, 2000) are approved.

Section 2A. The amendments to the following rules shall become effective on November 12, 2000:

- 1-1 (Rules and Amendments)
- 1-3 (Regulations)
- 1-9 (Excepted and Exempt Positions)
- 1-12 (Political Activities)
- 2-1 (Terms of Employment)
- 2-4 (Employment Preference)
- 2-11 (Leave of Absence without Pay)
- 3-1 (Examinations)
- 3-2 (Applicant Pools and Recall Lists)
- 3-3 (Appointments and Job Changes)
- 4-4 (Position Abolishment)
- 5-6 (Additional Compensation: Miscellaneous)
- 8-1 (Definitions)

Section 2-B. The amendments to Rule 4-6 (Disbursements for Personal Services) shall become effective immediately.

4. D. Daniel McLellan explained that at the July 20, 2000, Civil Service Commission meeting, the OSE presented the position that certain items in the secondary agreement between AFSCME and the FIA as proposed by the

Impasse Panel in IP-2000-04, were not permitted as proper subjects of secondary negotiations. The Commission remanded the recommendation to the Impasse Panel. The Impasse Panel met with the parties and issued IP-2000-05.

Mr. Zane Vinton had submitted a request to speak to this issue on behalf of AFSCME, and indicated support of the recommendation of the Impasse Panel.

On motion duly made and supported, the Commission approved Impasse Panel Recommendation IP 2000-05, AFSCME and FIA Secondary Agreement.

5. On motion duly made and supported, the Commission approved the secondary agreements between the Police Officers Association of Michigan and the Bureau of State Lottery and the Department of Natural Resources.

COMMISSION APPEALS

1. In closed sessions on August 17, 2000 and September 20, 2000, the Commission considered 15 decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

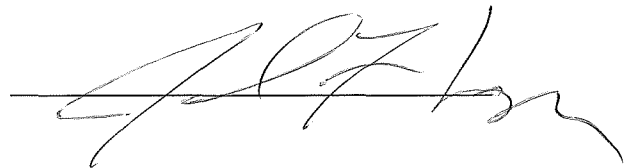
ADJOURNMENT

The meeting was adjourned at 11:40 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020).

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of September 27, 2000.

A handwritten signature in black ink, appearing to read 'J. F. Lopez', is written over a horizontal line.

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
December 14, 2000**

Present: Susan Grimes Munsell, Chairperson
Rae Lee Chabot, Commissioner (Via Telephone)
Robert P. Hunter, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell, at 10:40 a.m. in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported the Commission approved the minutes of the meeting of September 27, 2000.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.

Unclassified Position Report: Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. Since the last commission meeting, I approved a request from the Department of Career Development to establish an unclassified position, Deputy Director over Education Programs. The position reports to the Department Director and will oversee the Offices of Career and Technical Education Services, Postsecondary Services, and Adult Education and Spanish Speaking Affairs. At the same time, the Department of Career Development requested the abolishment of two unclassified positions, the Senior Director of Business Development and the Chief Development Officer positions. This request was approved on November 3, 2000.

State Officers' Compensation Commission: Members of the State Officers' Compensation Commission (SOCC) met on October 24, November 28, and December 7, to make compensation determinations for the offices of Governor, Lt. Governor, Legislators, and Justices of the Supreme Court. The decision of the Commission will be submitted to the legislature by December 31, 2000, and will be final unless rejected by a two-thirds vote of both houses of the legislature prior to February 1, 2001.

Regulations: Civil Service Commission Rules require that I report to the commission on the promulgation of regulations. Regulations are issued to implement commission rules.

Since the last commission meeting, the following regulations have been promulgated:

Regulation 2.06, Conducting Employee Ratings. Summary: Revisions to this regulation were developed to standardize the annual rating process and to improve and clarify the performance rating process for probationary and non-probationary employees. New forms were distributed for the rating of employees in Groups 1 through 3. A 14-and 28- day standard of completion for supervisors is proposed for probationary and annual reviews respectively. Departments are to develop and submit an implementation plan to me by December 31, 2000, to achieve full compliance with the rules and regulations on employee ratings by April 1, 2001.

NEW BUSINESS

1. Joseph Slivensky, Director, Bureau of Administrative Services, indicated that staff is for the first time providing electronic information, with Powerpoint presentations by Carol Vargovich and Carol Mowitz, displayed on monitors around the room. Printed copies of the presentations are also available. Those presentations are by reference a part of the record of this meeting.

Carol Vargovich presented a summary of the financial activity for Department of Civil Service, certification of fiscal year 2000 payroll of classified state service, fiscal year 2001 appropriation, budget adjustments for fiscal year 2001 and 2002, summary of the fiscal year 2002 budget proposal, a ten year comparison of the one percent aggregate payroll to Civil Service budget and a HRMN budget analysis.

On motion duly made and supported, the Commission approved Resolution G-1:

Section 1. The \$3,696,599,919 total aggregate payroll of the classified state service for FY 00, is certified and approved for transmission to the Governor and Legislature.

Section 2. The proposed budget adjustment for FY 01 to \$35,005,600 is approved.

Section 3. The FY 02 budget proposal of \$31,704,800 is approved.

2. Carol Mowitz presented the Coordinated Compensation Panel recommendations for Fiscal Year 2002 for all nonexclusively represented employees. A summary report was provided and is by reference a part of the record of this meeting.

The compensation adjustments recommended for approval by the Civil Service Commission are a two percent across-the-board increase, a \$375 lump sum payment with a 401(K) "employer match" option for all employees on the active payroll on October 1, 2001, emergency response compensation at the rate of \$3.00 per day for Conservation Officers-Law Supervisors 13-16, a higher pay

range assignment for Code Inspection Supervisors 14 and 15 (from ranges 136 and 137, to 428 and 431 respectively), and an increase in the premium for State Police Lieutenants in the Bomb Squad Unit from \$150 to \$225 per month.

The Panel also recommended an increase in the maximum monthly LTD benefit from \$4,000 to \$5,000.

Miscellaneous proposals recommended for approval are a new 401(K) "Employer Match" option for annual longevity payments, renewal of the Professional Development funds for managerial, supervisory and confidential employees at \$150,000 and at \$50,000 for Business and Administrative unit employees, an increase in the uniform cleaning allowance for Motor Carrier Sergeants, Motor Carrier Lieutenants and State Properties Security Supervisors, and a \$160 safety shoe reimbursement every two years for employees who must wear them while performing their jobs.

The Panel recommended denial of four proposals for special increases, a proposal for a 4% general increase, and a proposal to increase the dental plan benefit.

Ms. Mowitz noted the Panel further recommended that the Commission support the recommendation that the OSE include Pharmacists in its next compensation survey, support the OSE/MSPCOA agreement to establish a joint committee to study the possibility of developing a Deferred Retirement Option Plan for State Police Command Officers, support implementation of a one-year compensatory time pilot program for Registered Nurse Managers 12 and 13 in the Department of Community Health, and concur in the consensus recommendation of the ASEM and the OSE to research the selection of a program to provide laser vision surgery at a group rate with all fees to be paid by the employee.

On motion duly made and supported, the Commission approved the recommendations of the Coordinated Compensation Proposal for fiscal year 2001-2002.

3. Carol Mowitz presented the staff proposal on unclassified pay for fiscal year 2002. Ms. Mowitz discussed salary comparison information compiled by staff. Copies of the staff proposal are by reference a part of the record of this meeting.

On motion duly made and supported, the Commission approved transmittal of the following unclassified salary recommendations to the Governor and the Legislature for Fiscal Year 2002: a 3 percent merit pay increase, salary adjustments of up to 10 percent based on performance and other factors for department directors and Executive Office officials, and Legislative approval of line-item funding necessary to support these recommendations.

4. D. Daniel McLellan explained the amendments to the rules linked to the implementation of the HRMN project.

On motion duly made and supported, the Commission approved the following Resolution G-4:

Section 1. The following interim actions of State Personnel Director John F. Lopez, taken on October 3, 2000, with the consent of the Chair [CS-6926], are **approved**:

- A. The amendment to Civil Service Rule 5-8, Longevity Payment.
- B. The acceleration of the effective date of the amendments to the Civil Service Rules from November 12, 2000, to October 29, 2000.

Section 2. The interim action of the State Personnel Director John F. Lopez, taken on October 27, 2000, with the consent of the Chair [CS-6932], to delay the effective date of the amendments to the Civil Service Rules from October 29, 2000, until further notice, is approved.

Section 3. The State Personnel Director is authorized to establish and publish, without further action of the Civil Service Commission, the effective date of the amendments to the Civil Service Rules previously approved by the Commission on May 18, July 20, September 27, and December 14, 2000.

- 5. D. Daniel McLellan reported that Letters of Understanding were reached between OSE and the various unions regarding changes in the longevity schedule related to the implementation of the Human Resources Management Network. The agreement reached between OSE and MSPTA does not require Commission Approval.

On motion duly made and supported, the Commission confirmed the interim approval granted by the State Personnel Director of the Letters of Understanding between OSE and UAW, MSEA, MPES, UTEA, AFSCME, Local 31-M, MCO and POAM regarding changes in the Longevity Schedule.

- 6. Mr. McLellan briefed the Commission on the proposed rule amendments related to the Grievance and Appeals Procedures. He noted that following circulation of the proposed amendments in Appointing Authority Letter CS-6933, staff met with limited recognition organizations and exclusive representatives regarding Revision A of those rules, and Revision B was subsequently submitted to the Commission. A further amendment is now being presented in Revision C of both the existing rules and the rules which will go into effect when HRMN goes into effect. Mr. McLellan asked that Resolution G-6 be approved to adopt Revision C, and asked that an additional change in Rule 8-7.9 (a) be adopted.

On motion duly made and supported, the Commission amended Revision C, Section 8-7.9(a) as follows:

8-7.9 Appeal of Final Commission Decision to Circuit Court

- (a) Service of complaints and petitions for review. If authorized by law, a party may file a petition for review of a final decision of the civil service commission in the Michigan circuit court. Any complaint or petition filed affecting challenging any decision, rule, or regulation interest of the commission must name the commission as a party and must be served on the commission at the office of the state personnel director in Lansing, Michigan.

On motion duly made and supported, the Commission approved Resolution G-6 (Amended).

Resolution G-6 (Amended):

Section 1. The draft amendments to the Civil Service Rules proposed in Revisions C (Current) as amended, dated December 13, 2000, are approved and shall become effective on February 4, 2001.

Section 2. The draft amendments to the Civil Service Rules proposed in Revision C (HRMN Amendments) as amended, dated December 13, 2000, are approved and shall become effective on the date to be established and published by the State Personnel Director.

COMMISSION APPEALS

1. In closed sessions on November 20, 2000, and December 14, 2000, the Commission considered 15 decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

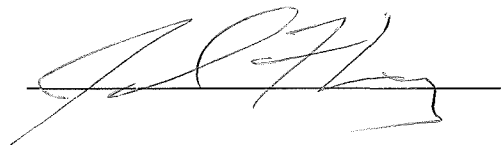
ADJOURNMENT

The meeting was adjourned at 11:35 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020).

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of December 14, 2000.



**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
January 24, 2001**

Present: Susan Grimes Munsell, Chairperson
Robert P. Hunter, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell, at 10:35 a.m. in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported the Commission approved the minutes of the meeting of December 14, 2000.

COMMISSION BUSINESS

1. On motion duly made and supported, the Commission adopted the following tribute to retiring Commissioner Rae Lee Chabot.

Whereas, Rae Lee Chabot has served with distinction as a member of the Michigan Civil Service Commission for 8 years, and

Whereas, Ms. Chabot has gained the respect and admiration of her colleagues by demonstrating dedication and commitment to the business of the Commission, and

Whereas, Ms. Chabot, with her extensive legal skills, experience, and knowledge, is widely respected for her integrity, her intellect, and her extremely strong work ethic, and

Whereas, Ms. Chabot has worked closely with her fellow commissioners to rewrite and clarify all chapters of the Michigan Civil Service Rules, including the state's Employee-Employer Relations Rules and Grievance and Appeals Procedures that had not been reviewed for nearly 20 years, and

Whereas, Ms. Chabot demonstrated her allegiance to the citizens of the state of Michigan throughout her 8 years of service as she worked to enhance the operations of state government, and

Whereas, the Commission has greatly valued Ms. Chabot's wisdom, her insight, and her ability to recommend solutions that assure fairness and impartiality;

Be it Therefore Resolved, that the citizens of the State of Michigan, the Michigan Civil Service Commission, and the staff of the Department of Civil Service, express to Ms. Chabot their deepest appreciation for her dedicated efforts and many accomplishments during her years of service to the Commission, and

Be it Further Resolved, that the Commission extends to Ms. Chabot its most sincere thanks, its highest esteem, and best wishes for health and happiness in the years ahead.

Ms. Chabot, recently appointed Judge in the 6th Judicial Circuit Court, was present to accept the resolution.

NEW BUSINESS

1. State Personnel Director John F. Lopez explained that staff recommends an amendment to the effective date of the Grievance and Appeal Rule amendments to the same date as that established for HRMN-related rule amendments.

On motion duly made and supported, the Commission adopted Resolution G-1: "The amendments to the Civil Service Rules previously approved by the Commission on December 14, 2000, to become effective on February 4, 2001, shall become effective on the date to be established and published by the State Personnel Director."

2. D. Daniel McLellan, Department of Civil Service General Counsel, briefed the Commission on the amendments to the employee-employer relations rules proposed in the "Summary of Proposed Amendments to Employee-Employer Relations Rules (Revision B, January 16, 2001)." That document is by reference a part of the record of this meeting.

Mr. McLellan noted that the effective date proposed for the amendments, except for Rule 2-4, is January 1, 2002, the date that current collective bargaining agreements will expire. He explained that Commission approval is sought now so that any changes approved will be in place when the parties begin the collective bargaining process for the agreements that will take effect in January, 2002. Amendments to Rule 2-4 will go into effect at the same time as other HRMN related changes.

Mr. McLellan provided copies of a new amendment to Draft Rule 3-4 which resulted from a suggestion from a Commissioner.

Mr. McLellan pointed out that comments in a letter from Mary Ellen Gurewitz on behalf of the Coalition of State Employee Unions regarding the proposed changes in Rule 6-3.5 Modification of Agreement or Arbitrator's Decision, indicated the intent of those changes was not clear. He stated the changes were not designed to be any change in the authority or limits of the state personnel director or commission to change an agreement or arbitrator's decision. Mr. McLellan proposed therefore, that the changes in 6-3.5 be rejected and the original

language be retained, with the exception of changes on line 20 of Page 8 adding the words "or settlement agreement", on page 9, line 6, the change from 14 to 28, line 8, deletion of the word "or", and line 9, adding the words "or settlement agreement."

The Commission recessed at 11:20 to review the modified proposal for Rule 3-4, and reconvened at 11:40 a.m.

Mr. McLellan provided copies of a modified proposal with the following changes in Rule 3-4, Class Clusters:

In section (a) Approval of class clusters:

"If jointly requested by parties engaged in secondary negotiations, the state employer may request that the state personnel director approve a class cluster for use in a principal department, autonomous entity, or agency of convenience."

In Section (c) (1) (B):

"After a class cluster has been approved by the state personnel director, the use of an the approved class cluster for job changes, layoff, or recall is a permissive mandatory subject of bargaining in secondary negotiations."

Mr. McLellan explained that this new language provides that, upon a joint request from the parties engaged in secondary negotiation, the Office of State Employer has the discretion to make a request to the state personnel director to create a class cluster. Once the class cluster is created and recognized by the Office of State Employer as applicable to a particular bargaining unit in secondary negotiations, it then becomes a mandatory subject of bargaining for the appointing authority and the union to negotiate how that particular class cluster will be used in layoff, recall and job changes. Mr. McLellan clarified that the wording "job changes" is an all inclusive term created by the change in our computer system in the HRMN project. The collective bargaining agreements still use the words "reassignment and transfer," and every reassignment and transfer as defined in the collective bargaining agreement is a job change in the HRMN system, and under our rules.

b) Mary Ellen Gurewitz presented comments of the Coalition of State Employee Unions on the Proposed Amendments to Rules. She noted that they have resolved some issues, and felt that there might be less controversy in other areas if there were more time for discussion with staff.

Ms. Gurewitz discussed the Coalition's issues that were presented in a letter dated January 22, 2001. That letter is by reference a part of the record of this meeting.

Ms. Gurewitz discussed Coalition's position on the proposal regarding working out

of class, noting the coalition feels those changes are unnecessary. In discussing the proposal regarding unit determination and redetermination, she stated that 6-6.1(d) – Transfer of Recognition Rights, is a significant issue for them and urged the Commission either to reject 6-6.1(d) entirely, or direct that this matter be sent back for further examination and revision. Ms. Gurewitz stated the modifications suggested today to the class cluster rule make the proposal more palatable to the union, but pointed out that they make secondary negotiations more complicated; that the adding of this additional step to secondary negotiations regarding class clusters has the potential for delaying secondary negotiations. She additionally discussed the Coalition's opposition to the proposal on Rule 6-9.7, Secondary Negotiations and Agreements, and Rule 9-1.24 – Confidential positions

After Commission discussion of comments from Commissioner Robert Hunter regarding issues presented by Ms. Gurewitz regarding Rule 6-6.1, Unit Determination and Redetermination, Daniel McLellan explained that the proposal is designed to provide employees with the opportunity to vote on whether or not to substantially change the organization and the nature of their representation, when there is going to be a fundamental change in the transfer of recognition rights. Mr. McLellan proposed a change in the second sentence of Rule 6-6.1 (d) to read:

“Transfer of recognition rights. Two or more existing exclusive representatives may agree to combine some or all of their existing business operations and staff. Any such combination that results in a transfer of recognition rights” is subject to the review and approval of the state personnel director and requires the prior affirmative vote of a majority of the members voting.”

Mary Ellen Gurewitz and Howard Gordon, MPES, additionally discussed the Coalition's concerns with the 12 month petition bar proposed in Rule 6-6.2, Petition for Election: Showing of Interest..

- b) Kevin Ramirez, an employee of the Office of Inspector General working for the Family Independence Agency, discussed his concerns with the inclusion of positions assigned responsibility for investigating other employees in the definition of “confidential position”. He stated these need to be reviewed on an individual basis .

Janet McClelland answered a question from Commissioner Pitz that regulations will be written and circulated for comment before being implemented. The regulations will outline criteria for excluding employees who are investigating other employees, and will result in a position-by-position definition.

- c) Janine Winters, Director, Office of State Employer, presented the position of the Office of State Employer on the proposed amendments. Ms. Winters stated that OSE supports the proposals in regard to the class cluster issue, working out of class, unit redetermination or transfer of recognition rights, the petition bar, and the definition of confidential positions. Ms. Winters addressed the specific exclusion requested by the OSE, of employees who have responsibility for

personal protection of an elected official. She noted this is intended to mean personal protection services where the responsibilities of an employee would be directly tied to protecting an elected official and his or her family.

Ms. Winters indicated that most of the issues in her written comments dated January 11, 2001, have been dealt with.

Commissioner Robert Hunter moved the adoption of Resolution G-2, supported by Commissioner Pitz.

On motion duly made and supported, the Commission amended Resolution G-2 by substituting the language provided at this meeting for Rule 3-4.

On motion duly made and supported, the Commission adopted an amendment to eliminate all the proposed changes in Rule 6-3.5, except page 8 line 20, page 9 line 6 and page 9 lines 7 through 9, but only to the end of "or settlement agreement".

On motion duly made and supported, the Commission adopted an amendment to Rule 6-6.1(d), second sentence, to read "*Any such combination that results in a transfer of recognition rights is subject to the review and approval of the state personnel director and requires the prior affirmative vote of a majority of the members voting.*"

The Commission adopted Resolution G-2 as amended.

COMMISSION APPEALS

1. In closed sessions on January 24, 2001, the Commission considered 14 decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

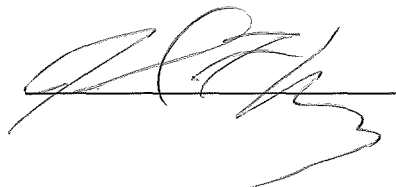
ADJOURNMENT

The meeting was adjourned at 1:35 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of January 24, 2001.



**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
March 22, 2001**

Present: Susan Grimes Munsell, Chairperson
Robert P. Hunter, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:05 a.m. in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the Minutes of the meeting of January 24, 2001.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.

a) Regulations: Civil Service Commission Rules require that I report to the commission on the promulgation of regulations, which are issued to implement commission rules.

Since the last Director's Report, our comprehensive review and revision of all Civil Service Regulations was completed. The effective date of these amendments, as well as the previously approved Civil Service Commission Rule changes, coincided with the HRMN implementation date of March 18, 2001.

Director Lopez noted that 56 of the 62 regulations were rewritten. Regulations for Chapter 6 remain to be done, and those will become effective in January 2002 when the Rule goes into effect.

b) Unclassified Position Report: Civil Service Commission Rules require that I report on the establishment or abolition of positions in the unclassified service. Since the last Director's Report, I approved requests from the Department of Community Health and the Department of Treasury.

Department of Community Health: I received a December 20, 2000, request from the Department of Community Health to establish an unclassified position, *Deputy Director for Strategic Initiatives*. The position reports to the director, and will be responsible for advising and assisting the Director and the Leadership Team with projects related to strategic planning and implementation. This request was approved on January 3, 2001. The Department of Community Health has 5 unclassified positions, including this request.

Department of Treasury: I received a February 6, 2001, request from the Department of Treasury to establish an unclassified position, *Public Information Officer*. The position reports to the director and has primary responsibility for responding to inquiries from media and state department communication offices concerning Treasury programs and policies. This request was approved on February 12, 2001.

2. Carol Mowitz, Department of Civil Service, presented a report on the status of the Performance Management and Performance-Pay Systems in the State Classified Service.

Gary Calkins, Executive Director, offered comments on behalf of the Association of State Employees on the Report on Performance Management and Performance-Pay Systems. Mr. Calkins discussed ASEM'S concerns with whether departments are actually doing the performance appraisals, and on a timely basis. He indicated that this report would be more meaningful with that kind of information included, as well as data on pay for performance increases received.

In response to questions from Chairperson Munsell, Carol Mowitz stated that such information should be available through the HRMN system. She also noted that merit pay requests come to Civil Service for approval, and if they are not timely, reports are generated.

Director Lopez added that he receives a report on everyone in the system, and that he has discussed these issues with the Human Resource Directors and with Department Directors.

3. Diane Drake presented a report on Violence in the Workplace. Ms. Drake introduced Patty Gammon, Consumer and Industry Services, who has also been assigned to work on the Violence in the Workplace along with a representative of the Office of State Employer.

Ms. Drake responded to a question from Commissioner Hunter that the policies of state departments are not consistent, and stated that the intent is to have a global approach but still allow departments to develop policies consistent with their individual needs.

Director Lopez stated staff plans to present a proposed policy for Commission consideration at the May 2001 Meeting.

4. Theodore Benca presented an update on the HRMN project. Mr. Benca noted they are currently in the data conversion process. The conversion process should be completed March 28, 2001, and the new payroll system will convert over on March 29.

Commissioner Hunter commended Mr. Benca and the rest of the team for such a massive undertaking with huge benefits to employees, cost savings to the state, and a more efficient system. Mr. Benca thanked the Commission for their support of the project on behalf of the HRMN team.

NEW BUSINESS

1. Gayle Pratt, Director, Vehicle and Travel Services in the Department of Management and Budget discussed the recommended changes in the Travel Expense Reimbursement Rates for the fiscal year beginning October 1, 2001, as proposed in her February 22, 2001 memorandum to the State Personnel Director. A chart was provided showing current rates and proposed rates. That memorandum is by reference a part of the record of this meeting. Changes proposed are increases in the in-state select cities meal reimbursement from \$38.00 to \$38.50 per day, in-state standard meal reimbursement from \$30.50 to \$30.75 per day, and out-of-state standard meal reimbursement from \$37.50 to \$37.75 per day.

Gary Calkins, Executive Director of Association of State Employees in Management, commented on the process, and proposed that the Commission approve the increases with immediate effect.

Commissioner Hunter noted that procedurally the Commission could not entertain that request.

On motion duly made and supported, the Commission approved the Proposed Travel expense Reimbursement Rates as submitted, effective October 1, 2001.

COMMISSION APPEALS

1. In closed session on March 22, 2001 the Commission considered nine decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

ADJOURNMENT

1. The Meeting was adjourned at 11:20 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of March 22, 2001.

A handwritten signature in black ink, appearing to read "J. F. Lopez", written over a horizontal line.

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
May 24, 2001**

Present: Susan Grimes Munsell, Chairperson
Robert P. Hunter, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:00 a.m. in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the Minutes of the meeting of March 22, 2001.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.
 - a) Employment Relations Board Appointment: With the approval of the Commission, William Braman has been reappointed to serve on the Employment Relations Board (ERB). Mr. Braman has been a member of the ERB since 1987. His new term expires April 30, 2004.
 - b) Regulations: Civil Service Commission Rules require that I report to the commission on the promulgation of regulations, which are issued to implement commission rules.

Since the last commission meeting, the following regulations have been promulgated:

Regulation 3.06, Sanctions for Violating Appraisal Method Integrity

Summary: An appointing authority must notify the Department of Civil Service if it is discovered that a person is engaging in prohibited acts defined in Rule 3-1, such as misrepresenting education or experience, engaging in deception or fraud, cheating, etc. Civil Service will conduct an investigation and impose sanctions as appropriate. Civil Service can initiate

civil action or refer for criminal prosecution, anyone who has engaged in prohibited acts. Sanctions can be appealed, and a person who has been sanctioned may request reinstatement of their applicant pool privileges.

Regulation 5.01, General Salary Schedule Administration

Summary: This regulation was changed to clarify the salary schedule administration for employees appointed to a transitional classification. The earlier version of this regulation addressed only the State Transitional Professional, and inadvertently left out the State Transitional Technician and the State Transitional Manager.

Regulation 7.01, Disbursements for Personal Services

Summary: No substantive revisions were made to this regulation, however, it was reformatted to be consistent with the new regulation format and to reflect the movement of the disbursement rule (old Rule 4-6) to Chapter 7 of the Rules.

I would like to point out that on April 30, 2001, Civil Service staff members conducted presentations for human resource personnel to address the significant changes made to these regulations and those that became effective March 18, 2001.

c) **Unclassified Position Report:** Civil Service Commission Rules require that I report on the establishment or abolition of positions in the unclassified service. Since the last Director's Report, I approved one request from the Department of Education.

I received an April 17, 2001, request from the Department of Education to establish an unclassified position, *Director of the Center for Educational Performance and Information (CEPI)*. The position is responsible for directing and providing leadership for the Center in accordance with Executive Order 2000-9; managing the implementation of the Michigan Education Information System; and managing the S&P School Evaluation Service Contract.

This request was approved on April 17, 2001. The Department of Education now has five exempt, unclassified positions.

2. Carol Vargovich, Department of Civil Service, Budget and Financial Services, presented a budget update report. She noted that since the December Commission meeting, the revenue consensus meeting between the house and senate fiscal agencies indicated that the revenues were going down and a hiring freeze was issued in early February. In the current fiscal year the Department will recognize a \$56,000 General Fund reduction, and lapse work project authority of \$560,000.

The Fiscal Year 02 budget is still in development. The proposal currently before the Legislature is \$713,300 less than what the Department originally proposed. Still pending is another 2% general fund reduction of \$224,400. Ms. Vargovich noted that the department is supportive of the Executive recommendations and will continue to keep the Commission informed of any changes that occur in the budgets.

3. Theodore Benca, Deputy Director, presented a HRMN Project Update. Phase 1 of the project is complete and thirty-four Department of Civil Service employees have returned to their offices in the Capitol Commons Center, some after having been on the project for three years. The system is up and working and three pay cycles have been successfully completed. The three main players during the project were DCS, the Office of Financial Management of the State Budget Office, and Project MAIN, and that relationship will continue throughout the remaining Stage II implementation and from this point forward, to maintain coordination of activities. Mr. Benca noted that information on the successful implementation is being shared with other states to assist them in their planning.

NEW BUSINESS

1. D. Daniel McLellan, General Counsel, stated that a Letter of Understanding between Department of State Police and UAW regarding clothing benefits for State Police civilian employees was granted interim approval by the State Personnel Director with the consent of the Commission Chair, and staff recommends approval by the Commission.

On motion duly made and supported, the Commission confirmed the April 17, 2001 interim approval granted by the State Personnel Director of the Letter of Understanding between the Department of State Police and the UAW addressing Article 35 – Miscellaneous Benefits, Section A – Clothing.

2. D. Daniel McLellan indicated that staff reviewed the agreement reached between MPES and OSE to establish a single maximum pay rate in the Human Resources Management Network when exceptions are made to pay ineligible unit members overtime in HRMN, and recommended its approval. The State Personnel Director granted interim approval with the consent of the Commission Chair.

On motion duly made and supported, the Commission confirmed the April 25, 2001 interim approval granted by the State Personnel Director of the Letter of Understanding between the Office of State Employer and the

Michigan Professional Employees Society, amending Article 19, Section F.3.d. (1) and (2).

3. D. Daniel McLellan indicated that staff reviewed the agreement reached between AFSCME Council #25 and the State of Michigan and recommends its approval.

On motion duly made and supported, the Commission approved the letter of Understanding between the Michigan AFSCME Council #25 and the State of Michigan regarding posting of test designated vacancies in the Institutional Unit.

4. D. Daniel McLellan briefed the Commission on the draft Rule 2-20, "Workplace Safety" (Revision C) that is before the Commission for action. He noted the purpose they tried to accomplish with the draft rule is increased workplace safety, and that the mechanism for achieving that is reducing the factors that contribute to workplace violence issues. The draft rule prohibits acts of violence and threats of violence, and focuses on firearms and explosives in the context of employees having them on duty and in the workplace itself. The draft rule requires all employees to report immediately acts or threats of violence to the appointing authority, and requires the appointing authorities to take reasonable actions to protect employees and the public if they receive credible reports of acts or threats of violence.

Mr. McLellan discussed the ban on all firearms and explosives during actual duty time and at state workplaces, unless otherwise permitted. Revision A was sent out for public comment and issues were raised regarding employees who hunt or go to shooting ranges before or after work and, in accordance with State law, sometimes have an unloaded weapon in a case or in the trunk of a vehicle parked in the parking lot. The Office of State Employer and the Attorney General's Office have also reviewed and had input on the issues. The Department of Civil Service now recommends that permission to have an unloaded firearm locked in a personal vehicle in a state parking lot be authorized, if the employee is also otherwise in compliance with State law.

Mr. McLellan noted that the Department anticipates that rather than Civil Service promulgating regulations, OSE will work with the departments to have work rules that are consonant with this rule, since many agencies have differing requirements. He also clarified that this rule does not take away an appointing authority's reasonable discretion in either banning or permitting certain types of weapons for their employees in the proper circumstances.

September 1, 2001 is the proposed effective date of this rule, with a provision authorizing the state personnel director to establish an earlier

effective date of the rule if it becomes appropriate to do so. This schedule provides the appointing authorities, Office of State Employer, and Department of Civil Service ample opportunity to prepare for the rule and engage in whatever educational processes are necessary.

On motion duly made and supported, the Commission approved Resolution G-4:

Section 1. The proposed amendments to the Civil Service Rules contained in draft Revision C (dated May 21, 2001) of Civil Service Rule 2-20, "Workplace Safety," and amendments to Rule 9-1, "Definitions," are approved.

Section 2. The approved amendments to the Civil Service Rules shall be effective on September 1, 2001, unless the State Personnel Director establishes and publishes an earlier effective date. The State Personnel Director is authorized to establish and publish, without further action of the Civil Service Commission, an effective date of the approved amendments that is earlier than September 1, 2001.

5. D. Daniel McLellan explained that the current Rule 5-5.1 provides for a "P-Rate" pay premium for designated prison employees, for all hours in pay status including holidays and leave time, but excluding paid administrative leave for nonexclusively represented employees. Collective bargaining agreements provide that the P-Rate is paid on administrative leave hours for exclusively represented employees. The proposed amendment to Rule 5-5c deletes the exclusion for NEREs.

On motion duly made and supported, the Commission approved Resolution G-5:

Resolution G-5, approved by the Civil Service Commission on May 24, 2001:

Section 1. The proposed amendments to Rule 5-5(c), circulated in CS-6944 (April 25, 2001), are approved, effective immediately.

COMMISSION APPEALS

1. In closed session on May 24, 2001, the Commission considered ten decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

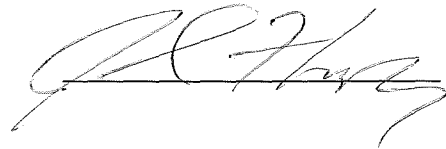
ADJOURNMENT

1. The Meeting was adjourned at 10:40 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of May 24, 2001.

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

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
July 31, 2001**

Present: Susan Grimes Munsell, Chairperson
Robert P. Hunter, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 11:00 a.m. in the Superior Room, Saginaw Hotel and Convention Center, 400 Johnson Street, Saginaw, Michigan.
2. On motion duly made and supported, the Commission approved the minutes of the meeting of May 24, 2001.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.

a) *Unclassified Position Report:* Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. Since the last commission meeting, I approved one request from the Department of Education.

I received a May 30, 2001, request from the Department of Education to establish an unclassified position, *Chief Academic Officer*. The position reports to the State Superintendent of Public Instruction and will focus on teaching and learning for all of Michigan's educational community, particularly in the areas of accreditation and education accountability. At the same time, the Department of Education requested the abolishment of one unclassified position, the Assistant to the Chief Deputy Superintendent.

This request was approved on June 1, 2001.

Regulations: Civil Service Commission Rules require that I report to the commission on the promulgation of regulations, which are issued to implement commission rules.

Since the last commission meeting, the following regulation has been promulgated:

Regulation 3.13, Information Technology Programmer/Analyst Trainee Program

Summary: This trainee program provides a career path to professional Information Technology Programmer/Analyst positions. Departments using the program will provide on-the-job training and will reimburse participating employees for tuition costs for college coursework completed during a two-year probationary period. During this period, trainees will acquire the knowledge and skill required to be reclassified as an IT Programmer/Analyst. The employee's pay will be maintained while functioning as a trainee. The employee and appointing authority will sign an appointment agreement addressing terms and conditions of program participation, including the employee's commitment to remain with the department for two years after completing the program.

c) *Safety and Regulatory Unit Election:* A representation election will be conducted to determine an exclusive representative, if any, among eligible voters for the purpose of exercising employee rights under the Michigan Civil Service Commission Employee-Employer Relations Rules.

Choices on the ballot will be the Police Officers Association of Michigan (POAM), the Michigan State Employees Association (MSEA), or no exclusive representation. The voter eligibility list will be issued August 8, 2001. Ballots and instructions will be mailed to eligible voters on August 23, 2001. The deadline for receipt of ballots at the Lansing Post Office is September 13, 2001, and the count will take place on September 14, 2001.

2. Carol Mowitz, Department of Civil Service, Bureau of Human Resource Services, presented a report on the Human Resources Transformation Plan, which was developed by a group of HR Directors, Civil Service Employees, and representatives from OSE and the HRMN Project. The plan provides a statewide strategic vision for human resources. She discussed the six goals that were established under the plan, each of which is supported by a number of objectives. Nine of the 33 objectives have been completed, and work has begun on 18 of those remaining. Based on needs found through a human resources needs assessment survey, the team will be meeting in August to refine the plan AND make sure it reflects current needs of state employees. Ms. Mowitz described each of the goals, and provided copies of a report on each of the 33 objectives. The written reports is by reference a part of the record of this meeting.
3. Joseph Slivensky, Department of Civil Service, Bureau of Administrative Services, provided information from the Human Resources Needs Assessment Survey. The survey was developed by a team from Civil Service, Office of State Employer, and a human resource director, working with IBM Global Services consultants. The team received input from focus groups comprised of both managers and non-managers, and developed a 52 item survey that was sent to 50,000 employees through electronic mail. Thirteen thousand responses were returned. Mr. Slivensky stated they have met with the departments to discuss the findings and conclusions from the survey, and will next go back to revisit some of the issues with the HR Transformation Team and add new objectives or goals, or reprioritize

current ones. Department of Civil Service is also incorporating the findings of the HR Needs Survey into the Strategic Plan for 2001 to 2003.

4. The Commission received an update on the Human Resources Management Network from Theodore Benca, Deputy Director, Department of Civil Service. Mr. Benca gave a recap of the Stage I implementation, and discussed Stage II projects that are underway. Mr. Benca noted that certification was recently received to make HRMN part of the Internet, which will allow additional employees to have access. He reported that the project team has begun collecting concerns and issues from the user community now that they have had access to the system, and received a lot of input. Staff have been identifying and categorizing the issues and concerns and will continue communications back with the user community with responses to the concerns and setting out a plan to go further.

User meetings have been set up and will continue to be used to get input and feedback, and Project team members have been going out to the agencies to provide special assistance as needed. A training session is scheduled for Personnel Management Assistants, the employees who do the transactions, and they will have the opportunity to provide their input as well.

NEW BUSINESS

1. Carol Mowitz reported on the Information Technology Pilot Program Review and Program Modification Proposal. The Commission approved the pilot program in January of 1999, to sunset in September of 2001. Ms. Mowitz discussed the features of the program, and the conclusions reached from the review. The written Summary and the Report of the Information Technology Pilot Program review and Program Modification Proposal are by reference a part of the record of this meeting. Staff recommends that the pilot be discontinued and the program be made permanent, with modifications.

Chairperson Munsell stated that the agenda items, G-1, G-2, and G-3, that were circulated for comment on July 5, 2001, were released 26 days in advance of this Commission meeting and require waiver of the 28 day notice requirement.

On motion duly made and supported, the Commission approved **Resolution G-0:**

Section 1. As authorized in rule 1-1.1, the Commission waives the 28-day notice requirement for consideration of the proposed amendments to the Civil Service Rules circulated in CS-6949 (July 5, 2001).

On motion duly made and supported, the Commission approved **Resolution G-1:**

Section 1. The sunset date for the Information Technology Classification and Compensation Pilot Program, previously established by the Commission as September 21, 2001, is repealed, effective immediately.

2. Janet McClelland, Chief Deputy Director, Department of Civil Service briefed the Commission on the proposed amendments to the rules regarding performance ratings. She reported that Civil Service staff met with the Human Resources Council regarding the proposal, and there were a number of concerns raised regarding the language. Staff determined they would not be able to consider the changes suggested and complete the follow up work to prepare revisions for today's Commission meeting. Staff requests that the Commission table this rule until the September 27, 2001 meeting.

On motion duly made and supported, the Commission approved **Resolution G-2:**

Section 1. The proposed amendments regarding performance ratings circulated in CS-6949 (July 5, 2001) are considered and tabled until the next meeting of the Commission.

3. D. Daniel McLellan, General Counsel, briefed the Commission on the Amendments to Civil Service Rule 2-16, Assumptions, and Rule 6-3.2, Prohibited Subjects of Bargaining. Staff recommends these amendments to clarify that the process of assuming a position into the classified service is a prohibited subject of bargaining.

On motion duly made and supported, the Commission approved **Resolution G-3:**

Section 1. The proposed amendments to civil service rule 2-16, Assumptions, and rule 6-3.2, Prohibited Subjects of Bargaining, circulated in CS-6949 (July 5, 2001), are approved, effective January 1, 2002.

- 4a. Mr. McLellan noted that the voluntary work schedule adjustment program (VWSAP) originated from budgetary issues, and has been continued by the Commission on an annual basis. The program expires again in September, and the Office of State Employer has reached letters of understanding with most of the unions for continuation. Staff recommends approval of the letters of understanding through September 28, 2002.

Commissioner Hunter inquired about the reasons this issue is dealt with annually as opposed to making it permanent

Jan Winters responded that the Office of State Employer has analyzed the voluntary work schedule adjustment program and believe it is a beneficial program. They are at the bargaining table now, and are considering extending it as a permanent provision in the agreements. She reported there are currently about 450 people on the reduced schedule with an annual reduction in salary and benefit costs of about \$1 million. Office of State Employer urges that the Commission continue the program.

On motion duly made and supported, the Commission approved Resolution **G-4a:**

Section 1. Letters of understanding (submitted by Janine Winters on July 17, 2001, and July 23, 2001) extending the Voluntary Work Schedule Adjustment Program (VWSAP) and amending the collective bargaining agreements for the following units are **approved**, effective September 30, 2001, and ending September 28, 2002:

- A. Human Services Unit and Administrative Support Unit (UAW).
- B. Human Services Support Unit (SEIU Local 31-M).
- C. Safety & Regulatory Unit (Police Officers Association of Michigan).
- D. Scientific & Engineering Unit (Michigan Professional Employees Society).
- E. Technical Unit (United Technical Employees Association, a Division of MPES).
- F. Labor & Trades Unit (Michigan State Employees Association)

Section 2. The State Personnel Director is authorized to approve in writing any additional Letter of Understanding agreed to between another exclusive representative and the State Employer that provides substantially the same benefit approved above.

- 4b. Mr. McLellan stated that the continuation of the voluntary work schedule adjustment program is also recommended for non-exclusively represented employees. If the program is permanently extended in the collective bargaining agreements, the Employment Relations Board would consider the same for non-exclusively represented employees as part of their coordinated compensation program.

On motion duly made and supported, the Commission approved resolution **G-4b**:

Section 1. The voluntary work schedule adjustment plan (VWSAP) for nonexclusively represented employees scheduled to expire on September 29, 2001, is continued in effect until September 28, 2002.

- 5a. Mr. McLellan stated that the Internal Revenue Code permits pre-tax treatment of certain parking and transportation expenses for employees. The Office of State Employer has negotiated Letters of Understanding with most of the unions and staff recommends the Commission approve the treatment of these parking and transportation expenses on a pretax basis.

On motion duly made and supported, the Commission approved resolution **G-5a**:

Section 1. Letters of Understanding (submitted by Janine Winters on July 17, 2001 and July 23, 2001) amending the collective bargaining agreements for the following units to permit pretax treatment of parking and transportation expenses as

authorized by the Internal Revenue Service are **approved**, effective immediately.

- A. Human Services Support Unit (SEIU Local 31-M).
- B. Scientific & Engineering Unit (Michigan Professional Employees Society).
- C. Technical Unit (United Technical Employees Association, a Division of MPES).
- D. Human Services Unit and Administrative Support Unit (UAW).
- E. Safety & Regulatory Unit (Police Officers Association of Michigan).
- F. Labor & Trades Unit (Michigan State Employees Association).

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

Section 1. The State Personnel Director is authorized to approve and implement a program for pretax treatment of parking and transportation expenses for nonexclusively represented employees, as permitted under the Internal Revenue Service Code.

COMMISSION APPEALS

1. In closed session on July 31, 2001, the Commission considered 10 decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

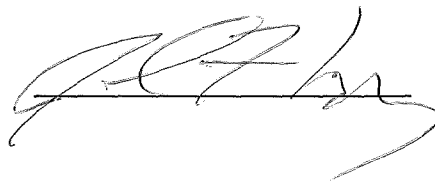
ADJOURNMENT

1. The meeting was adjourned at 12:25 p.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of July 31, 2001.



**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
September 28, 2001**

Present: Susan Grimes Munsell, Chairperson
Robert P. Hunter, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 9:55 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the Minutes of the meeting of July 31, 2001.

AMENDMENTS TO AGENDA

1. The Commission accepted the addition of one item to the Agenda, Item G-6, the extension of the AFSCME Collective Bargaining Agreement.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.
 - a) Unclassified Position Report: Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. Since the last commission meeting, I approved one request from the Department of Natural Resources and one request from the Department of Consumer and Industry Services.

I received a request from the Department of Natural Resources to convert an unclassified position, *Chief of Staff to the Director*, to a classified position in the Senior Executive Service. At the same time, the unclassified position is being abolished. This request was approved on September 10, effective September 2, 2001.

I received and approved a request from the Department of Consumer and Industry Services to establish a temporary unclassified position to serve as Deputy Director to the new Department of History, Arts & Libraries. In

accordance with Executive Order 2001-01, the incumbent will be moved to the new department within 120 days of the August 5, 2001 effective date.

- b) Certification of Exclusive Representation: Based on a ballot election conducted earlier this month, the Michigan State Employees Association (MSEA) has been chosen to replace the Police Officers Association of Michigan (POAM) as the exclusive representative for employees of the Safety and Regulatory Unit. On September 24, 2001, I signed a Certification of Exclusive Representation that recognizes the MSEA as the sole and exclusive representative of the eligible classified employees in the Safety and Regulatory Unit.
- c) Leadership Development Program: Training in the first course of the Leadership Development Program began on September 18th. This is the first in a series of five courses designed to help advance the principles of leadership and develop leadership capabilities in state government. The program is mandatory for all Group 4 and SES employees.
- d) Incidents in New York, Washington D.C., and Pennsylvania: We have all been forever affected by this month's tragedies in New York, Washington D.C., and Pennsylvania. State employees from all departments and from offices all around Michigan have shown a strong desire to do anything they can to help those in need. To address the issue, the Lt. Governor announced a new web site www.Michigan.org, where individuals can obtain information about how to volunteer time, contribute money, locations of blood donation drives, and how to cope with the traumatic events the country has suffered. The site will continue to be updated with new information on how to get involved.

In response to a question from Commissioner James Pitz, Director Lopez indicated that the web site is statewide and not focused on state employees only.

UNFINISHED BUSINESS

1. D. Daniel McLellan, General Counsel, and Janet McClelland, Chief Deputy Director, briefed the Commission on the draft amendments to Civil Service Rules on Performance Ratings.

Mr. McLellan noted that at the last meeting proposed amendments regarding performance ratings were tabled to allow more discussion with interested parties. Proposed Revision C is now before the Commission. Mr. McLellan stated the purpose of the amendments is to strengthen the performance rating system, and to distinguish clearly between disciplinary and non-disciplinary ratings. Mr. McLellan reviewed the four types of performance ratings. He indicated the regulations have also been provided to the Commission for additional information, however they do not require action by the Commission.

Janet McClelland described the features of the Proposed Regulations 2.06 and 5.07, which contain the standards and procedures for implementing the rule. The

proposed regulations were sent out for comment at the same time as the rules on performance ratings and will be implemented at the same time as the rules.

Commissioner Pitz raised questions on how Civil Service will ensure that the performance ratings are done. Ms. McClelland responded that supervisors' performance ratings will include a factor addressing completion of performance evaluations for their employees, and the audit team will be monitoring that. Additionally, prior changes in the performance pay program required that departments submit their performance pay plans, including information on when they are going to do the ratings and how are they going to ensure that they are done. Commissioner Pitz requested that staff provide feedback to the Commission on the annual audits.

On motion duly made and supported, the Commission approved Resolution F-1:

The proposed amendments to the Civil Service Rules, Revision C (dated September 19, 2001) regarding performance ratings are approved, effective October 1, 2001.

NEW BUSINESS

1. D. Daniel McLellan McLellan briefed the Commission on the proposed amendments to the Civil Service Rules on Disbursements for Personal Services Outside the Classified Service, as presented in Revision B, dated September 19, 2001. Mr. McLellan stated the principal purpose of the amendments is to conform to earlier rule amendments and align the text of the rule to court decisions. Additionally the amendments repeal Standard E, mixed contracts and move it to Rule 7.2: Civil Service Jurisdiction, and repeal the decentralized procedure which has never been used or implemented. Mr. McLellan also discussed revisions proposed in Standard A (temporary Services) and Standard B (Unique Services).

Mary Ellen Gurewitz, Coalition of State Employee Unions, addressed the Commission in regard to the proposed amendments to the Civil Service Rules on Disbursements for Personal Services Outside the Classified Service. Ms. Gurewitz discussed her concerns with the quality of services from private contractors. She indicated agreement with the decision to withdraw the decentralized approval procedure. In addressing Standard A and Standard B, Ms. Gurewitz discussed concerns regarding the temporary intermittent standard, and the addition in Standard B of the language "the appointing authority is unable to recruit enough qualified candidates willing to accept a classified position." In summary, Ms. Gurewitz urged the Commission to reexamine the rules, and stated she believes the rules allow political patronage and discourage rather than foster a career civil service.

On motion duly made and supported, the Commission approved the proposed amendments to the Civil Service Rules regarding disbursements for personal services outside the classified service, Revision B (dated September 19, 2001) effective October 1, 2001.

2. D. Daniel McLellan stated that the purpose of the proposed amendments to Civil Service Rules, Chapter 5 - Compensation, is to amend the text of the rules to conform to previously approved amendments.

On motion duly made and supported, the Commission adopted Resolution G-2:

"The proposed amendments to the Civil Service Rules regarding compensation, Revision B (dated September 10, 2001) are approved, effective October 1, 2001."

3. D. Daniel McLellan discussed Executive Order 2001-3, which requires the transfer of certain monies and personnel from state agencies to the new Department of Information Technology. With respect to Department of Civil Service that transfer requires the consent of the Civil Service Commission. Staff reviewed the executive order, and recommends the Commission approve the transfers.

On motion duly made and supported, the Commission approved Resolution G-3 regarding Executive Order 2001-3

A. BACKGROUND

1. On August 9, 2001, Governor John Engler issued Executive Order 2001-3, creating a new Department of Information Technology, effective October 14, 2001.
2. In general, Executive Order 2001-3 seeks to improve the state's information technology services by consolidating these services in the new Department of Information Technology. In particular, Executive Order 2001-3 provides that various records, personnel, equipment, and budgetary resources "involved in or related to the provision of information technology services currently located within any executive branch department" be transferred to the new Department of Information Technology.

B. COMMISSION FINDINGS

1. The Civil Service Commission finds that the transfers authorized in Executive Order 2001-3 and this resolution will result in a more efficient and effective information technology services for the executive branch departments.
2. The Civil Service Commission finds that, under article 11, section 5, of the Michigan Constitution, any transfer from the Department of Civil Service authorized in Executive Order 2001-3 requires the consent of the Commission.

C. Resolution**The Michigan Civil Service Commission RESOLVES as follows:**

1. The Civil Service Commission, consistent with its constitutional authority, consents to the transfer to the Department of Information Technology all records, personnel, equipment, and current budgetary resources involved in or related to the provision of information technology services located within the Department of Civil Service, effective October 14, 2001, or any later date as may be agreed to by the State Personnel Director.
2. The State Personnel Director is authorized to do each of the following:
 - (a) To cooperate with the Director of the Department of Information Technology (or other individual designated by the Governor) to jointly identify the records, personnel, equipment, and current budgetary resources to be transferred to the Department of Information Technology.
 - (b) To direct and administer the transfers required by this resolution in cooperation with the Department of Information Technology.
 - (c) To execute such agreements, documents, or contracts on behalf of the Department of Civil Service as may be necessary to implement this resolution.
 - (d) To enter into agreements with the Department of Information Technology regarding personnel, facilities, equipment, records, property, or current funds of the Department of Civil Service to be transferred by this resolution for the purpose of facilitating the transfers and maintaining efficient and continuous program services during and after the transfers.
 - (e) To take any further action deemed necessary or useful to implement this resolution, consistent with the Commission's constitutional authority.
4. Diane Drake, Department of Civil Service, presented two assumption plans involving the assumption of legislative employees into the state classified service. She noted that Legislation transferred the Library of Michigan from the legislative branch of state government to the new Department of History, Arts and Libraries, which requires that the State Personnel Director assume the employees into the classified service. The State Personnel Director, with the consent of the Civil Service Commission Chair, approved the assumption plan under Civil Service Rule 2-16.7, in recognition of special and unique circumstances that exist relative to the Library of Michigan employees in comparison to the classified service, on September 10, 2001.

The Legislative Services Bureau, the DMB Director, and the Department of History, Arts and Libraries, requested assumption of the 15 employees that were assigned to the Legislative Services Bureau to maintain the library. The assumption plan was

modeled after the assumption plan for the Library of Michigan. The State Personnel Director, with the concurrence of the Civil Service Commission Chair, approved the plan on September 18, 2001. The Commission is now asked to approve the assumption plans in accordance with Section 2.7 of the Civil Service Commission by-laws, effective October 1, 2001.

On motion duly made and supported, the Commission confirmed the action of the state personnel director approving the assumption plans for assumption of the Library of Michigan employees into the Department of History, Arts and Libraries, and the assumption of Legislative Services Bureau employees into the Department of Management and Budget, effective October 1, 2001.

5. D. Daniel McLellan noted that the AFSCME collective bargaining expires September 30, 2001. AFSCME and the Office of State Employer are currently in negotiations, and have requested that the Commission extend the contract through December 31, 2001 so that they can conclude their bargaining.

On motion duly made and supported, the Commission approved the Contract Extension Agreement signed by AFSCME Council 25 and Office of State Employer to extend the non-economic provisions of the current Institutional Unit agreement through December 31, 2001.

COMMISSION APPEALS

1. In closed session on September 28, 2001, the Commission considered 15 decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

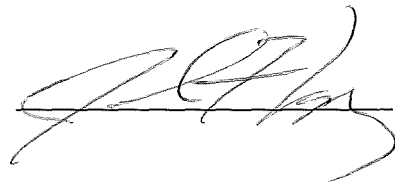
ADJOURNMENT

1. The meeting was adjourned at 11:10 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of September 28, 2001.



**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
December 18, 2001**

Present: Susan Grimes Munsell, Chairperson
Robert P. Hunter, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:25 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the Minutes of the meeting of July 31, 2001.

COMMISSION BUSINESS

1. Chairperson Susan Grimes Munsell presented the following resolution to Paul Bieber:

Whereas, Paul Bieber has decided to retire from State Government after 33 years, of which over 16 years were with the Department of Civil Service, and

Whereas, Paul demonstrated commitment and dedication throughout his career as a public servant, which included a tour of duty in Vietnam during his service in the United States Army from 1968 to 1970, gaining the respect and admiration of his colleagues, and

Whereas, Paul, in his capacity as Director of the Office of Technical Services pursued the implementation of state-of-the-art technology to deliver departmental services, and

Whereas, Paul, in his capacity as Director of the Office of Compliance was responsible for development of "real time" audits to monitor departmental personnel transactions, and

Whereas, Paul, with his experience, knowledge, and foresight, took the lead

in initiating the changes necessary to modify Office of Compliance operations with the onset of the Human Resource Management Network (HRMN) system, and

Whereas, Paul, when he departs, will take with him a variety of knowledge and perspectives on the Department of Civil Service, but most of all, a warm and contagious smile, and

Whereas, Paul, in his retirement, will have more time to spend with his wife, Cathy, and his two children, and

Whereas, Paul will be further able to indulge in his love of golf and bowling, and will have time to spend enjoying his home in Florida, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Paul Bieber its heartfelt appreciation for his dedicated efforts and many accomplishments during his years of service.

Resolved, that the Commission extends to Paul its warmest wishes for much health and happiness throughout his retirement.

On motion duly made and supported, the Commission adopted the retirement resolution for Mr. Paul Bieber.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.

A) Unclassified Position Report: Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. I have approved one request from the Department of History, Arts and Libraries (HAL), one request from the Department of Treasury, and one request from the Department of Corrections.

- Department of History, Arts and Libraries (HAL): I received and approved a request from HAL to establish an unclassified position to serve as the State Librarian in the new department.
- Department of Treasury: I received and approved a request from the Department of Treasury to establish an unclassified position to serve as Deputy Treasurer for Education Policy. At the same time, I approved the abolishment of an existing Chief Deputy Treasurer position. This brings the total exempt, unclassified positions in the Department of Treasury to five.

- Department of Corrections: I received and approved a request from the Department of Corrections to establish an unclassified position to serve as a Special Assistant to the Department Director.

B) Regulations: Civil Service Commission Rules require that I report to the commission on the promulgation of regulations, which are issued to implement commission rules.

Since the last commission meeting, the following regulations have been promulgated:

Regulation 2.06, Conducting Employee Ratings: Summary: Modifications to this regulation include the addition of language to clarify the procedure for recording unsatisfactory probationary or interim ratings and subsequent satisfactory ratings in HRMN.

Regulation 5.02, Premium Payment of Overtime, On-call Compensation, and Callback Compensation. Summary: This regulation has been amended to reflect the October 1, 2001, 2 percent increase in the maximum overtime rate for ineligible employees.

Regulation 5.04, Special Pay Premiums. Summary: This regulation has been amended to reflect the Civil Service Rule changes approved at the September 28, 2001, Commission meeting.

Regulation 5.07, Performance-Pay and IT Bonus Programs. Summary: This regulation provides standards and procedures for a permanent Information Technology Classification and Compensation Program. The regulation also revises the standards for Senior Executive Management Assistants (SEMA's) to conform to those for the Senior Executive Service (SES).

Regulation 5.09, Annual, Personal, and School Participation Leave. Summary: This regulation has been amended to provide for consistency in the payoff of initial leave grants when employment is terminated before an employee completes 720 hours of creditable service. The regulation was also revised to make clear that only career employees in indefinite appointments are eligible to receive school participation leave credits.

Regulation 7.01, Disbursements for Personal Services outside the Classified Service. Summary: Changes were made to this regulation because much of the language previously contained in the regulation has been incorporated into the new rule governing disbursements for personal services outside the classified service. The regulation was also revised to bring it into conformance with other rule changes.

NEW BUSINESS

1. Joseph Slivensky, Director, Administrative Services, stated that the budget issues before the Commission include a review of the fiscal year 01 financial activities, the payroll certification for fiscal year 01, the budget resolution on appropriation adjustments for fiscal year 02, and the budget for fiscal year 03. Carol Vargovich, Budget Officer, briefed the Commission on the details of each of the budget items.

Ms. Vargovich reported that the aggregate payroll for FY 01 totaled \$3,939,013,929, and the Department of Civil Service Constitutional amount for funding for the 2002 fiscal year would allow \$39,390,139.

On motion duly made and supported, the Commission adopted **Resolution G-1A**, Certification of Aggregate Payroll by the Michigan Civil Service Commission.

Ms. Vargovich discussed the adjustments to the fiscal year 2002 appropriations, which resulted in a \$1,616,460 reduction to the budget originally approved by the Commission. Adjustments included a 5% general fund reduction as provided in Executive Order 2001-9.

On motion duly made and supported, the Commission adopted **Resolution G-1B**: A Budget Resolution of the Michigan Civil Service Commission.

Ms. Vargovich presented the fiscal year 03 budget proposal for the Department of Civil Service totaling \$29,138,340.

On motion duly made and supported, the Commission approved Resolution G-1C, approval of Department of Civil Service Fiscal Year 03 Budget by the Michigan Civil Service Commission.

2. D. Daniel McLellan briefed the Commission on Item G-2, Proposed Amendments to Civil Service Rules. Mr. McLellan stated that the proposed amendments to ten Civil Service Rules were first circulated as *Revision A*. Two corrections were made, and *Revision B* was then submitted to the Commission. Mr. McLellan noted that conversations with Commissioner Pitz regarding Rule 2-19, legal representation, resulted in the development of *Revision C* of Rule 2-19.

Copies of Rule 2-19, Revision C, along with a copy of a comparison of *Revision B* with *Revision C* were distributed.

Chairperson Susan Grimes Munsell noted for the record that Rule 2-19 in *Revision B* is the same as that proposed in *Revision A*.

Mr. McLellan stated that under the change requested by Commissioner Pitz, the employer decides whether the employee is entitled to legal representation by determining whether the conduct alleged occurred during the course of employment and was within the scope of the delegated authority to that employee, or that the employee had a reasonable belief that the conduct was within the scope of their delegated authority. If an employee disagrees with the employer's determination, the test is whether the employer's decision was arbitrary and capricious.

Commissioner Pitz stated proposed Revision C captured what he had hoped, in clarifying that if the employee's conduct is reasonable and within the scope of their work assignment the employer will stand by them.

On motion duly made and supported, **Resolution G-2 (Rev B)** was placed before the Commission.

Brandon Zuk on behalf of Michigan Association of Governmental Employees (MAGE), presented comments on the rule. MAGE's written comments were forwarded to the Commission in a letter dated December 4, 2001, from John DeTizio. That letter is by reference a part of the record of this meeting. Mr. Zuk thanked the Commission and staff for *Revision C*, and stated it appears to address the concern they had expressed. Mr. Zuk urged the Commission to adopt *Revision C* of Rule 2-19.

On motion duly made and supported, the Commission substituted Rule 2-19, *Revision C* (December 18, 2001), for Rule 2-19 in **Resolution G-2 (Rev B)** currently on the floor.

The Commission unanimously adopted **Resolution G-2 (Rev B)** as substituted.

Chairperson Munsell clarified for the record that individuals who received the advance mailing of materials received **Revision A**. Copies of **Revision B**, which contained two small changes, were made available at this meeting. A change in Rule 8-7.3 **Time Limits for Appeal to Commission** adds the language "Except where another rule or a regulation establishes a shorter period." Secondly, the following sentence was added to the definition of Regulation: "A regulation is binding on the department of civil service unless the civil service commission finds that the regulation violates a rule."

3. D. Daniel McLellan briefed the Commission on the five voluntary collective bargaining agreements that have been submitted by the Office of State Employer and the unions. Staff has reviewed the agreements to identify

prohibited subjects of bargaining. Mr. McLellan noted that the parties received pre-bargaining notice, and most issues that staff raised were taken care of by the parties during negotiations. Staff reviewed the agreements and, in each case, found that some provisions agreed to by the parties do conflict with the rules on prohibited subjects of bargaining. Staff recommends approval of the Resolutions, approving the Collective Bargaining Agreements as amended in the Staff Draft Collective Bargaining Agreements.

The Office of State Employer and the unions have also requested extension of secondary agreements until the parties have had an opportunity to negotiate new secondary agreements under the new primary Collective Bargaining Agreements. Mr. McLellan indicated that staff followed the same process with the Secondary Agreements .

Mr. McLellan also noted that the Commission's new rules take effect on January 1, 2002 and all of the Collective Bargaining Agreements and secondary agreements that are being approved by the Commission are being approved under and subject to those new rules.

Mr. McLellan stated staff proposed changes related to class clusters, working out of class and, in particular, the dates of the agreement, in Item G-3A, the UAW Primary Agreement.

On motion duly made and supported, the Commission placed **Resolution G-3A** on the table for consideration.

Janine Winters, Director, Office of State Employer, addressed the Commission regarding the UAW Collective Bargaining Agreement. Ms. Winters asked that the Commission include the language dealing with Article 33, Working Out of Class, that Civil Service staff has recommended be deleted. That language called for the continuation of paying people on a bi-weekly basis through a gross pay adjustment when they are working out of class, and the provision that paid time would be noted on an individual's employment history. The OSE believes such language does not infringe upon a prohibited subject of bargaining. With that minor exception to the language, the OSE is in agreement with the Department of Civil Service Resolution.

Janet McClelland noted that an extensive review of this language had been made, and staff's concern was that arbitrators would move into that prohibited area.

Chairperson Munsell called for a vote on the motion on the table. The Commission unanimously approved **Resolution G-3A**, thereby approving the Staff Draft Collective Bargaining Agreement as the new primary

collective bargaining agreement between OSE and the UAW, effective January 1, 2002.

D. Daniel McLellan stated that, effective January 1, 2002, the existing secondary agreements will all expire under the new rules. The parties have asked the Commission to extend the agreements. The rules permit the Commission to extend an existing secondary agreement for up to 12 months to give the parties an opportunity to negotiate a new secondary agreement. Staff proposed that the Commission extend the secondary agreements for a period of three months to give the parties an opportunity to negotiate and come back more quickly with any changes they are proposing. Staff also proposed that the Commission grant the state personnel director the authority to extend that period up to the maximum of 12 months, if necessary.

Mr. McLellan reported that staff reviewed the 23 UAW Secondary Agreements and recommends no changes in 16 of them. Changes proposed in the secondary agreements between the UAW and Civil Rights, Lottery, DMB, Corrections, FIA, Treasury, and the Unemployment Agency in a document provided entitled *Staff Recommendation*, deal mostly with class clusters, which are no longer consistent with the rule on class clusters. Staff requests the Commission approve the changes set forth in the Staff Recommendation as part of **Resolution G-3B, Revised**.

On motion duly made and supported, the Commission approved **Resolution G-3B (Revised)**, regarding the Extension of Existing Secondary Collective Bargaining Agreements Between the Office of the State Employer and UAW International Union and its Local 6000, for the Human Services Unit and Administrative Support Unit.)

4. D. Daniel McLellan stated staff has proposed three changes in the Primary Agreement between the Michigan Corrections Organization and the Office of State Employer in the proposed **Resolution G-4A**.

On motion duly made and supported, the Commission approved **Resolution G-4A**, regarding a Proposed Collective Bargaining Agreement between the Office of State Employer and the Michigan Corrections Organization for the Security Unit.

Mr. McLellan noted that OSE and MCO have requested extension of one Secondary Agreement between the Department of Community Health and Michigan Corrections Organization, and staff recommends no changes in that Secondary Agreement.

On motion duly made and supported, the Commission approved

Resolution G-4B, regarding the Extension of Existing Secondary Collective Bargaining Agreements Between the Office of the State Employer and Department of Community Health for the Security Unit.

The Commission recessed at 11:15 and reconvened at 11:20 a.m.

5. On motion duly made and supported, the Commission approved **Resolution G-5 (Revised)** regarding a Proposed Collective Bargaining Agreement Between the Office of State Employer and Michigan Public Employees, SEIU Local 517-M (Scientific and Engineering Unit.)
6. On motion duly made and supported, the Commission approved **Resolution G-6 (Revised)** regarding a Proposed Collective Bargaining Agreement between the Office of State Employer and the United Technical Employees Association, a Division of Michigan Public Employees, SEIU Local 517-M.

Commissioner Hunter commented for the record that the Commission received the agreements for review well in advance of this meeting, and has had the opportunity for careful consideration of the staff recommendations and the positions of the parties.

7. D. Daniel McLellan stated that most of the changes proposed by staff in the AFSCME Collective Bargaining Agreement have to do with class clusters and dates.

Mr. Zane Vinton, Staff Representative with AFSCME Council 25, and Chief Spokesperson for the Institutional Unit negotiations, addressed the Commission regarding AFSCME's concern with the issue of class clusters. The staff recommendation deletes the language regarding class clusters from the primary agreement. AFSME asked that the Commission approve the language and place it in each of the secondary agreements. Mr. Vinton cited concerns that a person may not be able to take a recall in the same classification in a different department.

Janet McClelland explained that staff eliminated the class cluster listing from the primary agreement because it is a prohibited subject for primary agreements. Additionally, the listing includes classes that are not interchangeable or reciprocal, and does not include levels.

On motion duly made and supported, the Commission approved **Resolution G-7A (Revised)**, regarding a proposed Collective Bargaining Agreement between the Office of the State Employer and the American Federation of State, County, and Municipal Employees, Council 25, for the Institutional Unit.

On motion duly made and supported, the Commission adopted **Resolution G-7B (Revised)**, regarding the extension of existing secondary collective bargaining agreements between the Office of the State Employer and AFSCME Council 25 for the Institutional Unit.

8. D. Daniel McLellan reported that the OSE and two unions went to impasse. Chairperson Munsell introduced Impasse Panel/ERB Chairperson Susan Zurvalec, and Impasse Panel/ERB Members Richard Warner and William Braman. John Gnodtke, Assistant General Counsel and staff to the Impasse Panel, briefed the Commission on the Impasse Panel Recommendation IP 2001-01, between SEIU and the OSE regarding the Primary Agreement in the Human Services Support Unit. The parties reached agreement on all sections except Maintenance of Conditions. The Impasse Panel has proposed some new language and recommended that the Commission adopt the remainder of the contract that the parties voluntarily agreed to.

On motion duly made and supported, the Commission adopted **Resolution G-8**, Regarding Impasse Panel Recommendation IP2001-01 and a Collective Bargaining Agreement between the OSE and the Service Employees International Union, Local 31-M for the Human Services Support Unit.

9. John Gnodtke stated **Resolution G-9** speaks to the impasse between the MSEA and the OSE. The parties originally certified 37 provisions at impasse and, after further negotiation by the parties and review with Civil Service staff, the parties agreed to eleven issues at impasse. The Panel has made recommendations on the eleven issues and reviewed the tentative agreements of the parties for the rest of the contract. The complete proposed Collective Bargaining Agreement by the Impasse Panel is Appendix 1 to IP 2001-02.

D. Daniel McLellan noted that a revised **Resolution G-9** is before the Commission for approval. Attached to **Resolution G-9 (Revised)** is a December 17, 2001, letter from John Gnodtke, which corrects one error and three omissions from IP 2001-02. Mr. Gnodtke outlined the recommendations contained in IP 2001-02.

On motion duly made and supported, **Resolution G-9 (Revised)**, including the letter of December 17, 2001, regarding Impasse Panel Recommendation IP 2001-02, was placed before the Commission.

John Denniston and Kevin Davis addressed the Commission on behalf of MSEA.

Mr. Denniston presented the MSEA's arguments with Impasse Panel Recommendations in Article 13, regarding a trial adoption of a Rule of Three for transfers, and the issue of no transfer rights for limited term employees.

Kevin Bacon addressed the issue of Conservation Officer pay in Article 43, and presented the arguments for MSEA's proposal to raise the Conservation Officer's base pay rate \$2.00 effective October 1, 2002, in addition to the 2%.

Jan Winters commented in regard to issues raised by MSEA and urged the Commission to adopt the Impasse Panel recommendation.

Chairperson Munsell called for the vote on the motion on the floor, and the Commission approved **Resolution G-9 (Revised)**, the Resolution of the Michigan Civil Service Commission Regarding Impasse Panel Recommendation IP 2001-02, and a Collective Bargaining Agreement between the Office of State Employer and the Michigan State Employees Association for the Labor and Trades Unit and Safety and Regulatory Unit.

10. D. Daniel McLellan stated that staff is not recommending changes in any of the 31 Secondary Agreements under the request for extension submitted by OSE and MSEA

On motion duly made and supported, the Commission approved **Resolution G-10**, the Resolution of the Michigan Civil Service Commission regarding the Extension of Existing Secondary Collective Bargaining Agreements between the Office of State Employer and the Michigan State Employees Association for the Labor and Trades Unit and the Safety and Regulatory Unit.

11. Carol Mowitz, Compensation Director, presented the Coordinated Compensation Panel recommendations for pay and benefits for non-exclusively represented employees for fiscal year 2003. The full Coordinated Compensation Proposal for Fiscal Year 2002-2003 has been provided to the Commission and to the parties, and is by reference a part of the record of this meeting.

D. Daniel McLellan noted for the record that page 22 of the Coordinated Compensation Proposal contains the statement *"the Panel must recognize that the state is a single employer"*. He stated that Civil Service staff and the Attorney General's Office continue to maintain that, in fact, the individual departments are the employers of their employees and that the state is not, with respect to employees, a single employer. Mr. McLellan stated that this statement in the CCP recommendations should not be misinterpreted to

mean that either staff or the Attorney General's Office believe that the state is a single employer

- a) Gary Calkins, Executive Director, Association of State Employees in Management, stated he was a Limited Recognition Organization participant in the CCP and signed the agreement before the Commission. He indicated ASEM's support of the proposal, and commended the OSE for their participation in the long term medical health care policy that will be offered soon.
- b) Pedro Crespo, a 27 year NERE, thanked the members of the CCP for their positive approach to his presentation on the issue of extending current medical benefits to same gender partners, and presented arguments in support of his proposal. Mr. Crespo further proposed that the Civil Service Commission initiate a survey to see how many employees would enroll for this benefit to get a realistic idea of cost.
- c) Janine Winters commented briefly in response to comments made by Gary Calkins and Pedro Crespo, and urged the Commission to adopt the recommendations of the CCP.

On motion duly made and supported, the Commission approved the Coordinated Compensation Proposal for Fiscal Year 2003.

12. Carol Mowitz presented the staff proposal on unclassified pay recommendations for fiscal year 2003.

On motion duly made and supported, the Commission approved the proposal to transmit the following recommendations to the Governor and the Legislature for Fiscal Year 2003:

- A three percent merit pay increase,
- Salary adjustments of up to ten percent based on performance or other factors for department directors and Executive Office officials, and
- Approval by the Legislature of line-item funding necessary to support the pay increases recommended for executive department appointed positions.

COMMISSION APPEALS

1. In closed session by teleconference on November 1, 2001, the Commission considered 8 decisions of the Employment Relations Board. In closed session on December 18, the Commission considered 9 decisions of the

Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

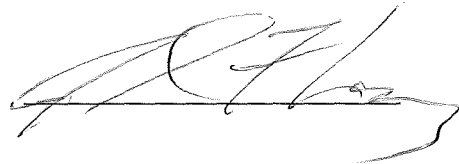
ADJOURNMENT

The meeting was adjourned at 1:40 p.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of December 18, 2001.

A handwritten signature in black ink, appearing to read "J. F. Lopez", written over a horizontal line.

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
May 23, 2002**

Present: Susan Grimes Munsell, Chairperson
Robert P. Hunter, Commissioner
Sherry L. McMillan, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:05 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. Chairperson Susan Grimes Munsell introduced the new Civil Service Commissioner, Sherry L. McMillan.
3. On motion duly made and supported, the Commission approved the minutes of the meeting of December 18, 2001.

COMMISSION BUSINESS

1. On motion duly made and supported, the Commission approved the following retirement resolution for Rosemary Cronin-Mattice:

Whereas, Rosemary Cronin-Mattice has decided to retire from State Government after 27 years of service, all of which were with the Department of Civil Service, and

Whereas, Rosemary demonstrated commitment and dedication throughout her career as a public servant, gaining the respect and admiration of her colleagues, and

Whereas, Rosemary, in her capacity as Deputy Director of the Office of Technical Services pursued the implementation of state-of-the-art information technology to enhance departmental services, and

Whereas, Rosemary performed in an exemplary manner while serving as Acting Director of the Office of Technical Services during the Director's assignment to the HRMN project, and

Whereas, Rosemary, with her experience, knowledge, and foresight, demonstrated a commitment to excellence in her interactions with staff and customers, and

Whereas, Rosemary, when she departed, took with her a variety of knowledge and perspectives on the Department of Civil Service, and

Whereas, Rosemary will be remembered for her kindness and compassion for others, and

Whereas, Rosemary, in her retirement, will have more time to spend with her husband, Lee, their children, and grandchildren, and

Whereas, Rosemary will be further able to indulge in her love of reading, learning, and travel and expand her horizons in other areas of interest, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Rosemary Cronin-Mattice its heartfelt appreciation for her dedicated efforts and many accomplishments during her years of service.

Resolved, that the Commission extends to Rosemary its warmest wishes for much health and happiness throughout her retirement.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director:

Employment Relations Board Reappointment

The Civil Service Commission approved the reappointment of Richard Warner as a member of the Employment Relations Board. Mr. Warner's term expires on April 30, 2005.

Unclassified Position Report

Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. Since the last commission meeting, I approved the following three requests:

Department of Community Health: I received a February 6, 2002, request from the Department of Community Health to establish an unclassified position. The position serves as the Deputy of Strategic Budget Initiatives. This request was approved on February 14, 2002.

Department of Education: I received February 20, 2002, request from the Department of Education to establish an unclassified position. The position serves as the Chief of Staff/Director of Communications for the Office of the

Superintendent. At the same time, the department abolished its unclassified Administrative Assistant position. This request was approved on February 25, 2002.

Department of Consumer and Industry Services: I received an April 10, 2002, request from the Department of Consumer and Industry Services to establish an unclassified position, to serve as Director of the Bureau of Worker's and Unemployment Compensation. This position was created in accordance with Executive Order No. 2002-1. It combines the Unemployment Agency, Bureau of Worker's Compensation, Worker's Compensation Board of Magistrates, and the Wage and Hour Division in the Bureau of Safety and Regulation. At the same time, the Department requested the abolishment of two unclassified positions; the directors' positions in the Bureau of Worker's Compensation and the Unemployment Agency. This request was approved on April 19, 2002.

Regulations

Civil Service Commission Rules require that I report to the commission on the promulgation of regulations, which are issued to implement commission rules.

Since the last commission meeting, the following regulations have been promulgated:

Regulation 2.05, Workplace Safety. This regulation was promulgated to implement commission rule 2-20. Both the rule and the regulation were issued to promote the safety and security of employees, visitors, clients, and other individuals conducting state business or receiving services from the state. The regulation also provides direction regarding situations where there is an imminent risk of danger, reporting obligations, actions to stop violence, discipline, and education and training.

Since the last commission meeting, the following regulations have been revised and reissued:

Regulation 2.03, Leave of Absence. New language was added to clarify that school leave may only be utilized during an employee's scheduled work time.

Regulation 4.08, Working out of Class. Language was revised to include the new Rule language, and to specify that the regulation governs all state employees.

Regulation 5.07, Performance-Pay Programs. Revisions include the new rule language, require certification that the Department of Civil Service has reviewed and approved a current position description with requests for

approval of appointments and reappointments of SES and SEMAS employees, and establish a standard for pay upon reclassification for Staff Attorneys reclassified to the senior level.

Regulation 5.09, Annual, Personal, and School Participation Leave: New language has been added to clarify that school leave may only be utilized during an employee's scheduled work time.

Regulation 5.12, Severance Pay: This regulation was revised to reflect the establishment of a Special Severance Fund of \$250,000 for nonexclusively represented employees who are indefinitely laid off on or after October 1, 2001

Regulation 6.01, Employee-Organization Initiated Conference with Department of Civil Service to Initiate Changes in Existing Rules and Procedures: This regulation was repealed and replaced by new Regulation 6.01 - Limited-recognition Organizations.

Regulation 6.02, Procedure on Unfair Labor Practices: Proof of service requirements are added. The new regulation also authorizes administrative dismissal of deficient charges. Standard E clarifies the representation authorized for unfair labor practice charges.

Regulation 6.03, Procedure of Dues Deduction: The amended regulation makes minor clarifications to the procedures for collecting dues and service fees. Dues determination provisions are deleted because collective bargaining agreements now provide them.

Regulation 6.04, Procedure on Exclusive Recognition: Standards C and D codify current practices in holding representation elections, including proper showings of interest, eligible voters, and petition bars.

Regulation 6.05, Employment Relations Board Procedures: Impasse Panel: Provisions regarding split impasse decisions are clarified.

Regulation 6.06, Employment Relations Board Procedures: Framework for Annual Coordinated Compensation Plan Determination: Standards A, B, and C provide more detailed guidance on the scheduling, submissions, and procedures for participation in the coordinated compensation process.

Regulation 6.07, Procedures for Investigating Complaints Regarding Prohibited Subjects of Bargaining: Standard B amends the requirements for a proper complaint and the grounds for administrative dismissal of insufficient complaints.

Regulation 6.08, Designation and Review of Excluded Positions: Interim provisions from the current regulation are deleted.

Regulation 8.01, Grievance and Appeal Procedure: Section 7 on authorized representation is updated to reflect provisions that were part of Regulation 2.04.

In addition, I repealed Regulation 2.04, Procedure on Administrative Leave for Employee Relations Activities of Employees Not Covered by Negotiated Labor Agreements. The provisions of Regulation 2.04 were moved to other regulations.

2. Joseph Slivensky, Director, Bureau of Administrative Services, and Janet McClelland, Chief Deputy Director, presented a report on the Early Out Retirement Program.

Mr. Slivensky summarized the early retirement plan and its resultant statewide impact. He reported that approximately 8,200 employees submitted applications to retire under the plan, and an estimated 385 of those employees withdrew their applications. Mr. Slivensky noted that 12.5% of the state workforce is retiring under the early retirement plan, and discussed the challenges for the remaining workforce.

Janet McClelland reported on the impact of the early retirements on the Department of Civil Service. Thirty one of the Department's 181 employees, and seven Department of Information Technology employees assigned to Department of Civil Service, are opting for the early retirement. The department requested and received approval for some extensions to the November 1, 2002, deadline for departure under the early retirement plan. Ms. McClelland noted that Civil Service will begin consolidating and realigning the organization to deal with the impact.

Chairperson Munsell announced that State Personnel Director John F. Lopez has decided to take the early retirement, but will remain until January 1, 2004. She reported that retirement extensions were also granted for Diane Hardman, Executive Secretary to the Civil Service Commission and the State Personnel Director – extended until January 1, 2004; Rich Huneke, Director of the HRMN Project – extended until April 1, 2003; Carol Mowitz, Director of Human Resources Services Bureau, Group B – extended until July 1, 2003; and Nate Lake, Director of the Office of Performance Excellence – extended until July 1, 2003.

Janet McClelland noted that Civil Service will follow the 1:4 formula recommended by the budget office for filling retirement positions, and has received approval to fill 7 additional positions from the vacancy pool. The main focus of additional staff will be to coordinate the Human Resource community to fill the 2,000 positions from the 1:4 formula. Ms. McClelland stated the Department losing a very knowledgeable, experienced group of managers and staff that will be sorely missed, and that the time during the transition will be used to have a knowledge transfer occur and to recruit for

some new talent. Civil Service will also do everything possible to assist the departments that are similarly impacted.

3. Debbie Burda, Human Resources Director for the Department of State, and Jim Farrell, Department of Civil Service, Bureau of Human Resource Services, presented a report on Human Resources Consultant Training.

Mr. Farrell reported on this collaborative effort between DCS, OSE and agency human resources directors to develop a strategic plan to move HR services in a new direction, and to provide new services more effectively. Following discussions with the human resource directors and OSE to identify key areas for technical training, a curriculum was developed which included selection, classification, disability management, labor relations, benefits and retirement, compensation, and safety & health. They also developed a general overview track to give a basic foundation in each of these areas, and developed an advanced technical training track. The first session has gone through the generalist training, and the advanced training should begin in the fall.

Debbie Burda stated that the goal of the consulting piece of the project focused on providing Human Resources, Civil Service, and Office of State Employer staff with training and practice in strategic partnering, process improvement, consulting, and change management and implementation. Project staff worked with faculty from the School of Labor and Industrial Relations at MSU to design the program. Agency teams are grouped together in cohorts of 25 or 26 people which go through the entire training program together. Teams will leave with a finished project they can incorporate into the way that they do business, and skills they can use on a daily basis.

NEW BUSINESS

1. Joyce VanCoevering, Director of Agency Services, and Rhonda Whiting from the Travel Program, Department of Management and Budget, presented the Proposed Travel Expense Reimbursement Rates for FY 2002-2003. Ms. VanCoevering stated the only recommended change in the rates is the in-state standard breakfast reimbursement rate, from \$7.00 to \$7.25. She summarized the methodology used to determine the rates, and the results from a survey of travelers and limited recognition organizations. The Department of Management and Budget, Vehicle and Travel Services Schedule of Travel Rates for Classified and Unclassified Employees Proposed Rates Effective October 1, 2002, is by reference, a part of the record of this meeting.

On motion duly made and supported, the Commission approved the proposed travel expense reimbursement rates for FY 2002-2003.

2. D. Daniel McLellan, General Counsel, reported that a letter of understanding between the Office of State Employer and SEIU Local 31-M having to do with union leaves of absence for employees in the Human Services Support Unit was given interim approval by the State Personnel Director with the Consent of the Commission Chair.

On motion duly made and supported, the Commission confirmed the interim approval granted by the State Personnel Director with the consent of the Chair on February 13, 2002, regarding the Letter of Understanding between the Office of State Employer and SEIU Local 31-M which pertained to union leave.

3. D. Daniel McLellan reported on the Amendments to Rule 2-14, Veterans' Affairs and Military Leave, which were given interim approval by the State Personnel Director with the consent of the Commission Chair, retroactive to September 11, 2001. The proposed change in the rule extends the pay differential benefit continuation provisions to employees called to active duty from a maximum of 30 days to all active-duty time between September 11, 2001, and December 31, 2002. Additionally the military leave provisions are extended to employees in limited-term appointments.

On motion duly made and supported, the Commission approved Resolution G-3 regarding the Amendments to Rule 2-14:

Section 1. The amendments to the Civil Service Rule 2-14, Veterans' Preference and Military Leave, approved by the State Personnel Director on January 11, 2002, retroactive to September 11, 2001, and published in CS-6969, are approved effective immediately for all nonexclusively represented employees.

Section 2. The amendments are to be applied retroactively to all nonexclusively represented classified employees in indefinite and limited-term appointments who were members of a reserve component of the armed services and were called to active military duty by compulsory call of the President or the Governor after September 11, 2001.

4. On motion duly made and supported, the Commission adopted Resolution G-4, approving Letters of Understanding regarding military leaves of absence:

Section 1. The Office of the State Employer and each of the following exclusive representatives have submitted a letter of understanding (attached) regarding military leaves of absence under the applicable primary collective bargaining agreement:

UAW International Union and its Local 6000

AFSCME Council 25
SEIU Local 31-M
Michigan Corrections Organization
Michigan State Employees Association
Michigan Public Employees, SEIU Local 517 (MPES)
United Technical Employees Assn., a Division of MPES

The State Personnel Director, with the consent of the Chair, granted interim approval on March 21, 2002.

Section 2. Each letter of understanding is approved.

Section 3. Each approved letter of understanding shall remain in effect through December 31, 2002, unless otherwise agreed to between the parties and approved by the Civil Service Commission.

5. Mr. McLellan briefed the Commission on the proposed amendments to the Compensation Rules. The proposed amendments to Rule 5-6.3 – *Premium for Department of Consumer and Industry Services Insurance Examiners Working out of State*, and 5-6.4 – *Premium for Department of Treasury Auditors Working and Residing Out of State*, specify the amount of out-of-state premium in the rule. New Rule 5-6.8 authorizes additional compensation for extracurricular program services provided by employees of the Schools for the Deaf and Blind.

On motion duly made and supported, the Commission approved the proposed amendments to Civil Service Rule 5-6 (Revision A, April 16, 2002, circulated in CS-6972, dated April 17, 2002), effective immediately.

6. D. Daniel McLellan stated that Resolution G-6, regarding Letters of Understanding between Office of State Employer and the UAW and AFSCME, covers the same issues for the Schools for the Deaf and Blind as the amendments to the Compensation Rules.

On motion duly made and supported, the Commission adopted Resolution G-6, approving Letters of Understanding regarding the Michigan Schools for the Deaf and Blind:

Section 1. The letter of understanding between the State Employer and the International Union UAW and its Local 6000 regarding extracurricular responsibilities at the Michigan Schools for the Deaf and Blind, submitted on March 26, 2002, is **approved**.

Section 2. The letter of understanding between the State Employer and the International Union UAW and its Local 6000 regarding pay for substitute teaching during preparation periods at

the Michigan Schools for the Deaf and Blind, submitted on March 26, 2002, is **approved**.

Section 3. The letter of understanding between the State Employer and the AFSCME Local 25 regarding extracurricular responsibilities at the Michigan Schools for the Deaf and Blind, submitted on April 17, 2002, is **approved**.

7. John Gnodtke, Assistant General Counsel for the Department of Civil Service briefed the Commission on agenda item G-7. At the December 2001, meeting the Commission granted extensions to 55 secondary agreements to allow bargaining for new secondaries. OSE has now submitted 44 Secondary Agreements on behalf of the departments and AFSCME, MCO, MPE, MSEA, and UAW for approval. Mr. Gnodtke noted that the State Personnel Director has granted further extensions of some secondary agreements so that negotiations can continue.

Mr. Gnodtke stated that Resolutions G-7a and G-7b, provide that the secondary agreements with MPE and MCO will take effect immediately. The resolutions before the Commission for AFSCME, MSEA and UAW proposed secondary agreements provide for the Commission's tentative approval, to take effect upon receipt by the State Personnel Director of certification of ratification by the membership. Mr. Gnodtke reported that staff reviewed all of the proposed amendments for language violating rules and regulations governing prohibited subjects of bargaining. Staff recommends that the Commission approve all 44 agreements as submitted with a clarification that the Commission does not approve two boxed comments in the UAW and Lottery secondary agreement, which included former language that the Commission struck out of the agreements in December, 2001.

On motion duly made and supported, the Commission approved Resolution G-7a (revised), G-7b (revised), G-7c (revised), G-7d (revised), and G-7e (revised):

Resolution G-7a (revised) – Office of State Employer and the Michigan Public Employees – Scientific and Engineering Unit

1. On December 18, 2001, the Civil Service Commission approved a new primary collective bargaining agreement (CBA) between the Office of the State Employer (OSE) and the Michigan Public Employees (MPE), effective January 1, 2002.
2. The OSE, on behalf of the MPE, Department of Community Health, and Department of Consumer and Industry Services, has submitted requests that the Civil Service Commission approve new secondary CBAs for the two

agencies. The bargaining unit members have ratified the tentative agreements.

Therefore, after consideration of the proposals of Civil Service staff and the parties:

- A. The Civil Service Commission **approves** the two submitted secondary CBAs as the secondary CBAs in the following agencies from May 23, 2002, until December 31, 2004:

Community Health

Consumer & Industry
Svcs.

- B. Before publishing the text of the secondary CBA, the parties may undertake any of the following so long as the substantive provisions of the published Secondary CBA as approved by the Civil Service Commission are not altered:

- (1) Change the organization, numbering, and formatting of the secondary CBA.
- (2) Correct typographical, punctuation, and grammatical errors.
- (3) Correct references that are incorrect or obsolete.

Resolution G-7b(revised) – Office of State Employer and Michigan Corrections Organization – Security Unit

1. On December 18, 2001, the Civil Service Commission approved a new primary collective bargaining agreement (CBA) between the Office of the State Employer (OSE) and the Michigan Corrections Organization (MCO), effective January 1, 2002.
2. Under the previous primary CBA for the Security Unit, the MCO had negotiated one secondary CBA with the Department of Community Health. At its December 18, 2002, meeting, the Civil Service Commission extended until March 30, 2002, the secondary CBAs that was scheduled to expire on January 1, 2002. The State Personnel Director subsequently approved another extension until May 31, 2002.
3. The OSE, on behalf of the MCO and Department of Community Health, has submitted a request that the Civil Service Commission approve a new secondary CBA for the Department of Community Health. No ratification is required.

Therefore, after consideration of the proposals of Civil Service staff and the parties:

- A. The Civil Service Commission **approves** the submitted secondary CBA as the secondary CBA in the Department of Community Health from May 23, 2002, until December 31, 2004.
- B. Before publishing the text of the secondary CBA, the parties may undertake any of the following so long as the substantive provisions of the published Secondary CBA as approved by the Civil Service Commission are not altered:
 - (1) Change the organization, numbering, and formatting of the secondary CBA.
 - (2) Correct typographical, punctuation, and grammatical errors.
 - (3) Correct references that are incorrect or obsolete.

Resolution G-7c (revised) - Office of State Employer and American Federation of State, County, & Municipal Employees – Institutional Unit

1. On December 18, 2001, the Civil Service Commission approved a new primary collective bargaining agreement (CBA) between the Office of the

State Employer (OSE) and the American Federation of State, County, and Municipal Employees (AFSCME), effective January 1, 2002.

2. Under the previous primary CBA for the Institutional Unit, the AFSCME had negotiated secondary CBAs with various agencies. At its December 18, 2002, meeting, the Civil Service Commission extended until March 30, 2002, six secondary CBAs that were scheduled to expire on January 1, 2002. The State Personnel Director subsequently approved another extension until May 31, 2002.
3. The OSE, on behalf of the AFSCME and four agencies, has requested that the Civil Service Commission approve new secondary CBAs for four agencies. Ratification by unit members is still required for some agencies.

Therefore, after consideration of the proposals of Civil Service staff and the parties:

- A. The Civil Service Commission, subject to necessary ratification by unit members, **approves** the submitted secondary CBAs as the secondary CBAs in the following agencies until December 31, 2004:

Career Development
Corrections

Education

Military & Veterans Affairs

- B. An approved secondary CBA will become effective upon receipt by the State Personnel Director of proper notice of the ratification by relevant unit members.
- C. Before publishing the text of the secondary CBA, the parties may undertake any of the following so long as the substantive provisions of the published Secondary CBA as approved by the Civil Service Commission are not altered:
 - (1) Change the organization, numbering, and formatting of the secondary CBA.
 - (2) Correct typographical, punctuation, and grammatical errors.
 - (3) Correct references that are incorrect or obsolete.

Resolution G-7d (revised) - Office of State Employer and Michigan State Employees Association – Labor and Trades and Safety and Regulatory Units

1. On December 18, 2001, the Civil Service Commission approved a new primary collective bargaining agreement (CBA) between the Office of the State Employer (OSE) and the Michigan State Employees Association (MSEA), effective January 1, 2002.
2. Under the previous primary CBA for the Labor & Trades and Safety & Regulatory Units, the MSEA and Police Officers Association of Michigan (POAM), respectively, had negotiated secondary CBAs with various agencies. The MSEA now represents both the Labor & Trades and Safety & Regulatory Units.
3. On December 18, 2002, the Civil Service Commission extended secondary CBAs scheduled to expire on January 1, 2002, in 18 agencies until March 30, 2002. The State Personnel Director subsequently approved another extension until May 31, 2002.
4. The OSE, on behalf of the MSEA and 17 agencies, has requested that the Civil Service Commission approve new secondary CBAs for 17 agencies. Ratification by unit members is still required for some agencies.

Therefore, after consideration of the proposals of Civil Service staff and the parties:

- A. The Civil Service Commission, subject to necessary ratification by unit members, **approves** the submitted secondary CBAs as the secondary CBAs in the following agencies until December 31, 2004:

1. Safety & Regulatory and Labor & Trades Units:

| | | |
|-----------------------|-----------------------------|----------------|
| Agriculture | Environmental Quality | State |
| Attorney General | Family Independ. Agency | State Police |
| Community Health | Lottery | Transportation |
| Cons. & Ind. Services | Management & Budget | Treasury |
| Corrections | Military & Veterans Affairs | |
| Education | Natural Resources | |

2. Labor & Trades Unit:

Strategic Fund/MEDC

- B. An approved secondary CBA will become effective upon receipt by the State Personnel Director of proper notice of the ratification by relevant unit members.
- C. Before publishing the text of the secondary CBA, the parties may undertake any of the following so long as the substantive provisions of the published Secondary CBA as approved by the Civil Service Commission are not altered:
 - (1) Change the organization, numbering, and formatting of the secondary CBA.
 - (2) Correct typographical, punctuation, and grammatical errors.
 - (3) Correct references that are incorrect or obsolete.

Resolution G-7e (revised) - Office of State Employer and United Auto Workers – Human Services and Administrative Support Units

- 1. On December 18, 2001, the Civil Service Commission approved a new primary collective bargaining agreement (CBA) between the Office of the State Employer (OSE) and the United Auto Workers (UAW), effective January 1, 2002.
- 2. Under the previous primary CBA for the Human Services & Administrative Support Units, the UAW had negotiated secondary CBAs with various agencies. On December 18, 2002, the Civil Service Commission extended until March 30, 2002, twenty-three secondary CBAs that were scheduled to expire on January 1, 2002. The State Personnel Director subsequently approved another extension until May 31, 2002.
- 3. The OSE, on behalf of the UAW and 20 agencies, has requested that the Civil Service Commission approve new secondary CBAs for the 20 agencies.
- 4. Civil Service staff recommends that the Civil Service Commission not approve two boxed comments in the proposed secondary CBA for the Bureau of State Lottery in Article 12 §D.2. and Article 13 §C.2. The boxed comments reproduce class clusters language that the commission deleted from the previous secondary CBA at its meeting on December 12, 2001. Ratification by unit members is still required for some agencies.

Therefore, after consideration of the proposals of Civil Service staff and the parties:

- A. The Commission clarifies that in approving the submitted Lottery secondary CBA it is not approving the two boxed comments in Article 12 §D.2. and Article 13 §C.2.

- B. Except as noted above, the Civil Service Commission, subject to necessary ratification by unit members, **approves** the submitted secondary CBAs as the secondary CBAs in the following agencies until December 31, 2004:

1. Administrative Support:

Attorney General

Management & Budget

2. Administrative Support & Human Services Units:

Agriculture

Education

MSHDA

Career Development

Environmental Quality

Natural Resources

Civil Rights

Family Indep. Agency

State

Community Health

History, Arts, & Libraries

State Police

Cons. & Ind. Services

Lottery

Transportation

Corrections

Military & Veterans Affairs

Treasury

- C. An approved secondary CBA will become effective upon receipt by the State Personnel Director of proper notice of the ratification by relevant unit members.
- D. Before publishing the text of the secondary CBA, the parties may undertake any of the following so long as the substantive provisions of the published Secondary CBA as approved by the Civil Service Commission are not altered:
- (1) Change the organization, numbering, and formatting of the secondary CBA.
 - (2) Correct typographical, punctuation, and grammatical errors.
 - (3) Correct references that are incorrect or obsolete.

8. John Gnodtke briefed the Commission on the staff recommendation that the Commission approve Resolution G-8. The resolution approves Letters of Understanding between the OSE and the MCO, MPE, MSEA, SEIU Local 31-M, UAW and UTEA that will change co-payments for HMO members to a \$10 office visit charge, a \$50 emergency room charge and \$5 and \$10 for generic and brand name drugs. He noted that AFSCME and OSE are negotiating a LOU and NEREs are expected to have similar changes to their HMO co-payments.

On motion duly made and supported, the Commission approved Resolution G-8, Letters of Understanding between the OSE and MCO, MPE, MSEA,

SEIU Local 31-M, UAW and UTEA, regarding charges for employees enrolled in a health maintenance organization.

9. John Gnodtke stated that Resolution G-9 deals with a Letter of Understanding between AFSCME Council 25 and the Office of State Employer that would allow certain bargaining unit employees at the Michigan Youth Challenge Academy to accrue compensatory for working overtime and for working on holidays.

On motion duly made and supported, the Commission approved Resolution G-9, the Letter of Understanding between Office of State Employer and the American Federation of State, County and Municipal Employees (AFSCME), concerning compensatory time for Institutional Unit employees at the Youth Challenge Academy, Department of Military and Veterans Affairs.

COMMISSION APPEALS

1. In closed session by teleconference on February 28, 2002 the Commission considered 12 decisions of the Employment Relations Board. In closed session by teleconference on March 28, 2002, the Commission considered 8 decisions of the Employment Relations Board. In closed session by teleconference on April 25, 2002, the Commission considered 11 decisions of the Employment Relations Board. In closed session on May 23, 2002, the Commission considered 5 decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

ADJOURNMENT

The meeting was adjourned at 11:10 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of May 23, 2002.



**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
August 22, 2002**

Present: Susan Grimes Munsell, Chairperson
Robert P. Hunter, Commissioner
Sherry L. McMillan, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:10 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the minutes of the meeting of May 23, 2002.

COMMISSION BUSINESS

1. On motion duly made and supported, the Commission approved the following retirement resolutions.

Whereas, Theodore J. Benca has decided to retire from State Government after over 26 years of service, of which 4 years were with the House of Representatives, Office of the Speaker, and over 22 years were with the Department of Civil Service, and

Whereas, Ted demonstrated commitment and dedication throughout his career as a public servant, gaining the respect and admiration of his colleagues, and

Whereas, Ted demonstrated extensive knowledge of the Department of Civil Service and state government and imparted that knowledge with wit and creativity, and

Whereas, Ted, in his capacities as Legislative Liaison, Executive Secretary to the State Ethics Board, and Deputy Director of Labor Relations and Commission Affairs continuously pursued efficiency and excellence in governmental relations, and

Whereas, Ted, in his capacity as Deputy Director of the Department of Civil Service provided exemplary and invaluable leadership in the development and implementation of the Human Resource Management Network (HRMN) system, and

Whereas, Ted, kept the Department's dress code bar high with his dapper attire and debonair demeanor, and

Whereas, Ted, in his retirement, can pursue his "second career" in private industry, and

Whereas, Ted will be able to spend more time with his wife, Connie, and can further indulge in his love of golf, travel, and cruising in the family car, a Jaguar, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Ted Benca its heartfelt appreciation for his dedicated efforts and many accomplishments during his years of service.

Resolved, that the Commission extends to Ted its warmest wishes for much health and happiness throughout his retirement.

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Whereas, Sheila Hayter has decided to retire from State Government after 29 years, of which over 12 years were with the Department of Civil Service, and

Whereas, Sheila demonstrated commitment and dedication throughout her career as a public servant, gaining the respect and admiration of her colleagues, and

Whereas, Sheila, in her capacity as a Personnel Management Analyst demonstrated a commitment to excellence in the provision of human resource services, and

Whereas, Sheila, in her capacity as the "candy provider" of the Department, shared massive amounts of treats with all visitors, and

Whereas, Sheila, when she departed, took with her a variety of knowledge and perspectives on the Department of Civil Service, but especially, her strong interpersonal skills, and

Whereas, Sheila, in her retirement, will have more time to spend with her husband, Ralph, her daughters, and grandchildren, and

Whereas, Sheila, in her retirement, will be able to assist in the home schooling of her grandchildren, further enjoy boating and camping, and can pursue her teaching career with Lansing Community College, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Sheila Hayter its heartfelt appreciation for her dedicated efforts and many accomplishments during her years of service.

Resolved, that the Commission extends to Sheila its warmest wishes for much health and happiness throughout her retirement.

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Chairperson Munsell noted that eight other retirees were not present, and referenced the individual resolutions for those employees for action by the Commission under one motion. The Chairperson read the following general resolution into the record.

Whereas, Theodore Benca, Linda Block, Susan Burnett, Sandra Dailey, Joyce Getter, James Hartford, Sheila Hayter, Katie Shell, Harry Trier, and Wayne Pelmeare have decided to retire from State Government after serving from 26 to 33 years individually, and a cumulative total of **286** years of state service, and

Whereas, these employees demonstrated commitment and dedication throughout their careers as public servants, gaining the respect and admiration of their colleagues, and

Whereas, these employees, in their many capacities within the department including administrative support, information technology, personnel management, office management, and executive leadership continuously pursued excellence in the creation and delivery of state-of-the-art technology and customer service, and

Whereas, these employees, with their vast array of experience, knowledge, expertise, and foresight, took the lead in initiating many changes to improve departmental operations and core services, and

Whereas, these employees, when they departed, took with them a variety of knowledge and perspectives on the Department of Civil Service, but most of all, their dedication to the continuous evolution of human resource services, and

Whereas, these employees, in their retirements, will have more time to spend with their families and to further indulge in other interests, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to all of these employees its heartfelt appreciation for their dedicated efforts and many accomplishments during their years of service.

Resolved, that the Commission extends to them its warmest wishes for much health and happiness throughout their retirement.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director:

Unclassified position report

Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. Since the last commission meeting, I approved the following request:

I received a July 22, 2002, request from the Department of Consumer and Industry Services to establish an unclassified position. The position serves as the director of the Right-of-Way Authority, which is a Type 1 agency authorized by P.A. 48 of 2002. This request was approved on August 8, 2002.

Regulations:

Civil Service Commission Rules require that I report to the commission on the promulgation of regulations, which are issued to implement commission rules.

Since the last commission meeting, the following regulations have been revised and are in the process or have been reissued:

• **Regulation 3.02, Student Assistants in the Classified Service.** Summary: The regulation was revised to reinstate provisions inadvertently omitted from a previous version addressing reclassification of Student Assistants under certain conditions, including during a hiring freeze.

• **Regulation 3.07, Appointments and Job Changes.** Summary: The regulation was revised to clarify that recall names prevent a lateral job change from a limited-term appointment type to an indefinite appointment type. In addition, the regulation now provides that appointing authorities may make appointments to limited term positions for a period of up to two years. Appointments beyond the initial two years require the approval of the

Department of Civil Service, and any appointments lasting more than a total of four years must be approved by the State Personnel Director.

• **Regulation 3.10, Promotion or Lateral Job Change Within a Department of Current Employees Under Hiring Restriction Conditions.** Summary: The regulation was revised to clarify that recall names prevent a lateral job change from a limited-term appointment type to an indefinite appointment type.

• **Regulation 4.03, Establishing and Reclassifying Positions in the State Transitional and Departmental Trainee Classifications.** Summary: The regulation was revised to clarify and standardize existing processes for use of the transition classes.

• **Regulation 5.01, General Salary Schedule Administration.**

Summary: The regulation was revised to address working-out-of-class compensation in a preauthorized classification series and pay upon appointment to and reclassification from transition classifications. The regulation also requires that exceptions to the regulation be approved by the State Personnel Director.

In addition, the Equitable Classification Plan, Group 2 Professional Specialist Position Evaluation System was revised in response to current departmental staffing needs and to provide greater consistency in the use of the specialist classification concepts.

State Officer's Compensation Commission

In the August 6, 2002, primary election, Michigan citizens voted to adopt an amendment to the state constitution governing the operation of the State Officers' Compensation Commission (SOCC). The changes take effect on September 20, 2002. In summary, the following changes will occur:

- The SOCC will now determine the salaries and expense allowances of the attorney general and the secretary of state, in addition to those previously determined by SOCC.
- New qualifications for SOCC members may be determined by the legislature.
- SOCC determinations must be approved by the majority of each house.
- Concurrent legislative resolutions may reduce the SOCC's recommended salary and expense allowance by the same proportion for all offices.

- The legislature may not reduce salary or expense determinations to below the amounts in place when the determinations are made.
- Once approved by the legislature, the salaries and expense allowances become effective for the legislative session immediately following the next general election.

Director Lopez noted that in the past Civil Service has provided administrative assistance to the SOCC. We will not know whether Civil Service will continue to be involved in the process until the Legislature writes the requirements and qualifications.

NEW BUSINESS

1. D. Daniel McLellan, General Counsel, Department of Civil Service, briefed the Commission on proposed Rule 2-2: Oath of Office. Currently the constitutional provision that requires legislative, executive, and judicial officers to take and subscribe to an oath of office does not include classified state employees. Mr. McLellan reported that a recent survey of 24 appointing authorities showed that 20 require their classified employees to sign the oath of office, and 4 do not.

Department of Civil Service staff recommends the Commission adopt this rule requiring all newly hired classified employees to take and subscribe to the same oath of office required by the Michigan Constitution for state officers. A letter from the UAW in opposition to the rule change was provided to the Commission, and is by reference a part of the record of this meeting.

On motion duly made and supported, the Commission adopted Resolution G-1:

Proposed draft Civil Service Rule 2-2, Oath of Office (Revision A, July 23, 2002, circulated for comment in CS-6978, dated July 24, 2002) is approved, effective immediately.

2. D. Daniel McLellan briefed the Commission on Proposed Rule 5-15: Electronic Funds Transfer. Mr. McLellan noted that currently about 71% of classified employees use electronic funds transfers to deposit their paychecks into their financial institutions. Draft Rule 5-15 requires new employees hired after October 1, 2002, to be paid by electronic funds transfer. The rule provides for a waiver if payment by EFT causes an undue hardship for the employee. Chairperson Munsell noted that the Commission received one comment opposing this draft rule from the UAW. That letter is by reference a part of the record of this meeting.

On motion duly made and supported, the Commission adopted Resolution G-2:

Proposed draft Civil Service Rule 5-15, Electronic Funds Transfer (Revision A, July 25, 2002, circulated for comment in CS-6979, dated July 25, 2002) is approved, effective immediately.

3. D. Daniel McLellan reported that last year the Voluntary Work Schedule Adjustment Plan (VWSAP) was placed in some collective bargaining agreements. The OSE is now requesting that the VWSAP for non-exclusively represented employees be extended through September 27, 2003. Plan A of VWSAP permits an employee to reduce the number of hours worked (between one and 16 hours per pay period) without any change in benefits or reduction in leave accruals. Plan C permits an employee to take an unpaid leave of absence for up to three months without a break in service.

In response to a question asked by Commissioner Robert Hunter regarding the number of participants in the plans, Janine Winters, Director, Office of State Employer, reported that approximately 8 employees statewide participate in Plan C, and less than 1000 participate in Plan A. She noted the program continues to be voluntary, and is subject to management approval.

On motion duly made and supported, the Commission approved Resolution G-3:

The Voluntary Work Schedule Adjustment Plan (VWSAP) for nonexclusively represented employees scheduled to expire on September 28, 2002, is continued in effect until September 27, 2003.

4. D. Daniel McLellan briefed the Commission regarding the Governor's Executive Order 2002-13, transferring administration of the health screening program, group insurance plans, pretax benefit program, COBRA and other insurance continuation programs, and the quality recognition program, back to Civil Service effective October 1, 2002. Civil Service staff recommends Commission approval of the resolution accepting those transfers.

On motion duly made and supported, the Commission approved Resolution G-4:

A. BACKGROUND

1. *In 1995, at the request of the Governor, the Department of Civil Service and the Office of the State Employer convened a joint working group to review the location of certain functions, services and*

programs administered by the Department of Civil Service that were discretionary or delegable by the Commission under by Article 11, Section 5, of the Michigan Constitution of 1963.

2. *In Executive Order 1996-5 and a Civil Service Commission Resolution dated October 15, 1996, the Governor and the Commission authorized the transfer of the Deferred Compensation Plans, the Suggestion Awards Program, and certain employee benefit programs from the Department of Civil Service to other executive state agencies.*
3. *A recent review of the various programs administered by the Office of the State Employer supports returning the administration of some of the employee benefit programs to the Department of Civil Service to take advantage of additional efficiencies and to maximize opportunities for overall coordination following implementation of the statewide Human Resource Management Network (HRMN).*
4. *In Executive Order 2002-13, effective October 1, 2002, the Governor has authorized the transfer to the Department of Civil Service of all of the powers, duties, functions, and responsibilities of the Office of the State Employer and the Department of Management and Budget related to the administration of the following programs:*
 - A. *The employee Quality Recognition System, authorized in Michigan Compiled Laws, §38.1161 (the "**Quality Recognition System**").*
 - B. *The following benefit programs:*
 - (1) *Health screening program;*
 - (2) *Group insurance plans for medical, dental, vision, disability, life, and long-term care benefits;*
 - (3) *Pretax benefit programs; and*
 - (4) *COBRA and other insurance continuation programs**(collectively, the "**State Employee Benefit Programs**").*

B. COMMISSION FINDINGS

1. *The Civil Service Commission finds that the transfers authorized by the Governor in Executive Order 2002-13 will result in enhanced accountability, more effective overall coordination of the administration of the transferred programs, and enhanced service to the operating departments and classified employees.*

2. *The Civil Service Commission finds that the transfers authorized by the Governor in Executive Order 2002-13 and consented to here do not conflict with the plenary authority of the Civil Service Commission granted to it under Article 11, Section 5, of the Michigan Constitution of 1963.*

THEREFORE, the Michigan Civil Service Commission RESOLVES as follows:

1. *Effective October 1, 2002, the Department of Civil Service shall accept the transfer of all the authority, powers, duties, functions, and responsibilities of the Office of the State Employer and the Department of Management and Budget related to the administration of the Quality Recognition System and the State Employee Benefit Programs, as authorized in Executive Order 2002-13.*
2. *Effective October 1, 2002, the Department of Civil Service shall accept the transfer of all records, personnel, property, and funds of the Quality Recognition System and the State Employee Benefit Programs used, held, employed, available to, or to be made available to the Office of the State Employer and the Department of Management and Budget for the powers, duties, functions, and responsibilities transferred to the Department of Civil Service.*
3. *The State Personnel Director is authorized to do each of the following:*
 - A. *To direct and administer the transfers required by this resolution and Executive Order 2002-13, in cooperation with the Director of the Office of the State Employer and the Director of the Department of Management and Budget.*
 - B. *To execute such agreements, documents, or contracts on behalf of the Civil Service Commission or the Department of Civil Service as may be necessary to implement this resolution and Executive Order 2002-13.*
 - C. *To enter into agreements with the Office of the State Employer and the Department of Management and Budget regarding personnel, facilities, equipment, records, property, or funds of the Office of the State Employer or the Department of Management and Budget to be transferred by this resolution and Executive Order 2002-13 for the purpose of facilitating the required transfers and maintaining efficient and continuous program services during and after the transfers.*
 - D. *To take any further action deemed necessary or useful to implement this resolution and Executive Order 2002-13.*

5. D. Daniel McLellan stated that a Letter of Understanding between Office of State Employer and AFSCME regarding co-pays for HMO members contains changes that have been approved by the Commission in all of the other collective bargaining agreements. The State Personnel Director, with the consent of the Commission Chairperson, has given interim approval.

On motion duly made and supported, the Commission confirmed the interim approval of the Letter of Understanding between the Office of State Employer and AFSCME Council 25 for the Institutional Unit regarding Article 22, Section D, Health Maintenance Organizations.

6. Mr. McLellan briefed the Commission on the Interagency Memorandum of Understanding between Department of Management and Budget and Department of Civil Service. The memorandum of understanding addresses changes in group insurance benefits for pension recipients under the State Employees, State Police, and Judicial Retirement Systems. The State Personnel Director, with the consent of the Civil Service Commission Chairperson, granted interim approval on June 12, 2002.

On motion duly made and supported, the Commission confirmed the interim approval granted by the State Personnel Director regarding the Interagency Memorandum of Understanding between Department of Management and Budget and Department of Civil Service regarding Group Insurance Benefits.

7. On motion duly made and supported, the Commission confirmed the interim approval granted by the State Personnel Director with the consent of the Civil Service Commission Chairperson, regarding the MORC Privatization Impact Agreement between the Office of State Employer and the UAW.
8. On motion duly made and supported, the Commission approved the Letter of Understanding between the Michigan State Employees Association and the Office of State Employer regarding Article 43, Compensation, Section X, Safety Shoes.
9. On motion duly made and supported, the Commission approved the Letters of Understanding between AFSCME and the Department of Community Health regarding voluntary overtime at various facilities.
10. On motion duly made and supported, the Commission approved the Secondary Agreement between AFSCME Council 25 and the Family Independence Agency for the Institutional Unit, subject to receipt of a completed signature page.

COMMISSION APPEALS

1. In closed session by teleconference on June 27, 2002, the Commission considered six decisions of the Employment Relations Board. In closed session on August 22, 2002, the Commission considered one decision of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

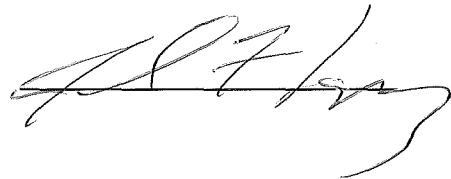
ADJOURNMENT

The meeting was adjourned at 10:40 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of August 22, 2002.

A handwritten signature in black ink, appearing to read "J. F. Lopez", is written over a horizontal line.

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
October 16, 2002**

Present: Susan Grimes Munsell, Chairperson
Robert P. Hunter, Commissioner
Sherry L. McMillan, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 9:35 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the minutes of the meeting of August 22, 2002.

COMMISSION BUSINESS

1. Chairperson Munsell read the following resolution into the record as an expression of appreciation to 24 retiring employees for their dedication and significant contributions to the Department of Civil Service. The Chairperson presented individual resolutions to the 17 retiring employees in attendance, and staff will deliver resolutions to the 7 retirees not in attendance

On motion duly made and supported, the Commission adopted the resolutions.

"Whereas, Steve Anderson, Monica Bauman, Marie Brown, Karen Danik, Jim Davis, Robert Freeman, Jesse Gonzales, Barry Horne, Lanet Holstrom, Mary Lindsay, Jan Lownsbery, Mike May, Arnold Morrison, Bob Pearson, Peggie Price, Bob Proctor, Carol Root, Dianna Salter, Judy Snyder, Bernie Starks, Dick Stout, Joyce Sweet, Madge Uehlein and Carole Wilcox have decided to retire from State Government after serving from 18 to 37 years individually, and a cumulative total of over 593 years of state service, and

"Whereas, these employees demonstrated commitment and dedication throughout their careers as public servants, gaining the respect and admiration of their colleagues, and

"Whereas, these employees, in their many capacities within the department including administrative support, information technology, personnel management, office management, and administrative leadership continuously pursued excellence in the creation and delivery of state-of-the-art technology and customer service, and

"Whereas, these employees, with their vast array of experience, knowledge, expertise, and foresight, took the lead in initiating many changes to improve departmental operations and core services, and

"Whereas, these employees, when they departed, took with them a variety of knowledge and perspectives on the Department of Civil Service, but most of all, their dedication to the continuous evolution of human resource services, and

"Whereas, these employees, in their retirements, will have more time to spend with their families and to further indulge in other interests, be it therefore

"Resolved, that the Michigan Civil Service Commission does hereby extend to all of these employees its heartfelt appreciation for their dedicated efforts and many accomplishments during their years of service.

"Resolved, that the Commission extends to them its warmest wishes for much health and happiness throughout their retirement."

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.

Unclassified Position Report: Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. Since the last commission meeting, I approved the following requests:

I received an August 26, 2002, request from the Department of Attorney General to establish two unclassified positions. These positions will serve as the Communications Specialist for and the Administrative Assistant to the Attorney General. This request was approved on September 20, 2002.

I received a September 18, 2002, request from the Department of Consumer and Industry Services to establish an unclassified position. The

position serves as the Chief Deputy Director for the Department of Consumer and Industry Services. This request was approved on September 20, 2002.

Regulations

Civil Service Commission Rules require that I report to the commission on the promulgation of regulations, which are issued to implement commission rules.

Since the last commission meeting, the following regulation has been revised and reissued:

Regulation 2.01, Implementing a Reduction in Force for Nonexclusively Represented Employees. Summary: The regulation was revised to clarify the application of employment preference with regard to new language in Standard F, "Frozen Positions". This change makes clear that frozen positions must be considered in the application of preference.

Employee Benefits Transfer to DCS:

We entered into an agreement with the Department of Management and Budget to delineate the respective roles, responsibilities, and resources of our respective agencies pursuant to the transfer of the Employee Benefits and Quality Recognition Systems programs and the State Sponsored Group Insurance Fund (SSGIF) from the Office of the State Employer to the Department of Civil Service on November 10, 2002.

In addition to delineating the transfer of funds, contracts, employee targets and FTEs, office space, and equipment, it was agreed that the Department of Management and Budget will continue to provide accounting services to the Department of Civil Service for the State Sponsored Group Insurance Fund for a period up to eighteen months.

Secondary Agreements:

At the May 23, 2002 Commission meeting, you gave tentative approval to proposed secondary agreements for the AFSCME, MSEA, and UAW. All of these secondary agreements have now been ratified.

NEW BUSINESS

1. Ms. Carol Mowitz, Department of Civil Service, Bureau of Human Resource Services, presented the recommendations of the Coordinated Compensation Panel on behalf of the Employment Relations Board. The Coordinated Compensation Proposal for Fiscal Year 2004 was provided to

the Commission and the parties, and is by reference a part of the record of this meeting.

Ms. Mowitz summarized the recommendations before the Commission for approval:

The Panel recommends Commission approval of the following.

- A three percent across-the-board pay increase to be effective October 1, 2003.
- An increase from \$12 to \$15 per prescription co-pay for brand name drugs for persons enrolled in the State Health Plan effective January 1, 2004.
- An increase in the maximum annual dental benefit from \$1,250 to \$1,500, effective October 1, 2003.
- Renewal of the Professional Development Fund for MSC employees with funding of \$150,000, and renewal of the Professional Development Fund for B & A unit employees with funding of \$50,000.

In addition, the Panel recommends Commission support of the following:

- A six-month extension of the compensatory time pilot program for Registered Nurse Managers 12 and 13 in the Department of Community Health, through April 1, 2003.
- A consensus recommendation of the ASEM and OSE to continue researching potential vendors to offer reduced rates for PRK and Lasik Vision Surgery.
- A consensus agreement between the MAGE and OSE for the OSE to conduct a study of the recruitment and retention of Registered Nurse Managers in the Department of Community Health, to be completed by July 1, 2003.
- The Panel's recommendation to OSE to include pharmacists in its next salary survey.

The Panel recommends denial of the following:

- A special increase for Pharmacist Managers recommended by Mr. Carey Abbott.

On motion duly made and supported, the Commission approved the Coordinated Compensation Proposal for Fiscal Year 2004 as presented.

2. Mr. John Gnodtke, Assistant General Counsel, Department of Civil Service, briefed the Commission and presented staff recommendations on items G-2 through G-8.

On motion duly made and supported, the Commission approved the following Resolution G-2 regarding the approval of a Secondary Collective Bargaining Agreement between the Department of Career Development and the Michigan State Employees Association (Labor and Trades and Safety and Regulation Unit):

1. On December 18, 2001, the Civil Service Commission approved a new primary collective bargaining agreement (CBA) between the Office of the State Employer (OSE) and the Michigan State Employees Association (MSEA), effective January 1, 2002.
2. The OSE, on behalf of the MSEA and the Department of Career Development, has requested that the Civil Service Commission approve a new secondary CBA for the agency. The bargaining unit members have ratified the tentative agreement.

Therefore, after consideration of the proposals of Civil Service staff and the parties:

- A. The Civil Service Commission approves the submitted secondary CBAs as the secondary CBAs in the Department of Career Development from October 16, 2002, until December 31, 2004:
 - B. Before publishing the text of the secondary CBA, the parties may undertake any of the following so long as the substantive provisions of the published Secondary CBA as approved by the Civil Service Commission are not altered:
 - (1) Change the organization, numbering, and formatting of the secondary CBA.
 - (2) Correct typographical, punctuation, and grammatical errors.
 - (3) Correct references that are incorrect or obsolete.
3. On motion duly made and supported, the Commission approved the following Resolution G-3 regarding the approval of a secondary collective bargaining agreement between the Department of Information Technology

and the Michigan State Employees Association (Labor and Trades and Safety and Regulatory Unit):

1. On December 18, 2001, the Civil Service Commission approved a new primary collective bargaining agreement (CBA) between the Office of the State Employer (OSE) and the Michigan State Employees Association (MSEA), effective January 1, 2002.
2. The OSE, on behalf of the MSEA and the Department of Information Technology, has requested that the Civil Service Commission approve a new secondary CBA for the agency. The bargaining unit members have ratified the tentative agreement.

Therefore, after consideration of the proposals of Civil Service staff and the parties:

- A. The Civil Service Commission approves the submitted secondary CBAs as the secondary CBAs in the Department of Information Technology from October 16, 2002, until December 31, 2004:
 - B. Before publishing the text of the secondary CBA, the parties may undertake any of the following so long as the substantive provisions of the published Secondary CBA as approved by the Civil Service Commission are not altered:
 - (1) Change the organization, numbering, and formatting of the secondary CBA.
 - (2) Correct typographical, punctuation, and grammatical errors.
 - (3) Correct references that are incorrect or obsolete.
4. On motion duly made and supported, the Commission approved Resolution G-4, Letter Of Understanding between the State Employer and the SEIU, Local 31-M regarding Bureau of Workers and Unemployment Compensation work locations confirming the August 26, 2002, interim approval granted by the State Personnel Director with the consent of the Chair.
 5. On motion duly made and supported, the Commission approved Resolution G-5, Letter of Understanding between the Office of State Employer and Michigan State Employees Association regarding Motor Carrier Officer Compensation, confirming the September 9, 2002 interim approval granted by the State Personnel Director with the consent of the Chair.
 6. On motion duly made and supported, the Commission approved Resolution G-6, Letter of Understanding between the Office of State Employer, the

Department of Natural Resources and the Michigan State Employees Association, regarding Seasonal Positions and Transfer Lists, confirming the September 12, 2002 interim approval granted by the State Personnel Director with the consent of the Chair.

7. On motion duly made and supported, the Commission approved the following Resolution G-7, regarding the Approval of a Secondary Collective Bargaining Agreement Between the Department of Information Technology and the United Auto Workers (Human Services and Administrative Support Units).
 1. On December 18, 2001, the Civil Service Commission approved a new primary collective bargaining agreement (CBA) between the Office of the State Employer (OSE) and the United Auto Workers (UAW), effective January 1, 2002.
 2. The OSE, on behalf of the UAW and the Department of Information Technology, has requested that the Civil Service Commission approve a new secondary CBA for the agency. The bargaining unit members have ratified the tentative agreement.

Therefore, after consideration of the proposals of Civil Service staff and the parties:

- A. The Civil Service Commission approves the submitted secondary CBAs as the secondary CBAs in the Department of Information Technology from October 16, 2002, until December 31, 2004:
 - B. Before publishing the text of the secondary CBA, the parties may undertake any of the following so long as the substantive provisions of the published Secondary CBA as approved by the Civil Service Commission are not altered:
 - (1) Change the organization, numbering, and formatting of the secondary CBA.
 - (2) Correct typographical, punctuation, and grammatical errors.
 - (3) Correct references that are incorrect or obsolete.
8. On motion duly made and supported, the Commission approved the Letter of Understanding between the Office of State Employer and AFSCME Council 25, designating Local 188 as the representative of employees at the School for the Blind.

PUBLIC COMMENT

1. John Denniston, President, MSEA, read the following prepared statement into the record.

"I am here today representing MERIT, the coalition of unions supporting passage of Proposal 3, to inform the members of the Civil Service Commission that they will be filing a complaint with the Michigan Department of State alleging that state resources are being used to campaign against the ballot proposal.

We verified yesterday that supervisors in the Department of Corrections have been distributing anti-proposal 3 literature at staff meetings of probation and parole agents across the state.

This is clearly a violation of the Michigan Campaign Finance Act and it is not an isolated instance, but appears to be a well-organized effort to change the outcome of the ballot proposal.

In the complaint, we will allege that regional supervisors were given anti-proposal 3 material taken directly from the Governor's web site and asked to distribute information at staff meetings.

This is not the first instance of apparent violations and there have been reports of staff from the Office of the State Employer and the Department of Management and Budget using state resources for meetings and to produce materials.

The Coalition is also requesting that the State Civil Service Commission and the Office of the State Employer immediately issue a strongly worded directive to all supervisors and employees directing them to not use any state resources or time to campaign for or against the ballot issue.

It is important that the Civil Service Commission and the Office of the State Employer maintain neutrality as is pertains to ballot issues.

We will file the complaint as soon as it is determined how individual workers can be protected from reprisals, since state employees do not have whistle blower protections afforded other workers.

An additional complaint will be filed against Stephanie Comai, director of e-Michigan, to clarify if material now posted on the Governor's segment of the state web site is in violation of the Campaign Finance Act.

Once written material is posted to the state web site it may lose the protections afforded under the Act that are given to elected officials to speak out for or against ballot issues.

The Act clearly allows elected and appointed officials to disseminate information of a factual nature, but the August 13 posting on the Governor's web site goes beyond those protections.

The fact that some state agencies are downloading that information and using it verbatim to campaign against the proposal is proof that the web site is using state resources to determine the outcome of a ballot issue.

It is clear that the act prohibits the use of computer hardware or software to take sides in a ballot issue.

Until this issue is clarified I think that in the spirit of the law that material on state web sites, both pro and con, about ballot issues should be removed.

It is this lack of neutrality by state government that has led to Proposal 3 being placed on the ballot for public review."

2. Ms. Janine Winters, Director, Office of State Employer responded that she felt both labor and management are doing their best to try to control the dissemination of information and other activities surrounding things like ballot proposals, and particularly the ballot proposal in question. Ms. Winters stated what happened in Corrections should not have happened but that it was not an organized effort and was the only instance she was aware of. She stated that immediate steps were taken to stop that activity as soon as they were made aware of it, and steps have been taken to block other inappropriate communications such as union e-mails regarding the ballot proposal being sent to state employees at the work site. Ms. Winters added as an example, that OSE was recently made aware that notices advertising a meeting in a state facility about the ballot issue, jointly sponsored by the UAW and MSEA, were posted throughout Cadillac Place. OSE felt those were a violation, and asked that they be removed.

Ms. Winters indicated she would have no problem with issuing a strong statement reminding supervisors and employees that state resources are not to be used to campaign for against the proposal. She called upon the unions to help in this effort because many of the situations OSE is dealing with are directly the result of e-mails from union officials to employees at the work site, on work time.

Ms. Winters guaranteed the Commissioners that immediate action would be taken to stop any additional inappropriate communications by either management or the unions.

In conclusion, Ms. Winters stated that the OSE will work with the unions, and asked that the unions also work with them.

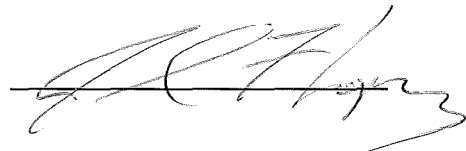
ADJOURNMENT

The meeting was adjourned at 10:10 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of October 16, 2002.

A handwritten signature in black ink, appearing to read "John F. Lopez", written over a horizontal line.

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
December 12, 2002**

Present: Susan Grimes Munsell, Chairperson
Robert P. Hunter, Commissioner
Sherry L. McMillan, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 11:00 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. Chairperson Munsell announced that Commissioner McMillan's appointment to the Civil Service Commission has been extended until December 31, 2010. In addition, she noted that Jan Winters was in attendance in her new role as Deputy Director in the Department of Civil Service, directing the activities of Hearings, Employee Relations & Mediation, HRMN, Technical Complaints, and Employee Benefits.
3. On motion duly made and supported, the Commission approved the minutes of the meeting of October 16, 2002.

NEW BUSINESS

1. Carol Vargovich, Chief Financial Officer, Department of Civil Service, reported on financial activities that occurred in fiscal year 02, the certification of the fiscal year 02 payroll, appropriation adjustments to the 03 fiscal year, and the proposal for the fiscal year 04.

On motion duly made and supported, the Commission approved Resolution G-1A, as follows:

The Civil Service Commission, in fulfillment of the Constitutional requirement to certify the aggregate payroll of the classified service for the preceding fiscal year, certifies a payroll of \$3,920,131,344, as recorded in the state's Michigan Administrative Information Network as

of November 08, 2002, for the fiscal period October 1, 2001, to September 30, 2002.

On motion duly made and supported, the Commission approved Resolution G-1B, as follows:

1. On December 5, 2002, Governor John Engler issued Executive Order (EO) 2002-22. EO 2002-22 provides for statewide expenditure reductions approximately \$460 million and other transfers for the current fiscal year FY 02-03, in order to meet reduced revenue estimates. As part of the statewide reductions, EO 2002-22 provides that the general fund appropriations for the Department of Civil Service be reduced by **\$250,400** for FY 02-03.
2. Prior to the issuance of EO 2002-22, the State Personnel Director had authorized additional FY 02-03 budget reductions totaling **\$632,100**.
3. The Civil Service Commission recognizes that impending revenue shortfall and the prior actions of the State Personnel Director and, consistent with its constitutional authority, hereby reduces the previously-approved FY 02-03 budget for the Department of Civil Service by **\$2,196,460**.
4. The State Personnel Director is authorized to take any action necessary to implement the provisions of this Resolution so that expenditures of the Department of Civil Service are reduced as specified for FY 02-03.

On motion duly made and supported, the Commission approved Resolution G-1C, as follows:

The Civil Service Commission approves the fiscal year 04 budget proposal for the Department of Civil Service totaling \$36,312,000.

2. Carol Mowitz, Compensation Director, Department of Civil Service, briefed the Commission on the Unclassified Salary Proposal for Fiscal Year 2004.

On motion duly made and supported, the Commission approved the staff recommendation to transmit the following compensation recommendations for unclassified positions to the Governor and Legislature for Fiscal year 2004:

- A 3 percent merit increase.
 - Salary adjustments of up to 10 percent based on performance and other relevant factors
 - Approval by the legislature of line-item funding necessary to support these recommendations.
3. D. Daniel McLellan, General Counsel, Department of Civil Service, reported on the staff recommendation that the commission approve a resolution to accept the transfer of the executive direction and management of the HRMN System into the Department of Civil Service, effective 12/29/02.

On motion duly made and supported, the Commission approved Resolution G-3:

“A resolution of the Michigan Civil Service Commission Regarding the HRMN System Executive Order:

A. DEFINITIONS

1. The “HRMN System” means the Michigan statewide Human Resource Management Network System that delivers payroll, personnel, employee benefits, and other human resource functionality and data exchange, and includes, but is not limited to, the standards, guidelines, processes, procedures, practices, rules, regulations, hardware, and software for the operation of the HRMN System.
2. The “executive direction and management of the HRMN System” means the authority, power, duty, and responsibility for all of the following:
 - A. To establish, implement and enforce policy standards, guidelines, processes, procedures, practices, rules, and regulations for the operation of the HRMN System, consistent with applicable law.
 - B. To manage the HRMN System to achieve the business needs for payroll, personnel, employee benefits, and other human resource functions for the State of Michigan.
 - C. To direct and manage the program development and implementation of changes in the HRMN System.

- D. To acquire technology development, services and software for the HRMN system through agency operating agreements between the Department of Civil Service and the Department of Information Technology.
- E. To acquire and manage contracts for the HRMN System.
- F. To standardize or centralize agency personnel transactions in the HRMN System.

B. BACKGROUND

1. The HRMN System is under the joint executive direction of the directors of the Department of Civil Service, the Office of the State Employer, the Department of Management and Budget, the Office of the State Budget within the Department of Management and Budget, and the Department of Information Technology.
2. The HRMN System is managed by an informal HRMN Systems Coordination Committee consisting of representatives from the Department of Civil Service, the Department of Information Technology, the Office of the State Employer, the State Budget Office with the Department of Management and Budget, and the Department of Treasury.
3. In executive Order 2002-19, effective December 29, 2002, the Governor transferred all of the authority, powers, duties, functions, and responsibilities of the Department of Management and Budget, the Office of the State Employer, the Department of Treasury, and the Department of Information Technology related to the executive direction and management of the HRMN System to the Department of Civil Service.

C. COMMISSION FINDINGS

1. The Civil Service Commission finds that the transfers authorized in Executive Order 2002-19 and the resulting centralization of the executive direction and management of the HRMN System within the Department of Civil Service will result in streamlined business processes, improved service, focused development planning, enhanced flexibility and responsiveness, and improved coordination among all user agencies of the HRMN System.
2. The Civil Service Commission finds that the transfers authorized by the Governor in Executive Order 2002-19 and consented to here do not conflict with the plenary authority of the Civil Service Commission granted to it under Article 11, Section 5, of the Michigan Constitution of 1963.

THEREFORE, the Michigan Civil Service Commission RESOLVES as follows:

1. Effective December 29, 2002, the Department of Civil Service shall accept the transfer of all the authority, powers, duties, functions, and responsibilities of the Department of Management and Budget, the Office of the State Employer, the Department of Treasury, and the Department of Information Technology related to the executive direction and management of the HRMN System, as authorized in Executive Order 2002-19.
2. The State Personnel Director is authorized to do each of the following:
 - A. To direct and supervise the implementation required by this resolution and Executive Order 2002-19, in cooperation with the Director of the Office of the State Employer, the Director of the Department of Management and Budget, the State Treasurer, and the Director of the Department of Information Technology.
 - B. To execute such agreements, documents, or contracts with the Office of the State Employer, the Department of Management and Budget, the Department of Treasury, and the Department of Information Technology on behalf of the Department of Civil Service as may be necessary to implement this resolution and Executive Order 2002-19, including, but not limited to, agreements regarding (1) the delegation of powers or duties to the Department of Civil Service or the State Personnel Director, (2) the transfer of personnel, facilities, equipment, records, property, or funds to the Department of Civil Service for the purpose of operation, maintenance, or management of the HRMN System, and (3) service levels, activities, staffing, operations, and infrastructure support to be provided for the support or operation of the HRMN System.
 - C. To take any further action deemed necessary or useful to implement this resolution and Executive Order 2002-19. "
4. D. Daniel McLellan reported that the Troopers and Sergeants Unit went through ACT 312 arbitration, and has submitted their proposed collective bargaining agreement for October 1, 1999 through September 30, 2002. Staff reviewed the proposed CBA and found nothing that violates the rules on prohibited subjects of bargaining. Director Lopez, with the consent of the Commission Chairperson, gave interim approval to the agreement in order for it to be transferred to the Legislature. The Legislature has waived the notice requirement to permit the increases to take effect at a time other than the start of a fiscal year.

On motion duly made and supported, the Commission confirmed the interim approval of the Collective Bargaining Agreement between the Office of State Employer and the Michigan State Police Troopers and Sergeants Unit for the period October 1, 1999, through September 30, 2002.

5. On motion duly made and supported, the Commission approved the Letter of Understanding between the Office of the State Employer and the Michigan State Police Troopers Association regarding utilization of scheduled overtime.
6. D. Daniel McLellan briefed the Commission on the extension of amendments to Rule 2-14, Military Pay. In May 2002, the Commission approved a change in the military leave provisions which extended the pay differential and benefit continuation provisions to nonexclusively-represented employees who were called to active duty after September 11, 2001, to cover all active-duty time between September 11, 2001, and December 31, 2002. The same provisions were also extended to nonexclusively-represented employees on limited-term appointments. Governor Engler asked that the Commission continue these provisions through the remainder of the fiscal year to provide continued, uninterrupted provision of these benefits for employees who are on military leave, and provide the new administration with an opportunity to evaluate further continuation of the provisions.

Staff recommends that the Commission approve these provisions through September 30, 2003, and authorize the State Personnel Director to approve letters of understanding for all current collective bargaining agreements that will provide the same military leave provisions to the exclusively-represented employees.

On motion duly made and supported, the Commission approved Resolution G-6, (Rev B), December 12, 2002 as follows:

The amendments to the Civil Service Rule 2-14, Veterans' Preference and Military Leave (Rev B, December 11, 2002) are approved effective immediately for all nonexclusively represented employees.

The State Personnel Director is authorized to approve on behalf of the Civil Service Commission any letter of understanding agreed to between the Office of the State Employer and an exclusive representative that provides substantially the same extension of military leave pay differential and benefit continuation for exclusively-represented employees as authorized for nonexclusively-represented employees in the approved amendments to Rule 2-14 (Rev B, December 11, 2002.)

COMMISSION APPEALS

1. In closed session by teleconference on September 26, 2002, the Commission considered 23 decisions of the Employment Relations Board. In closed session on December 12, 2002, the Commission considered 13 decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

ADJOURNMENT

The meeting was adjourned at 11:25 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of December 12, 2002.

A handwritten signature in black ink, appearing to read "J. F. Lopez", with a long horizontal stroke extending to the right.

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
March 27, 2003**

Present: Susan Grimes Munsell, Chairperson
Robert P. Hunter, Commissioner
Sherry L. McMillan, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:30 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the minutes of the meeting of December 12, 2002.
3. Chairperson Munsell introduced and welcomed David Fink, the newly appointed Director of the Office of the State Employer.

AMENDMENTS TO THE AGENDA

1. On motion duly made and supported, the Commission added Item G-7, Voluntary Work Schedule Adjustment Plan, to the Agenda.

COMMISSION BUSINESS

1. Chairperson Munsell read the following retirement resolution into the record.

Whereas, Richard H. Huneke has decided to retire from State Government after over 30 years of service with the Department of Civil Service, and

Whereas, Rich demonstrated commitment and dedication throughout his career as a public servant, gaining the respect and admiration of his colleagues, and

Whereas, Rich demonstrated extensive knowledge of the Department of Civil Service and state government and imparted that knowledge with diligence and creativity, and

Whereas, Rich in his capacities as Administrative Officer, Chief Budget Officer, Representative on the Michigan Administrative Information Network Governing Board, Construction Manager for the Capitol Commons Center, Project Manager for the establishment of the Personnel PayRoll and Information System, Assistant to the State Personnel Director, and many other capacities, continuously accepted new challenges head on and with fortitude, and

Whereas, Rich in his capacity as Project Director of the Human Resource Management Network (HRMN) system provided exemplary and invaluable leadership in its vision, development, and implementation, and

Whereas, Rich in his retirement, can pursue his "second career" in private industry as a consultant, and

Whereas, Rich will be able to spend more time with his wife, Carol, and can further indulge in his love of sailing (now cruising instead of racing), designing and building wood furniture, and home building and remodeling, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Rich Huneke its heartfelt appreciation for his dedicated efforts and many accomplishments during his years of service; and be it further

Resolved, that the Commission extends to Rich its warmest wishes for much health and happiness throughout his retirement.

On motion duly made and supported, the Commission approved the retirement resolution.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.

I am pleased to inform you that Ms. Susan Zurvalec accepted her reappointment as a member and the chairperson of the Employment Relations Board. Ms. Zurvalec's appointment expires April 30, 2006.

Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. Since the last commission meeting, I approved the following requests:

- I received a January 3, 2003 request from the Department of Attorney General to establish an unclassified position to serve as Director of External Affairs. This request was approved on January 6, 2003.

- I received a December 30, 2002 and a January 17, 2003 request from the Department of Consumer and Industry Services to establish unclassified Deputy Director positions. These requests were approved on January 3, 2003 and January 22, 2003, respectively.
- I received a January 29, 2003 request from the Department of Corrections to establish an unclassified position. The position serves as the Deputy Director for Field Operations Administration. The unclassified Prison Build Program position was abolished. This request was approved on February 3, 2003.
- I received a January 2, 2003 request from the Department of Environmental Quality to establish an unclassified position to serve as the Senior Policy Advisor to the Director. In addition, I received a January 21, 2003 request to establish an unclassified position to serve as the Deputy Director. The unclassified Special Assistant to the Director for Southeast Michigan position was abolished. These requests were approved on January 3, 2003 and January 22, 2003, respectively.
- I received a March 20, 2003 request from the Department of Information Technology to establish an unclassified position to serve as the Director of Strategic Policy. This request was approved on March 21, 2003.
- I received a March 20, 2003 request from the Department of Management and Budget to establish two unclassified positions to serve as Communications Director and Legislative Liaison for the State Budget Office. The Special Assistant to the Department Director and Communications Representative positions were abolished. This request was approved on March 21, 2003.
- I received a February 6, 2003 and a March 4, 2003 request from the Department of Natural Resources to establish unclassified positions to serve as the Environmental Policy Advisor and the Conservation Policy Advisor. The unclassified Special Assistant to the Director/Project Coordination and the Administrative Services Deputy positions were abolished. These requests were approved on February 7, 2003 and March 20, 2003, respectively.
- I received a December 30, 2002 request from the Department of State Police to establish an unclassified position to serve as Executive Advisor to the Executive Division Commander. This request was approved on January 3, 2003.
- I received a January 17, 2003 request from the Department of Transportation to establish an unclassified Chief Deputy Director position. This request was approved on January 22, 2003.
- I received a March 5, 2003 request from the Department of Treasury to establish an unclassified position to serve as the Deputy State Treasurer for State and Local Finance. The Deputy Treasurer for Education Policy position was abolished. This request was approved on March 13, 2003.

Civil Service Commission Rules require that I report to the Commission on the promulgation of regulations, which are issued to implement commission rules.

Since the last commission meeting, the following regulations have been created or revised and reissued:

Regulation 3.02 Student Assistants in the Classified Service - Effective: 12-23-02. Summary: The regulation was revised to specify that Student Assistants are considered state employees for examination and employment opportunity purposes. The regulation also clarifies a long-standing practice that students hired as unclassified Special Personal Services (SPS) employees are not governed by Regulation 3.02.

Regulation 3.07 Appointments and Job Changes - Effective: 12-17-02. Summary: Amended to reference changes made to Regulation 3.02.

Regulation 3.10 Promotion or Lateral Job Change Within a Department of Current Employee Under Hiring Restriction Conditions - Effective: 12-17-02. Summary: For purposes of maintaining employment targets, active classified state employee was defined to include limited-term employees. Previously, limited-term employees were not included in a department's "head count."

Regulation 5.02 Premium Payment of Overtime, On-call Compensation, and Callback Compensation - Effective: 2-25-03. Summary: To clarify the intent of language regarding work schedule changes, revisions make clear that work schedules may require temporary changes to meet operational needs. In addition, time frames for posting or notification of work schedules and changes to work schedules have been modified from 48 to 96 hours. Revisions also update the maximum overtime rate for ineligible employees who are granted exception approval to receive overtime compensation during fiscal year 2003.

Regulation 5.07 Performance-Pay and IT Bonus Programs - Effective: 2-25-03. Summary: Revised to (1) update civil service rule references for conversion of a performance-pay schedule to a step schedule and grievance procedures and (2) language regarding other conditions applicable for attorneys for pay performance awards was changed from attorneys to Senior Attorneys and Attorney Specialists only, as Attorney Administrators are now covered under Group 4 standards.

Regulation 5.17 Electronic Funds Transfer - Effective: 1-19-03. Summary: Provides the standards and procedures necessary to assist appointing authorities in ensuring employees hired after October 1, 2002 are paid by direct deposit via EFT.

Regulation 5.18 Group Insurance Plan Complaints - Effective: 2-12-03. Summary: Establishes procedures for employees to appeal decisions regarding coverage, exclusion, and cost issues pertaining to group insurance plans.

2. The Commission received a report on the Office of Compliance from Joseph Slivensky, Director, Bureau of Training, Leadership, and Compliance, and Anne Harrington, Manager of the Office of Compliance. Mr. Slivensky briefly discussed changes that have occurred in the Office of Compliance as a result of the

Department's move from being a regulatory agent to being a service provider, HRMN's delegation of transactions to the agency human resource offices, and changes in technology. Mr. Slivensky asked that Ms. Harrington discuss details of the activities of the office.

Ms. Harrington described "real-time" audits conducted for various types of personnel transaction and provided an overview of FY 02 Office activities. She then discussed new audit processes for limited term appointments, electronic funds transfers, CS-138 review and military pay adjustments.

NEW BUSINESS

1. D. Daniel McLellan, General Counsel, briefed the Commission on the Letter of Understanding between the Michigan State Employees Association, the Department of Community Health and Office of State Employer, regarding recall lists for Northville Regional Psychiatric Hospital employees in the Labor and Trades Unit and the Safety and Regulatory Unit. The State Personnel Director, with the consent of the Civil Service Commission Chairperson, granted interim approval of this Letter of Understanding on January 21, 2003.

On motion duly made and supported, the Commission confirmed the interim approval of the Letter of Understanding between the Michigan State Employees Association, the Department of Community Health and Office of State Employer.

2. D. Daniel McLellan indicated that staff has reviewed the Letter of Understanding between the UAW, Local 6000 and the Michigan State Police and recommends its approval.

On motion duly made and supported, the Commission approved the Letter of Understanding between the UAW, Local 6000 and the Michigan State Police regarding Article 15, overtime.

3. The State Personnel Director, with the consent of the Commission Chairperson, issued Appointing Authority Letter CS-6993, Interim Amendments to Rule 5-11: Group Insurance Plans, on January 27, 2003. Mr. McLellan noted that the interim amendments conform the text of Rule 5-11(e) to the transfer of the group insurance plans to the Department of Civil Service, and provide for administration of the group insurance plans by the Department of Civil Service and the State Personnel Director.

On motion duly made and supported, the Commission approved the interim amendment to Rule 5-11: Group Insurance Plans.

4. D. Daniel McLellan briefed the Commission on the proposed amendments to Rule 1-9, Excepted and Exempt Positions, circulated in Appointing Authority Letter CS-6996, on February 27, 2003. The proposal provides a reciprocal arrangement with the Department of Management and Budget, which would give the State Personnel Director the opportunity to authorize an employee coming into the classified

service to transfer annual and sick leave balances from their unclassified job, to the same extent that DMB permits classified employees moving into the unclassified service to transfer their leave balances.

On motion duly made and supported, the Commission approved the amendments to Civil Service Rule 1-9 (Excepted and Exempt Positions) circulated for comment on February 27, 2003 in CS-6996 (Rev A), effective immediately.

5. D. Daniel McLellan reviewed the proposed amendments to Rules 2-8, 2-9, 2-15, and 9-1, regarding Ethical Standards and Conduct. The proposed amendments strengthen the ethics rules, and consolidate the concepts of conflict of interest, disclosure of interest and contacts, and supplemental employment into a new rule, "Ethical Standards and Conduct." The proposed amendments were circulated in Appointing Authority Letter CS-6996 on February 27, 2003. Staff proposed further amendments in Revision B, dated March 17, 2003.

In response to a question from Commissioner Pitz, Anne Harrington indicated that the Office of Compliance does review supplemental employment and disclosures during on-site audits. Commissioner Hunter commented that there must be notice to the departments regarding the changes, and an opportunity to educate department directors regarding the new standards. Mr. McLellan indicated staff has been working with Human Resource Directors on this issue, and regulations will spell out the requirements. Mr. McLellan noted that the appointing authorities will give annual notice of the requirements to their employees.

On motion duly made and supported, the Commission approved the amendments (Revision B, dated March 17, 2003) to Civil Service Rule 2-8 (Conflict of Interest), Rule 2-9 (Disclosure of Interest and Contacts), Rule 2-15 (Supplemental Employment), and Rule 9-1 (Definitions), effective immediately.

6. Mr. McLellan stated that the proposed amendments to Rule 3-3, Appointments and Job Changes clarify that an employee can voluntarily take a demotion.

On motion duly made and supported, the Commission approved the amendments to Civil Service Rule 3-3, Appointments and Job Changes, circulated for comment on February 27, 2003 (CS-6997, Rev A), effective immediately.

7. D. Daniel McLellan briefed the Commission on the requested modification of the Voluntary Work Schedule Adjustment Plan. Mr. McLellan noted that the State Employer negotiated the Voluntary Work Schedule Adjustment Plan (VWSAP) for exclusively represented employees during their most recent negotiations. OSE asked that the Commission extend the plan indefinitely for nonexclusively

represented employees, as one approach to reducing the cost of state employment. Plan A of the VWSAP permits an employee to reduce his or her work schedule from one to sixteen hours per bi-weekly pay period without reduction in benefits and leave accruals. Plan C permits employees to take unpaid leaves of absence, without a break in service, for up to 3 months.

On motion duly made and supported, the Commission unanimously approved Resolution G-7:

Section 1. The Civil Service Commission determines that immediate action is necessary to approve the amendments to Civil Service Rule 5-2 (Hours of Pay) regarding the Voluntary Work Schedule Adjustment Plans and the Commission therefore waives the notice requirements of Civil Service Rule 1-1.

Section 2: The proposed amendments to Civil Service Rule 5-2 (Hours of Pay) regarding the Voluntary Work Schedule Adjustment Plans, Revision A (dated March 25, 2003), are approved effective immediately.

COMMISSION APPEALS

1. In closed session by teleconference on February 27, 2003 the Commission considered six decisions of the Employment Relations Board. In closed session on January 23, 2003 the Commission considered two decisions of the Employment Relations Board. In closed session on March 27, 2003, the Commission considered seven decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

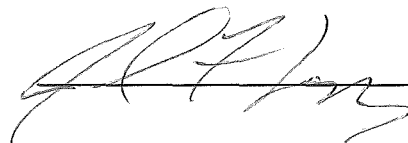
ADJOURNMENT

The meeting was adjourned at 11:25 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of March 27, 2003.



Proposed Amendments to **Rule 2-14** Veterans' Preference and Military Leave

May 16, 2003

Additions are underlined. Deletions are ~~struck through~~

2-14 Veterans' Preference and Military Leave

* * *

2-14.3 Regular Military Leave of Absence

(a) **General provisions; without pay.** A classified employee in an indefinite appointment who enters military service in the armed forces of the United States under the provisions of the selective service law, by call to duty, or by voluntary entrance in lieu of being called to duty, is entitled to a military leave of absence for the period of time required to fulfill the military obligation. The regular military leave of absence is without pay or benefits, except as provided in subsection (b). If the employee voluntarily remains in military service beyond the time required by selective service law, the leave and right to restoration to the position formerly occupied or an equivalent position automatically terminates. Continuous state service credit is allowed for the period of the military leave of absence.

(b) **Special provisions between September 11, 2001, and September 30, ~~2003~~ 2004.** If an employee is granted an emergency military leave of absence after September 11, 2001, and thereafter is placed on a regular military leave of absence, the employee is entitled to the regular military leave of absence with pay for any active duty period between September 11, 2001, and September 30, ~~2003~~ 2004. The leave is with pay if the military pay is less than the employee's regular state salary, for each day of absence from scheduled state employment. The pay is equivalent to the difference between the employee's military pay and regular state salary. During any period of military leave with pay, the employer shall also continue to pay the employer's portion of the cost of continuing group medical, dental, and vision insurance.

1 * * *

2 2-14.6 Emergency Military Leave of Absence

3 An appointing authority shall grant an emergency military leave of absence to a classified
4 employee in an indefinite appointment who is a member of a reserve component of the armed
5 forces and is ordered to perform emergency duty, by compulsory call of the governor or the
6 president. The leave is with pay if the military pay is less than the employee's regular state
7 salary, for each day of absence from scheduled state employment. The pay is equivalent to
8 the difference between the employee's military pay and regular state salary. Pay is limited to
9 30 calendar days. Holiday pay is handled as prescribed in rule 2-14.5(b). If the emergency
10 duty exceeds 30 calendar days, the employee may choose to be placed on regular military
11 leave of absence without pay or use annual leave or compensatory time accruals for the
12 remainder of the duty period. After release from emergency duty, the employee is restored
13 immediately to the position formerly occupied. Continuous state service credit is allowed for
14 the period of emergency military leave of absence.

15 * * *

16 2-14.14 Military Leave for Limited-term Employees

17 An appointing authority shall grant a military leave of absence to a classified employee in a
18 limited-term appointment who is a member of a reserve component of the armed forces and is
19 ordered to perform emergency duty, by compulsory call of the governor or the president, as
20 provided below:

21 **(a) Employee with continuing status; emergency and regular military leave.** An
22 employee in a limited-term appointment who has continuing status gained from an
23 indefinite appointment is entitled to an emergency and regular military leave of absence
24 in the same manner as provided in these rules for an employee in an indefinite
25 appointment.

26 **(b) Employee without continuing status; limited-term military leave.** An employee in a
27 limited-term appointment who does not have continuing status gained from an indefinite
28 appointment and has at least 6 months continuous service in the limited-term
29 appointment is entitled to a limited-term military leave of absence, as provided below:

30 **(1) Without pay.** The limited-term military leave of absence is without pay or benefits,
31 except as provided in subsection (c).

32 **(2) Expiration and extension.** The limited-term military leave of absence cannot
33 continue beyond the date the limited-term appointment would have expired.
34 However, an appointing authority may extend the limited-term appointment during
35 the limited-term military leave of absence and, in such case, the limited-term
36 military leave of absence continues until the end of the approved extension.

1 **(3) Use of other accruals.** An employee granted a limited-term military leave of
2 absence may choose to use annual leave or compensatory time accruals before
3 beginning the limited-term military leave of absence.

4 **(4) Reemployment.** To return to the classified service, the veteran must apply in
5 writing to the appointing authority within 28 calendar days after release from active
6 duty in the armed forces or discharge from a veterans' hospital. After applying for
7 reemployment, the employee is restored immediately to the limited-term position
8 formerly occupied, unless the appointment has expired or the position has been
9 abolished.

10 **(5) Service credit.** Continuous state service credit is allowed for the period of the
11 limited-term military leave of absence.

12 **(c) Special provisions between September 11, 2001, and September 30, 2003 2004.** If an
13 employee is granted a limited-term military leave of absence after September 11, 2001,
14 the employee is entitled to the limited-term military leave of absence with pay for any
15 active duty period between September 11, 2001, and September 30, 2003 2004. The
16 leave is with pay if the military pay is less than the employee's regular state salary, for
17 each day of absence from scheduled state employment. The pay is equivalent to the
18 difference between the employee's military pay and regular state salary. During any
19 period of military leave with pay, the employer shall also continue to pay the employer's
20 portion of the cost of continuing group medical, dental, and vision insurance. Salary and
21 benefit continuation payments authorized in this subsection expire on the earlier of (1)
22 the date the limited-term military leave of absence expires or (2) September 30, 2003
23 2004.

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
May 22, 2003**

Present: Susan Grimes Munsell, Chairperson
Robert P. Hunter, Commissioner
Sherry L. McMillan, Commissioner
James P. Pitz, Commissioner
John F. Lopez, State Personnel Director

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:40 a.m., in Cadillac Place, Conference Room 3-300, 3042 West Grand Boulevard, Detroit, Michigan.
2. On motion duly made and supported, the Commission approved the minutes of the meeting of March 27, 2003.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.

Unclassified Position Report:

Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. Since the last commission meeting, I approved the following requests:

Family Independence Agency: I received a March 17, 2003 request to establish an unclassified position to serve as the Chief Deputy Director of the Family Independence Agency. The unclassified Welfare Reform Specialist and Volunteer Services Liaison positions were abolished. This request was approved on March 25, 2003. I received a March 28, 2003 request to establish an unclassified position to serve as the Deputy Director for Service Delivery. This request was approved on April 3, 2003.

Regulations

Civil Service Commission Rules require that I report to the Commission on the promulgation of regulations, which are issued to implement commission rules.

Since the last commission meeting, the following regulation was revised and reissued:

Regulation 5.18 Group Insurance Plan Complaints - Effective: 4-14-03

Summary: The regulation was amended to establish a new procedure for classified employees to file privacy complaints over the use and disclosure of their personal health information related to eligibility and enrollment in the state health insurance plans.

NEW BUSINESS

1. D. Daniel McLellan, General Counsel, reported on the letter of understanding between the Office of the State Employer and the Michigan Public Employees, SEIU, Local 517M (MPES) regarding vacation scheduling for Human Services Support Unit employees in the Bureau of Workers' and Unemployment Compensation. The State Personnel Director, with the consent of Chairperson Susan Grimes Munsell, granted interim approval on April 7, 2003

On motion duly made and supported, the Commission confirmed the April 7, 2003 interim approval of the Letter of Understanding between the Office of the State Employer and the Michigan Public Employees, SEIU, Local 517M (MPES).

2. D. Daniel McLellan briefed the Commission on a series of proposed amendments to the Civil Service Rules, Regulations, and Advisories. Draft amendments to the following rules were circulated for public review and comment in SPDOC 03-13, dated April 24, 2003. Mr. McLellan stated that there were no comments returned on the proposals.

| | |
|------------|--|
| Rule 1-3: | Regulations and Advisories |
| Rule 9-1: | Definitions |
| Rule 1-5: | Audit and Compliance |
| Rule 1-10: | Temporary Agencies |
| Rule 2-6: | Discipline |
| Rule 8-1: | Grievances |
| Rule 8-2: | Appeals of Grievance Decisions |
| Rule 8-4: | Summary Dismissal of Grievance Appeal or Technical complaint |

Rule 8-7.4: Appeal to Civil Service Commission:
Summary Dismissal of Grievance Appeal or Technical
Complaint

On motion duly made and supported, the Commission approved the amendments to the Civil Service Rules circulated for comment on April 24, 2003, in SPDOC 03-12 (Rev A), effective immediately.

3. D. Daniel McLellan reported that the Governor has requested that the Commission grant an additional extension of the amendments to Civil Service 2-14, Veterans' Preference and Military Leave, through September 30, 2004. The amendments extend pay differential and benefit continuation provisions for employees called to active duty after September 11, 2001.

On motion duly made and supported, the Commission adopted **Resolution G-3:**

Section 1. The attached amendments to the Civil Service Rule 2-14, Veterans' Preference and Military Leave (dated May 16, 2003), were requested by Governor Granholm on May 14, 2003, but have not been circulated for public review and comment as provided in Rule 1-1. Therefore, as provided in Rule 1-1.3, the Civil Service Commission, by unanimous vote of a quorum, waives the requirement of notice.

Section 2. The attached amendments to the Civil Service Rule 2-14, Veterans' Preference and Military Leave (dated May 16, 2003) are approved effective immediately for all nonexclusively represented employees.

Section 2. The State Personnel Director is authorized to approve on behalf of the Civil Service Commission any letter of understanding agreed to between the Office of the State Employer and an exclusive representative that provides substantially the same extension of military leave pay differential and benefit continuation for exclusively represented employees as authorized for nonexclusively represented employees in the approved amendments to Rule 2-14 (dated May 16, 2003).

COMMISSION APPEALS

1. In closed session by teleconference on April 24, 2003, the Commission considered six decisions of the Employment Relations Board. In closed session on May 22, 2003 the Commission considered six decisions of the Employment Relations Board. Copies of the Review

Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.


ADJOURNMENT

The meeting was adjourned at 10:55 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of May 22, 2003.

A handwritten signature in black ink, appearing to read 'J. F. Lopez', with a long horizontal line extending to the right and a small flourish at the end.

Proposed Amendments to **Rule 2-14** **Veterans' Preference and Military Leave**

May 16, 2003

Additions are underlined. Deletions are ~~struck through~~

2-14 Veterans' Preference and Military Leave

*** * ***

2-14.3 Regular Military Leave of Absence

(a) General provisions; without pay. A classified employee in an indefinite appointment who enters military service in the armed forces of the United States under the provisions of the selective service law, by call to duty, or by voluntary entrance in lieu of being called to duty, is entitled to a military leave of absence for the period of time required to fulfill the military obligation. The regular military leave of absence is without pay or benefits, except as provided in subsection (b). If the employee voluntarily remains in military service beyond the time required by selective service law, the leave and right to restoration to the position formerly occupied or an equivalent position automatically terminates. Continuous state service credit is allowed for the period of the military leave of absence.

(b) Special provisions between September 11, 2001, and September 30, ~~2003~~ 2004. If an employee is granted an emergency military leave of absence after September 11, 2001, and thereafter is placed on a regular military leave of absence, the employee is entitled to the regular military leave of absence with pay for any active duty period between September 11, 2001, and September 30, ~~2003~~ 2004. The leave is with pay if the military pay is less than the employee's regular state salary, for each day of absence from scheduled state employment. The pay is equivalent to the difference between the employee's military pay and regular state salary. During any period of military leave with pay, the employer shall also continue to pay the employer's portion of the cost of continuing group medical, dental, and vision insurance.

1 * * *

2 2-14.6 Emergency Military Leave of Absence

3 An appointing authority shall grant an emergency military leave of absence to a classified
4 employee in an indefinite appointment who is a member of a reserve component of the armed
5 forces and is ordered to perform emergency duty, by compulsory call of the governor or the
6 president. The leave is with pay if the military pay is less than the employee's regular state
7 salary, for each day of absence from scheduled state employment. The pay is equivalent to
8 the difference between the employee's military pay and regular state salary. Pay is limited to
9 30 calendar days. Holiday pay is handled as prescribed in rule 2-14.5(b). If the emergency
10 duty exceeds 30 calendar days, the employee may choose to be placed on regular military
11 leave of absence without pay or use annual leave or compensatory time accruals for the
12 remainder of the duty period. After release from emergency duty, the employee is restored
13 immediately to the position formerly occupied. Continuous state service credit is allowed for
14 the period of emergency military leave of absence.

15 * * *

16 2-14.14 Military Leave for Limited-term Employees

17 An appointing authority shall grant a military leave of absence to a classified employee in a
18 limited-term appointment who is a member of a reserve component of the armed forces and is
19 ordered to perform emergency duty, by compulsory call of the governor or the president, as
20 provided below:

21 **(a) Employee with continuing status; emergency and regular military leave.** An
22 employee in a limited-term appointment who has continuing status gained from an
23 indefinite appointment is entitled to an emergency and regular military leave of absence
24 in the same manner as provided in these rules for an employee in an indefinite
25 appointment.

26 **(b) Employee without continuing status; limited-term military leave.** An employee in a
27 limited-term appointment who does not have continuing status gained from an indefinite
28 appointment and has at least 6 months continuous service in the limited-term
29 appointment is entitled to a limited-term military leave of absence, as provided below:

30 **(1) Without pay.** The limited-term military leave of absence is without pay or benefits,
31 except as provided in subsection (c).

32 **(2) Expiration and extension.** The limited-term military leave of absence cannot
33 continue beyond the date the limited-term appointment would have expired.
34 However, an appointing authority may extend the limited-term appointment during
35 the limited-term military leave of absence and, in such case, the limited-term
36 military leave of absence continues until the end of the approved extension.

1 **(3) Use of other accruals.** An employee granted a limited-term military leave of
2 absence may choose to use annual leave or compensatory time accruals before
3 beginning the limited-term military leave of absence.

4 **(4) Reemployment.** To return to the classified service, the veteran must apply in
5 writing to the appointing authority within 28 calendar days after release from active
6 duty in the armed forces or discharge from a veterans' hospital. After applying for
7 reemployment, the employee is restored immediately to the limited-term position
8 formerly occupied, unless the appointment has expired or the position has been
9 abolished.

10 **(5) Service credit.** Continuous state service credit is allowed for the period of the
11 limited-term military leave of absence.

12 **(c) Special provisions between September 11, 2001, and September 30, ~~2003~~ 2004.** If an
13 employee is granted a limited-term military leave of absence after September 11, 2001,
14 the employee is entitled to the limited-term military leave of absence with pay for any
15 active duty period between September 11, 2001, and September 30, ~~2003~~ 2004. The
16 leave is with pay if the military pay is less than the employee's regular state salary, for
17 each day of absence from scheduled state employment. The pay is equivalent to the
18 difference between the employee's military pay and regular state salary. During any
19 period of military leave with pay, the employer shall also continue to pay the employer's
20 portion of the cost of continuing group medical, dental, and vision insurance. Salary and
21 benefit continuation payments authorized in this subsection expire on the earlier of (1)
22 the date the limited-term military leave of absence expires or (2) September 30, ~~2003~~
23 2004.

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
July 24, 2003**

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

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:00 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. Chairperson Grimes Munsell introduced and welcomed F. Thomas Lewand, whose appointment to replace Commissioner Robert P. Hunter was effective July 26, 2003. The Chairperson also introduced Stephanie Carll, Assistant Attorney General in the Labor Division, who will be working with Susan Przekop-Shaw on Department of Civil Service matters.
3. On motion duly made and supported, the Commission approved the minutes of the meeting of May 22, 2003.

AMENDMENTS TO THE AGENDA

1. On motion duly made and supported, the Commission added Agenda Items G-5a and G-5b regarding Voluntary Work Schedule Adjustment Programs and Agenda Item G-6 regarding Amendments to Civil Service Rule 5-11: Group Insurance Plans.

COMMISSION BUSINESS

1. Chairperson Grimes Munsell read the following tribute into the record:

Whereas, Robert P. Hunter has served with distinction as a member of the Michigan Civil Service Commission for over six and one-half years, and

Whereas, Mr. Hunter has gained the respect and admiration of his colleagues by demonstrating dedication and commitment to the business of the Commission, and

Whereas, Mr. Hunter, as a nationally recognized expert and former member of the National Labor Relations Board brought to the Commission a wealth of knowledge on labor law, labor relations, human resources, and legislative matters, and imparted that knowledge with wit and creativity, and

Whereas, Mr. Hunter worked closely with his fellow Commissioners to completely amend the Michigan Civil Service Commission Rules, including the Employee-Employer Relations Rules and Grievance and Appeals Procedures, and

Whereas, Mr. Hunter demonstrated his allegiance to the citizens of the state of Michigan throughout his six and one-half years of service as he worked to enhance the operations of state government, and

Whereas, the Commission has greatly valued Mr. Hunter's keen insight, wisdom, tact, and diplomacy in addressing issues head-on, and

Whereas, Mr. Hunter lived by the commitment he made when he was first appointed to the Commission, "to help civil servants exercise their rights with respect to both their unions and their employer..." be it therefore

Resolved, that the citizens of the State of Michigan, the Michigan Civil Service Commission, and the staff of the Department of Civil Service, express to Mr. Hunter their deepest appreciation for his dedicated efforts and many accomplishments during his years of service to the Commission, and be it further

Resolved, that the Michigan Civil Service Commission does hereby extend to Mr. Hunter its most sincere thanks, its highest esteem, and best wishes for health and happiness for many years to come with his wife, Marlene, and their children, David, Rachel, and Matthew.

On motion duly made and supported, the Commission adopted the tribute to Civil Service Commissioner Robert P. Hunter.

2. Chairperson Grimes Munsell presented the following resolution to Nathaniel Lake.

Whereas, Nathaniel Lake, Jr. has decided to retire from State Government after over 30 years of state service, including over 5 years with the Department of Civil Service, and

Whereas, Nate demonstrated commitment and dedication throughout his career as a public servant, gaining the respect and admiration of his colleagues, and

Whereas, Nate demonstrated extensive knowledge of the Department of Civil Service and state government and imparted that knowledge with diligence and creativity, and

Whereas, Nate, in his capacities as Human Resources Director for the Michigan Employment Security Commission, Department of Natural Resources, and Department of Environmental Quality gained a wealth of information that contributed to his exceptional leadership abilities, and

Whereas, Nate, in his capacity as Director of the Office of Performance Excellence for the Department of Civil Service provided exemplary and invaluable leadership in its vision, development, and implementation, and

Whereas, Nate will always be remembered for his gentle mannerism, his kindness to others, and his ability to motivate others, and

Whereas, Nate will be able to spend more time with his wife, Pat, and their two daughters, and can further indulge in his love of working with youth, community service, and a multitude of other volunteer services, and

Whereas, Nate can pursue his "second career" as Michigan State University's Director of Women's Basketball Operations, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Nate Lake its heartfelt appreciation for his dedicated efforts and many accomplishments during his years of service.

Resolved, that the Commission extends to Nate its warmest wishes for much health and happiness throughout his retirement.

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

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.

Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. Since the last commission meeting, I approved the following requests:

- Department of Attorney General: I received a June 3, 2003 request to establish an unclassified position to serve as the Director of Community Outreach. The unclassified Executive Assistant position was abolished. This request was approved on June 5, 2003.

- Department of Natural Resources: I received a June 10, 2003 request to establish an unclassified position to serve as the Resource Management Deputy for the DNR. The unclassified Environmental Policy Advisor position was abolished. This request was approved on June 12, 2003.
- Department of Environmental Quality: I received a June 19, 2003 request to establish an unclassified position to serve as the Administrative Assistant to the Chronic Waste Disease Task Force. The position of Legislative Liaison was abolished. This request was approved on June 20, 2003.
- Department of Community Health: I received a July 7, 2003 request to establish three unclassified positions to serve as Legislative Liaison, Public Relations Liaison, and Chief Deputy Director. The positions of Deputy Director for Strategic Initiatives, Director of Health and Promotion and Publications, and Deputy for Strategic Budget Initiatives were abolished. This request was approved on July 15, 2003.

Compensation Rates: As previously authorized by the Commission, I approved compensation rates for extracurricular program services for two positions at the Michigan School for the Deaf and Blind for the upcoming school year.

Regulations: Civil Service Commission Rules require that I report to the Commission on the promulgation of regulations, which are issued to implement commission rules.

Since the last commission meeting, the following regulations were revised and reissued:

Regulation 4.04, Effective Dates for Classification Actions, Effective 6-9-03.
Summary: The regulation was amended to clarify those actions that require Department of Civil Service approval and those that may be processed by the appointing authority. In addition, a provision to address initial P-rate assignment was added, and preauthorized reclassifications to which the appointing authority can make determinations were specified.

Regulation 2.06, Conducting Employee Ratings, Effective 6-22-03.
Summary: The regulation was amended to reflect the implementation of the new on-line performance management tool and changes in HRMN form references. Also, a standard was added to require a new probationary period when a probationary employee makes a lateral job change to a different department or to a different classification within the same department.

Each human resources director is to submit to me by July 25, 2003, a plan that describes how the agency will convert to the on-line performance management system and transition employees by July 1, 2004.

Regulation 3.11, Written, Electronic, and Other Appraisal Method Administration, Effective 7-22-03.

Summary: The regulation was revised to provide additional definitions for "applicant" and "candidate" to clarify that workforce need testing will be done for candidates, rather than applicants.

2. Janine Winters, Deputy Director, Department of Civil Service, presented a report on the Human Resource Management Network (HRMN) upgrade. Ms. Winters stated that through the combined efforts of staff from Office of Financial Management, Department of Information Technology and Civil Service, led by Matthew Fedorchuk, the upgrade was completed seven hours ahead of time after five days of 24-hour activity. The upgrade provides for more work processes and workflows within the system, and moves us further toward Web-based technology. Ms. Winters noted HRMN will continue to receive support with the Lawson Software, and staff will continue exploring enhancements that will provide the capability to interface with all of the necessary partners.

NEW BUSINESS

1. John Gnodtke, Assistant General Counsel, reported on agenda items G-1 through G-3. Item G-1 is a letter of understanding reached between the Office of the State Employer and the Michigan State Employees Association. The letter changes the overtime eligibility codes for 14 FIA Child Support staff members through the end of the current fiscal year. The State Personnel Director, with the consent of the Chair, granted interim approval of the letter on May 27, 2003.

On motion duly made and supported, the Commission adopted Resolution G-1 approving the letter of understanding between the Office of the State Employer and the Michigan State Employees Association, which was submitted on May 19, 2003, and granted interim approval by the State Personnel Director on May 27, 2003.

2. The Office of the State Employer has submitted a letter of understanding reached with the Michigan State Employees Association. The letter changes the overtime eligibility codes for classifications in the Safety and Regulatory Bargaining Unit. The State Personnel Director, with the consent of the Chair, granted interim approval of the letter on June 3, 2003.

On motion duly made and supported, the Commission adopted Resolution G-2 approving the letter of understanding between the Office of the State

Employer and the Michigan State Employees Association, which was submitted on May 29, 2003, and granted interim approval by the State Personnel Director on June 3, 2003.

3. The Office of the State Employer has submitted a letter of understanding reached with the United Auto Workers, Local 6000. The letter will extend the number of hours employees in the State Worker classification can work and still be considered temporary employees. The letter will expire concurrently with the primary and secondary agreements.

On motion duly made and supported, the Commission adopted Resolution G-3, approving the letter of understanding between the Office of the State Employer and the United Auto Workers, Local 6000, which was submitted on July 9, 2003.

4. D. Daniel McLellan, General Counsel, reported on the draft amendments to Civil Service Rules 2-5, 2-6, 2-7, and 9-1 that were circulated for public review and comment in SPDOC 03-19, Revision A, dated June 26, 2003. Revision C, is now before the Commission for approval.

The proposed amendments to Rule 2-5, Employment Preference, are intended to clarify the employment preference rights of nonexclusively-represented employees. Additionally, definitions of the various types of "employee status codes" are added to rule 9-1.

Proposed amendments to Rule 2-6, Discipline, clarify rules regarding suspension for criminal charges. Revision C adds a proposed amendment clarifying that continuation of a suspension for investigation without pay after criminal charges are resolved is limited to 7 calendar days.

Amendments to Rule 2-7, Drug and Alcohol Testing, create an appeal process for an applicant whose conditional offer of employment is rescinded because the applicant failed a pre-employment drug test. Commissioner Pitz inquired about the process through which an applicant would be made aware of the appeal options available. Mr. McLellan responded that this question is not addressed in the rule, however, he anticipates it will be addressed in the regulations promulgated by the State Personnel Director.

On motion duly made and supported, the Commission adopted Resolution G-4, approving the proposed amendments to the Civil Service Rules, Revision C, dated July 23, 2003, effective immediately.

5. D. Daniel McLellan reported on Agenda Items G-5a and G-5b, Plan A, Voluntary Work Schedule Adjustment Programs (VWSAPs). The Office of the State Employer has requested that Plan A in the current VWSAPs be amended by (1) permitting probationary employees who have completed

720 hours of state service to use Plan A, and (2) to permit an employee to take up to 40 hours of Plan A leave in a pay period once every fiscal year.

On motion duly made and supported, the Commission adopted Resolution G-5a, approving letters of understanding (to amend the collective bargaining agreements approved by the Civil Service Commission on December 18, 2001) between the Office of the State Employer and the following exclusive representatives, effective immediately:

Michigan Public Employees, SEIU Local 517M:

- Human Services Support Unit
- Scientific and Engineering Unit
- Technical Unit

Michigan State Employees Association, AFSCME Local 5:

- Safety and Regulatory Unit
- Labor and Trades Unit

International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) and its Local Union 6000:

- Human Services Unit
- Administrative Support Unit

Michigan Corrections Organization, SEIU Local 526M:

- Security Unit

Mr. McLellan stated that the OSE also requested that Civil Service Rule 5-2.3 be amended to effect the same changes in Plan A for nonexclusively represented employees. The proposed amendments to Rule 5-2.3 have not been circulated for public comment for at least 14 days, therefore, pursuant to Rule 1-1.3, the Civil Service Commission may waive the notice requirements and approve the amendment by a unanimous vote of a quorum.

On motion duly made and supported the Commission, by unanimous vote, adopted Resolution G-5b, waiving the 14 day notice requirement in Rule 1-1.1, and approving proposed amendments to Civil Service Rule 5-2.3 (Hours of Service: Voluntary Work Schedule Adjustment Plans, Revision A), dated July 23, 2003, effective immediately.

6. Mr. McLellan reported on Agenda Item G-6, Amendments to Civil Service Rule 5-11, Group Insurances, and noted that these amendments also have not been circulated for comment. The amendments authorize the State Personnel Director to enter into participation agreements with other public entities to permit their employees to participate in group insurance plans administered by the Department of Civil Service, provided that 100 percent

of the total cost is paid by the participating public entities. The amendments also change references in the rule that have been outdated by the transfer of the programs from the Office of the State Employer to the Department of Civil Service.

On motion duly made and supported the Commission, by unanimous vote, approved Resolution G-6, waiving the 14-day notice requirement in Rule 1-1.1, and approved proposed amendments to Civil Service Rule 5-11 (Group Insurance Plans, Revision A), dated July 23, 2003, effective immediately.

COMMISSION APPEALS

1. In closed session by teleconference on June 26, 2003, the Commission considered seven decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

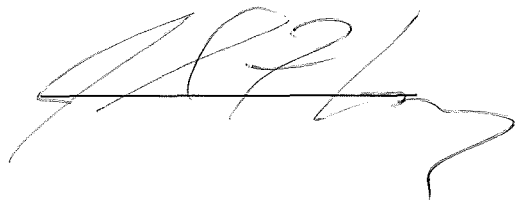
ADJOURNMENT

The meeting was adjourned at 11:40 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of July 24, 2003.

A handwritten signature in black ink, appearing to read 'J. Lopez', with a long horizontal line extending to the right.

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
October 9, 2003**

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

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:10 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the minutes of the meeting of July 24, 2003.

COMMISSION BUSINESS

1. On motion duly made and supported, the Commission adopted the following resolution:

Whereas, Carol Mowitz has decided to retire from State Government after over 30 years of service with the Department of Civil Service, and

Whereas, Carol demonstrated commitment and dedication throughout her career as a public servant, gaining the respect and admiration of her colleagues, and

Whereas, Carol demonstrated extensive knowledge of the Department of Civil Service and state government and imparted that knowledge with diligence and creativity, and

Whereas, Carol, in her many capacities ranging from Personnel Management Analyst and Specialist, Director of Personal Services Review, Compensation Director, Project Director for the Merit System Redesign, and Coordinator for the proceedings of the Coordinated Compensation Panel and the State Officers' Compensation Commission routinely demonstrated professionalism and excellence, and

Whereas, Carol, in her capacity as Departmental Administrator for Human Resource Services Group B took the lead in the development and successful implementation of the first statewide Human Resources Transformation Plan and in the development of the 2003-2005 Human Resources Strategic Plan, and was instrumental in the success of the HRMN coding project, and

Whereas, Carol, in her retirement, can pursue her "second career" in private industry as a consultant, and

Whereas, Carol will be able to spend more time with her husband, Rich, and can further indulge in her love of the finer things in life--literature, art, travel, and relaxing in the Bruce Peninsula, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Carol Mowitz its heartfelt appreciation for her dedicated efforts and many accomplishments during her years of service.

Resolved, that the Commission extends to Carol its warmest wishes for much health and happiness throughout her retirement.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.

Unclassified Position Report: Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. There were no requests to either establish or abolish unclassified positions.

Compensation Rates: As previously authorized by the Commission, on August 14, 2003 and September 29, 2003, I approved compensation rates for a total of sixteen positions that will be providing extracurricular program services during the upcoming school year at the Michigan School for the Deaf and Blind.

Regulations: Civil Service Commission Rules require that I report to the Commission on the promulgation of regulations, which are issued to implement commission rules.

Since the last Commission meeting, the following regulations were revised and reissued:

Regulation 3.01, Alternative Assessment and Selection Process, Effective 8-3-03.

Summary: The regulation was amended to make clear that the 14-week working period that may be used as an alternative to the administrative support exam is available only for the 5 level.

Regulation 3.04, Selection of Employees for Position Vacancies from an Agency Created Applicant Pool, Effective 8-3-03.

Summary: The regulation was amended to clarify that credential reviews must be conducted by the Department of Civil Service under specific scenarios. The regulation also specifies that credential reviews must be completed before any further candidate evaluation or offer of employment is made. In addition, the regulation describes the necessary documentation relative to applicant sanctions and the process for accessing the information.

Regulation 4.01, Establishment and Reclassification Actions that Require Civil Service Review, Effective 8-31-03.

Summary: The regulation was revised to specify documentation necessary for establishing new positions as required by the Department of Civil Service and the Governor's Executive Directives 2003-3 and 2003-5. The regulation also states that an employee must currently have a satisfactory probationary, annual, or follow-up performance rating to be eligible for reclassification.

Regulation 4.07, Establishment and Reclassification Actions that Require Civil Service Review, Effective 8-31-03.

Summary: The regulation was revised to specify documentation necessary for organizational changes as required by the Department of Civil Service and the Governor's Executive Directives 2003-3 and 2003-5. The regulation also reinstates the process and procedure necessary for the recoding of positions.

Regulation 5.05, Longevity Compensation, Effective 8-31-03.

Summary: The regulation was revised to define a time period of 28 days in which an employee can enter the classified service after leaving a non-elective excepted or exempted position in a principal department, the legislature, or the Supreme Court for purposes of longevity credit.

Reissued Regulations Based Upon Rule Changes (no change in effective dates.)

As a result of the Civil Service Commission's approval of revisions to the Civil Service Rules, the regulations referenced below have been updated to reflect current rule language.

Regulations 1.01, Issuance of Civil Service Regulations, 1.03, Investigating Reports of Discriminatory Harassment, 1.06, Audit and Correction of Personnel Actions, 3.05, Twelve-Month Trial Appointment Process For Persons With Disabilities, 3.08, Establishment, Use, and Duration of Applicant Pools Maintained by the Department of Civil Service, 3.13, Information Technology Programmer/Analyst Trainee Program, 4.02, Preauthorized Classifications and Transactions, 4.05, Frequency of Review of Positions, 4.09, Employee Generated Position Reviews, and 5.12, Severance Pay.

NEW BUSINESS

1. Joyce VanCoevering, Director of Agency Services, Department of Management and Budget, presented the FY 2003-04 Travel Expense Reimbursement Rate Proposal. Due to the current budgetary situation, DMB, Vehicle and Travel Services, recommends the rates be held at the fiscal year 2002-2003 rate level. Ms. VanCoevering responded to a question from Chairperson Munsell that the mileage rate recommended is the current \$.305 cent rate, until the IRS rate is indexed in January.

Gary Calkins, retired state employee and Association of State Employees in Management member, addressed the Commission regarding the travel expense reimbursement rates. Mr. Calkins indicated that reimbursement rates should be adequate to prevent state employees from incurring costs associated with travel required to do their jobs. He suggested the Commission reject the proposal, approve rates as computed using the Federal Government cost, and approve a state vehicle mileage rate of \$.34 per mile.

On motion duly made and supported, the Commission approved the Proposed Travel Expense Reimbursement Rates for FY 2003-2004.

2. D. Daniel McLellan, General Counsel, briefed the Commission regarding the proposed amendments to Civil Service Rule 2-7.4: Drug and Alcohol Testing; Penalties. Rule 2-7.4 provides a complaint procedure for persons whose conditional appointments are rescinded after failing a pre-employment drug test. The amendments give the candidate 14 calendar

days to file a complaint, and require that the person be apprised that the complaint process exists. The amendments also provide that the processes by which the State Personnel Director reviews complaints be set forth in the regulations.

On motion duly made and supported, the Commission approved the proposed amendments to the Civil Service Rule 2-7.4, Revision A, dated August 25, 2003, effective immediately.

3. David Fink, Director, Office of the State Employer, addressed the Commission regarding OSE's proposals for savings in employee wages and benefits, and described the budget and concession issues that apply to the proposals. Mr. Fink indicated he has been given the task of finding \$256 million in savings in employee wages and benefits. He stated that through various efforts, they have reduced the amount they are seeking to save from wages and benefits to approximately \$215 million. Mr. Fink added that the administration is committed to ensuring equitable participation of all employees at all levels in all departments, across all bargaining units, and to honoring the terms of existing collective bargaining agreements. To the extent they are unable to reach voluntary agreements with any bargaining unit that has exclusive representation, Mr. Fink indicated that they will, within the terms of the contracts, seek to obtain a comparable level of savings to the voluntary agreements or the decisions of the Commission with respect to non-exclusively represented employees.

Mr. Fink expressed gratitude to Matt Fedorchuk, Ruth Mealy, their supervisors, Jan Winters and Mike Moody, and to the Department of Information Technology, for their assistance with developing these programs. He also stated for the record that the Attorney General staff has been very helpful in making sure that what they do is consistent with the law. With respect to furlough hours, the Attorney General staff informed the State Employer of the importance of providing due process, and they have therefore included a grievance process for those individuals who feel aggrieved by the way the furlough rule is administered.

Mr. Fink described the specifics of the proposals for a Banked Leave Time (BLT) Program; a furlough program; a revision in the Prescription Drug Program under the State Health Plan PPO; and suspension of the Pay for Performance Plan for fiscal year 2003-2004.

Mr. Fink indicated that the OSE is working with the legislature to make amendments to the retirement systems so that the hours worked for banked leave time will be treated as though the employee had received his or her wages for final average compensation purposes in the defined benefit and

defined contribution plans. This would prevent employees at or near retirement from suffering a decrease in their retirement income.

Mr. Fink stated the savings from the BLT plan, if applied to all state employees, would be approximately \$150 million. For NERE's only, the savings is in excess of \$53 million in this fiscal year. Mr. Fink asked that the Commission waive certain requirements and unanimously act today to support the request, because banked leave time saves over \$1 million a week once put in place.

Mr. Fink continued with a description of the temporary furlough proposal. With this program, OSE is also looking to the Legislature to define final average compensation as though the employee worked and was paid for those hours. He indicated that most of the comments received have related to the long term impact for retirees, and concerns for employees who are not full time. Mr. Fink stated they have changed the request to the Commission, and are so advising the unions, so that furlough hours will be pro-rated based on the number of hours an employee works.

Mr. Fink answered questions from Commissioner Lewand, noting that they have tentative agreements with MSEA and with three SEIU bargaining units. After those agreements are ratified by the employees, they will come before the Commission for approval. Mr. Fink indicated that they did share these proposals for NEREs with the unions; however, changes have been made in the proposals that will also be shared with the unions. He noted that an exemption process will be included for uncommon extenuating circumstances, which will require the consent of the Office of the State Employer and approval by the State Personnel Director. Mr. Fink stated that OSE will be asking the Unions to agree to add that exemption.

Mr. Fink briefed the Commission on the proposal to impose a freeze on Pay for Performance throughout fiscal year 2004. He indicated that in making this request, they are mindful of concerns about equity and the need to make some adjustments in the future, but hope to send the message to state employees that when issues of equity and fairness arise, employees in higher levels of government are not being treated more generously than others. Mr. Fink responded to questions from the Commission stating that it is difficult to identify precise savings from pay for performance since there is discretion involved, and that this proposal would result in a cost avoidance rather than a cost savings. He responded further that employees in the Pay for Performance category will also be subject to the other proposed concessions. After additional discussion regarding equity issues between the step system and the pay for performance system, and issues with some departments giving pay for performance awards and some not giving them, Commissioner Lewand suggested that the Commission request that staff,

working with the State Employer, study the inequities that are created and come up with some solutions.

Mr. Fink discussed the proposal regarding the Prescription Drug program under the State Health Plan PPO. OSE proposes creating a third co-pay of \$30.00 for non-preferred brand name drugs. The estimated savings from this proposal is approximately \$500,000 for NEREs, and \$1.5 million if accepted by the unions.

Matt Fedorchuk, Compensation Division Director for the Department of Civil Service, provided background information on the compensation schedules with steps, and the performance pay schedules. There are 50,962 employees currently in step schedules, with 27.3 percent currently paid below the maximum. The estimated fiscal year 2003 annual cost of step increases is \$26.7 million. There are 2,974 employees currently in performance pay programs, with 62.1 percent below the maximum base rate. The fiscal year 2002 total cost of performance pay awards was \$5,046,110, and the fiscal year 2003 total cost was approximately \$525,000 prior to the freeze on performance pay awards. A written copy of Mr. Fedorchuk's presentation is by reference a part of the record of this meeting.

Mike Cox, Attorney General, addressed the Commission regarding the proposal to suspend performance pay. Attorney General Cox discussed the Constitutional duty to provide legal services to the State of Michigan and noted the Commission's responsibility to enable the state departments and directors to have the ability to promote and maintain a workforce which helps them carry out Constitutional duties. He stated that if the funds are not there for performance pay, the performance pay cannot occur, and argued that the suspension of the rule is therefore unnecessary. He noted a concern with Civil Service Rule changes made in response to short term problems, and stated he opposes the proposal because it disparately impacts over half of his workforce. Mr. Cox asked that the Commission leave the rules as they are, and let the budget dictate whether performance pay happens.

Brian DeBano addressed the Commission on behalf of the Secretary of State. Mr. DeBano expressed the Secretary of State's opposition to the proposed change to rule 5-3. He stated the issue is about allowing independently elected officials to effectively service the citizens of the State. The Secretary of State believes that this proposed suspension hinders the ability to effectively and efficiently manage the Department of State's resources and the state funds appropriated by the Legislature in order to provide the best service to the people of the State of Michigan. He indicated that for fiscal year 2003, Secretary Land weighed the department's budget and resources against the cost of services they need to provide, and

froze the pay for performance increases for the department for the year. Secretary Land would like the same opportunity for fiscal year 2004. Mr. DeBano stated the Secretary of State believes if step increases are going to be allowed, it is inequitable to not allow increases for pay for performance employees, and asked that the Civil Service Commission oppose the proposed suspension of Pay for Performance.

Mr. David Berquist, employee of the Department of Treasury, addressed the Commission on his own behalf in regard to the wage and benefit concessions for non-exclusively represented employees. Mr. Berquist's written presentation is by reference a part of the record of this meeting.

Andres Friedlis and Gary Calkins, Association of State Employees in Management (ASEM), addressed the Commission regarding ASEM's position regarding the wage and benefit concession proposals. The October 7, 2003 *Request to defer action on NERE wage and benefit concessions proposed by the Office of State Employer until after all unions vote on their OSE Proposals*, and the *ASEM Position Statement on FY 2004 State Budget Issues – Amended September 26, 2003*, are by reference, a part of the record of this meeting. Mr. Calkins noted that as a limited recognition organization ASEM does not represent the majority of the NEREs and therefore does not agree to the OSE proposals on behalf of NEREs. Mr. Calkins suggested that the Commission indicate that if the Legislature does not pass legislation discussed, they would revisit these proposals.

Chairperson Susan Grimes Munsell commented that the Commission is concerned that the sharing of the burden of dealing with the deficit problem be spread equitably across employees, and will look closely at the contracts brought before the Commission. The Chairperson noted also that equitable does not necessarily mean equal.

Larry Chadzynski, Second Vice-President and Compensation Committee Chair for the Michigan Association of Governmental Employees (MAGE), and Brandon Zuk, Legal Counsel for MAGE, addressed the Commission regarding the OSE proposals. Mr. Chadzynski explained that MAGE did not agree to these concessions, and stated that state employees feel they have already done their part to cure the deficit. He stated the great majority of their membership believes that the State has not genuinely considered viable, less deleterious alternatives to wage concessions. Mr. Zuk noted that MAGE appreciates Mr. Fink's statements regarding the need for equity, the Chair's comments, and comments heard from the other Commissioners during the course of this meeting, regarding its commitment to equity. MAGE emphasized that what the Commission is being asked to do today makes it impossible to determine whether indeed equity is being done, because the negotiations are ongoing with regard to the exclusively

represented bargaining units. Mr. Zuk asked that the Commission wait to see the agreements submitted to the Commission for ratification so that they can determine whether there is equity.

Chairperson Susan Grimes Munsell responded that in regard to the waiting issue, if the Commission adopts the proposals today they have the authority to reverse them, if they find that the OSE has not been able to negotiate what they are hoping to.

David Fink responded to comments made, stating that the Governor's office is knowledgeable of the importance of the Constitutional independence of other statewide elected officials, however, noted also that the Constitution vests plenary authority for terms and conditions of employment for all classified state employees in all agencies and departments. While they understand and agree that there is independence among the different elected officials, there still must be consistency in the way that employees are treated, and the benefits available to one group should not be excluded from another.

D. Daniel McLellan noted that the rules require prior public dissemination of information regarding proposed rule changes, and also permit amendments to the rules without prior disclosure with a unanimous vote of the quorum present. A unanimous vote is required to change the rules for Resolutions G-3a, b and c.

On motion duly made and supported, the Commission unanimously approved the following Resolution G-3a, Banked Leave Time Program, by roll call vote.

Sec. 1. The State Employer has submitted a proposal (dated October 2, 2003) recommending reductions in the FY 2004 compensation and benefits for nonexclusively represented employees (NEREs), including a proposal for a banked leave time program. Civil Service staff has prepared draft amendments to Civil Service Rule 2-10, Paid Holidays and Leave, and Rule 9-1, Definitions (Rev A, October 8, 2003) which, if approved, would implement the banked leave time program for NEREs.

Sec. 2. The State Personnel Director has not given prior written notice of the proposed amendments to Rules 2-10 or 9-1, as required in Rule 1-1.1. However, the Civil Service Commission determines that under the circumstances described by State Employer David Fink, the proposed amendments to Civil Service Rules 2-10 and 9-1 require **immediate action** by the Commission and the Commission therefore **waives** the notice requirement of Rule 1-1.1, as authorized in Rule 1-

1.3, in order to consider the proposed amendments to Rules 2-10 and 9-1.

Sec. 3. After consideration, the Civil Service Commission **approves** the attached draft amendments to Rules 2-10 and 9-1, Revision A, dated October 8, 2003, effective immediately.

On motion duly made and supported, the Commission unanimously approved the following Resolution G-3b, Temporary Furloughs, by roll call vote.

Sec. 1. The State Employer has submitted a proposal (dated October 2, 2003) recommending reductions in the FY 2004 compensation and benefits for nonexclusively represented employees (NEREs), including a proposal for temporary paid and unpaid furloughs. Civil Service staff has prepared draft amendments to the Civil Service Rules (draft Rule 5-16, Furloughs, Rev A, October 8, 2003) which, if approved, would implement temporary furloughs for NEREs.

Sec. 2. The State Personnel Director has not given prior written notice of the proposed amendments, as required in Rule 1-1.1. However, the Civil Service Commission determines that under the circumstances described by State Employer David Fink, the proposed amendments require **immediate action** by the Commission and the Commission therefore **waives** the notice requirement of Rule 1-1.1, as authorized in Rule 1-1.3, in order to consider the proposed amendments.

Sec. 3. After consideration, the Civil Service Commission **approves** the attached draft Rule 5-16, Temporary Furloughs, Revision A, dated October 8, 2003, effective immediately.

D. Daniel McLellan responded to a question from Commissioner Pitz that the proposal regarding performance pay awards would suspend performance pay awards for NEREs for all of fiscal year 2004. Susan Grimes Munsell commented that her personal preference would be to not adopt this proposal, noting her thought that this would be implementing an inequity situation. She stated that if that is the feeling of the Commission, they can direct the State Personnel Director to work with the Office of the State Employer to see if there is an alternative way to experience some savings. She noted it would also be an issue in the negotiations.

Commissioner McMillan discussed concerns regarding the suspension of the pay for performance system, and noted there are morale issues when individuals are receiving different levels of increases in compensation. She further noted that this proposal impacts approximately 3,000 employees out of approximately 53,000. Commissioner McMillan concurred with the

Chair's suggestion to ask the State Personnel Director to take a look at the compensation issue as a whole.

Commissioner F. Thomas Lewand noted that without immediately suspending the rule, there is an opportunity for a gross inequity to occur while studying the situation. Commissioner Lewand moved that the proposed resolution be amended to suspend the rule for a six month period, expiring March 30, 2004. The motion was supported by Commissioner Pitz. The Commission approved the motion to amend the resolution to change the date to March 31, 2004.

On the roll call vote, a motion to approve Resolution G-3c as amended failed for lack of unanimity.

On motion duly made and supported, the Commission approved Resolution G-3d, Medical Benefit Plan Prescription Co-pays, by unanimous vote.

Sec. 1. As part of the Coordinated Compensation Plan approved by the Civil Service Commission for FY 2004, the Commission approved an increase from \$12 to \$15 in the co-pay for brand name prescription drugs for nonexclusively represented employees (NEREs), effective January 1, 2004. State Employer David Fink, in a proposal dated October 2, 2003, has requested that the Commission modify the previously approved Medical Benefits Plan prescription drug benefit for NEREs, effective January 1, 2004, as set forth in the attachment to this Resolution.

Sec. 2. The Civil Service Commission **amends** the Medical Benefit Plan for NEREs and **approves** the attached modification to the prescription drug co-pay for NEREs, effective January 1, 2004.

David Fink again addressed the Commission, asking that they suspend pay for performance with instruction to the State Personnel Director and to the Office of the State Employer that they must return at the next appropriate meeting with a clear recommendation that brings equity back to the system. He noted he believes their ability to obtain voluntary agreements that are ratified will be severely harmed, and asked that the Chair reconsider the decision.

John Denniston, Michigan State Employees Association, addressed the Commission to state his disagreement with the decision regarding Pay for Performance.

COMMISSION APPEALS

1. In closed session on October 9, 2003, the Commission considered seven decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

ADJOURNMENT

The meeting was adjourned at 1:30 p.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, John F. Lopez, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of October 9, 2003.

A handwritten signature in black ink, appearing to read "John F. Lopez", with a stylized flourish at the end.

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
December 11, 2003**

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

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:35 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the minutes of the meeting of October 9, 2003.

AMENDMENTS TO THE AGENDA

1. On motion duly made and supported, the Commission approved amendments to the agenda, adding Items G-4g, Letter of Understanding between the OSE and UTEA for employees in the Technical Unit, and G-4h, Letter of Understanding between the OSE and MPE for employees in the Scientific and Engineering Unit.

COMMISSION BUSINESS

1. On motion duly made and supported, the Commission adopted the following resolutions:

Whereas, John F. Lopez has decided to retire from State Government after over 27 years of service, including two years as a special appointee and over eight years as the State Personnel Director for the Department of Civil Service, and

Whereas, John has demonstrated commitment and dedication throughout his career as a public servant, gaining the respect and admiration of his colleagues, and

Whereas, John has demonstrated extensive knowledge of the Department of Civil Service and state government and conveyed that knowledge with the highest level of commitment and focus on excellence, and

Whereas, John, in his many capacities as Personnel Specialist, Executive Assistant, Executive Officer, Assistant Personnel Director, Chief of the Office of Employee Relations and Training with the Department of Public Health, and as Human Resources Director for the Department of Transportation has gained a reputation for accomplishing difficult missions with professionalism and diligence, and

Whereas, John, in his capacity as State Personnel Director has provided exemplary executive leadership to the Human Resources community, including initiating the development of the Human Resources Management Network, developing and implementing a statewide performance evaluation system, developing critically needed regulations to govern all human resources areas, continuously providing guidance and assistance to department officials in human resources management, and serving as a distinguished cabinet member of both Governor John Engler and Governor Jennifer Granholm, and

Whereas, John can now pursue his "second career", and

Whereas, John will be able to spend more time traveling, watching old movies, and spending time with his friends and family, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to John F. Lopez its heartfelt appreciation for his dedicated efforts and many accomplishments during his years of service and particularly to this Commission.

Resolved, that the Commission extends to John its warmest wishes for much health and happiness throughout his retirement.

And,

Whereas, Diane K. Hardman has decided to retire from State Government after over 32 years of service, over 30 of which were with the Department of Civil Service, and

Whereas, Diane has demonstrated commitment and dedication throughout her career as a public servant, gaining the respect and admiration of her colleagues, and

Whereas, Diane has demonstrated extensive knowledge of the Department of Civil Service and state government and conveyed that knowledge with diligence and creativity, and

Whereas, Diane, in her many capacities as secretary and management assistant to the top officials of the Department of Civil Service always demonstrated professionalism, integrity, excellence, and courtesy, and

Whereas, Diane, in her capacity as Senior Executive Management Assistant to the State Personnel Director and the Civil Service Commission for over ten years has provided invaluable assistance in keeping the Executive Office running efficiently and Commission meetings running smoothly, even under difficult circumstances, and

Whereas, Diane, in her retirement, can pursue her passion for gardening, having fun at the lake at her home in Bancroft, Michigan, listening to music, golfing, and basking in the Florida sun during the brutal Michigan winters, and

Whereas, Diane will be able to spend more time with her children, Cindy and Shawn, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Diane Hardman its heartfelt appreciation for her dedicated efforts and many accomplishments during her years of service, particularly to this Commission.

Resolved, that the Commission extends to Diane its warmest wishes for much health and happiness throughout her retirement.

INFORMATIONAL REPORTS

1. The Commission received the following report from John F. Lopez, State Personnel Director.

Unclassified Position Report: Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. I received on October 15, 2003 a request from the Department of Education to establish an unclassified position to serve as the Legislative Liaison for the Office of the Superintendent. This request was approved on October 23, 2003.

Regulations: Civil Service Commission Rules require that I report to the Commission on the promulgation of regulations, which are issued to implement commission rules. Since the last Commission meeting, the following regulations were promulgated or revised:

Regulation 5.19, Temporary Furlough Hours, Effective: 10-12-03

Summary: This new regulation was promulgated to establish the standards governing paid and unpaid furlough hours for Nonexclusively Represented Employees.

Regulation 2.09, Drug and Alcohol Testing Self-Reporting, Effective: 10-26-03

Summary: The regulation was revised to establish a process for departments to notify the Department of Civil Service when an employee voluntarily discloses a drug or alcohol problem. The regulation also describes the responsibilities of the Department of Civil Service and appointing authorities in the event that an employee has had two or more previous disclosures.

Regulation 3.02, Student Assistants in the Classified Service, Effective: 10-26-03

Summary: The regulation was modified to indicate that the Civil Service Student Program Application form (CS-424) is no longer required.

Regulation 4.06, Agency Organization Charts, Effective: 10-26-03

Summary: The regulation was amended to require that departments include levels, rather than position codes, on organizational charts.

Regulation 5.15, Moving Expenses, Effective: 10-26-03

Summary: The regulation was revised to note that approval of the Department of Management and Budget is necessary for the payment of moving expenses.

Regulation 2.01, Implementing a Reduction in Force for Nonexclusively Represented Employees, Effective: 11-9-03

Summary: The regulation was revised to clarify with regard to rights to apply preference for probationary employees without status. The regulation was also revised in regard to employees in SES, SEMAS, and Group 4 to permit employees to apply preference to positions in a classification level in a former class series for which the employee attained status, in addition to the classification level held immediately prior to appointment to the SES, SEMAS, or Group 4 classification.

Regulation 3.09 Establishment, Maintenance, and Duration of Recall Lists for Nonexclusively Represented Employees, Effective: 11-9-03

Summary: The regulation was modified to reflect a new standard to address the appointing authority's responsibility for maintaining recall list records. The regulation was also modified to address the proper pay rate of an employee displaced from a SES, SEMAS, or Group 4 classification receiving pay protection who declines recall to a higher classification where the pay rate exceeds the current pay rate.

NEW BUSINESS

1. Carol Vargovich, Budget and Financial Services Division, Department of Civil Service, briefed the Commission on the Department of Civil Service Budget. Ms. Vargovich summarized the Department's financial activity for the fiscal year 2003 and the budget savings for the fiscal year. The Constitution requires the Civil Service Commission to certify the total aggregate payroll of the classified service for the preceding year. Ms. Vargovich reported that the aggregate payroll for fiscal year 03 totaled \$3,815,705,421. One percent of the payroll is \$38,157,054, and is the funding base for fiscal year 03/04. Ms. Vargovich also reported on the fiscal year 04 appropriation and reductions in the Commission approved budget, and summarized the fiscal year 05 budget proposal. She further discussed the under-requested 1% Civil Service budget compared to the 1% aggregate payroll. Ms. Vargovich's written presentation is, by reference, a part of the record of this meeting.

On motion duly made and supported, the Commission approved Resolution G-1a, Certification of Aggregate Payroll by the Michigan Civil Service Commission:

The Civil Service Commission, in fulfillment of the Constitutional requirement to certify the aggregate payroll of the classified service for the preceding fiscal year, certifies a payroll of \$3,815,705,421, as recorded in the state's Michigan Administrative Information Network as of November 15, 2003, for the fiscal period October 1, 2002 to September 30, 2003.

On motion duly made and supported, the Commission approved Resolution G-1b, A Budget Resolution of the Michigan Civil Service Commission:

1. On December 10, 2003, Governor Jennifer Granholm issued Executive Order (EO) 2003-23. EO 2003-23 provides for statewide expenditure reductions exceeding \$379 million in order to meet reduced revenue estimates. As part of the statewide reductions, EO 2003-23 provides that the general fund appropriations for the Department of Civil Service be reduced by **\$220,063** for FY 03-04.
2. Consistent with its constitutional authority, and recognizing the impending revenue shortfall and prior actions of the State Personnel Director, the Civil Service Commission hereby reduces the previously-approved FY 03-04 budget for the Department of Civil Service by **\$4,678,163**.
3. The State Personnel Director is authorized to take any action necessary to implement the provisions of this Resolution so that expenditures of the Department of Civil Service are reduced as specified for FY 03-04.

On motion duly made and supported, the Commission approved Resolution G-1c, Approval of Department of Civil Service Fiscal Year 05 Budget by the Michigan Civil Service Commission:

The Civil Service Commission approves the fiscal year 05 budget proposal for the Department of Civil Service totaling \$32,133,837.

2. Matthew Fedorchuk, Department of Civil Service Compensation Director, presented the Coordinated Compensation Proposal for Fiscal Year 2005. The Coordinated Compensation Panel recommends approval of the following:

- A four percent across-the-board pay increase to be effective October 1, 2004.
- Renewal of the Professional Development Fund for MSC employees with funding of \$150,000, and renewal of the Professional Development Fund for B & A unit employees with funding of \$50,000.

In addition, the Panel recommends Commission support of the following:

- Any future adjustments to the approved pay increase be made subsequent to any collectively negotiated adjustments affecting exclusively represented employees.

David Fink, Director, Office of the State Employer, addressed the Commission regarding the proposal that future adjustments be made only subsequent to any negotiated adjustments affecting exclusively represented employees. Mr. Fink commented that the Commission may choose on a case-by-case basis not to approve proposed adjustments to compensation for NEREs until comparable adjustments have been negotiated for represented employees. However, he asked that the Commission not constrain itself in terms of how they must handle compensation adjustments in the future.

On motion duly made and supported, the Commission approved the Coordinated Compensation Panel Report except for the second paragraph on Page 7.

The Commission does not adopt the recommendation that any future adjustments to the Commission's approved plan be made subsequent to, and in light of, any collectively negotiated adjustments affecting exclusively represented employees, as provided in Rule 5-1.3.

3. Matthew Fedorchuk presented the Unclassified Salary Proposal for Fiscal Year 2005. Staff proposes that the Commission transmit the following recommendations to the Governor and Legislature for Fiscal Year 2005:
 - A 4 percent merit increase.
 - Approval by the legislature of line-item funding necessary to support these recommendations.

On motion duly made and supported, the Commission approved the Unclassified Salary Proposal for Fiscal Year 2005.

4. John Gnodtke presented information on the Fiscal Year 2003-2004 concession agreements. The State Personnel Director has given interim approval with the consent of the Chair on the concession agreements with MSEA, MPE, UTEA, UAW, and MCO. Mr. Gnodtke presented the following interim agreements to the Commission for their approval:

G-4a: Letter of Understanding --OSE & MSEA

This interim approval provides for banked leave time, furlough day, copay levels, seniority transfers and concession suspension in the event of layoffs ("no layoff guarantee") for Safety and Regulatory and Labor and Trades Units.

G-4b: Letter of Intent – OSE & MSEA

This interim approval provides for furlough hours for Safety & Regulatory and Labor & Trades Units.

G-4c: Letters of Understanding – OSE & MPE

This interim approval provides for banked leave time, furlough days, retirement assurances, limited-term appointments, lunch length, concession suspension in the event of layoffs or hours reductions ("no layoff guarantee"), and Memorandum of Understanding for Scientific & Engineering Unit.

G-4d: Letters of Understanding and Amendments – OSE & UTEA

This interim approval provides for banked leave time, furlough days, retirement assurances, limited-term appointments, assignment and transfer, grievance handling, lunch length, concession suspension in the event of layoffs or hours reductions ("no layoff guarantee"), and Memorandum of Understanding for Technical Unit.

G-4e: Letters of Understanding and CBA Amendments – OSE & MCO

This interim approval provides for medical leave of absence for disability, assignment closing, compensatory time accrual, efficiency advisory committee, sick leave for birth of child, and banked leave time for Security Unit.

G-4f: Letters of Understanding – OSE & UAW

This interim approval provides for furlough (“temporary layoff”) days, concession suspension in the event of layoffs or hours reductions (“no layoff guarantee”), limited-term review, caseload review committees, training fund, retirement assurance, private letter ruling, and banked leave time for Administrative Support and Human Services Unit.

G-4g: Letter of Understanding – OSE & UTEA

Request for approval to provide for pro-rating of furlough hours for Technical Unit.

G-4h: Letter of Understanding – OSE & MPE

Request for approval to provide for pro-rating of furlough hours for Scientific & Engineering Unit.

5. David Fink addressed the Commission regarding questions on the concession agreements. Mr. Fink expressed gratitude to the leadership of the unions representing state employees to find a way to make adjustments in their collective bargaining agreements during this difficult budget crisis. Chair Susan Grimes Munsell referenced the handout prepared by Mr. Fink regarding targets that were established of how much savings is being asked for each of the bargaining units.

Andre Friedlis and Gary Calkins, Board members of the Association of State Employees in Management (ASEM), addressed the Commission regarding the concessions that the NEREs have been asked to give in helping with the budget crisis and that of the bargaining units. On October 9, 2003, Mr. Friedlis had addressed the Commission and asked to delay the imposition of the State Employer’s request to impose furlough days, banked leave time, 3-tiered prescription, etc. for NEREs until after the results of the negotiations through union contracts was completed. Mr. Friedlis’ stated concerns were with the inequities that might result if the process went ahead as scheduled. He stated he feels the concessions are inequitable between the NEREs and the bargaining units and reminded the Commission of comments made at the October 9, 2003 meeting. At that meeting it was indicated that there would be a sharing of the burden dealing with the deficit problem and that it should be spread equitably across all the

employees. Mr. Friedlis described some of the inequities to the Commission regarding furlough days, banked leave time, pay for performance and unclassifieds not being required to participate in furlough days. ASEM requests that the loss, as the result of the pay for performance being suspended, should be applied to the concessions for the NEREs. ASEM requests that the Commission adjusts the furlough days, prescription co-pays and pay for performance.

When asked, State Personnel Director, John F. Lopez, indicated that the Governor issued a directive to cabinet members in January 2003 and was followed by an official executive directive.

Gary Calkins addressed the Commission regarding the concessions made where training was utilized for concessions for some unions rather than taking pay away for employees. ASEM suggests to take the training costs approved today by the Commission and roll that into the concessions and eliminate the training program for NEREs.

Susan Grimes Munsell addressed ASEM regarding the chart Mr. Fink provided in respect to the target figures used for concessions. She indicated these figures were computed based on the total savings goal and the cost of compensation for the various units. She stated the Commission feels that it is a fair target as it was based on compensation and it is the conclusion by the Commission that the targets were calculated in a proper manner. Susan Grimes Munsell noted an important point that Mr. Calkins shared regarding the training costs.

Brandon Zuk, on behalf of MAGE, addressed the Commission expressing appreciation on their commitment to equity. He indicated MAGE supports the various letters of understanding brought to the Commission for approval, however, MAGE urges the Commission to recognize the commitment to equity that has been expressed has not been achieved when one compares concessions being agreed to with exclusive represented employees vs. NEREs who have not had the benefit of the collective bargaining process. MAGE urges and requests the Commission to remember the NEREs and revisit the concessions that have been imposed. Mr. Zuk further discussed the concern of employee morale for those making bigger sacrifices than others and stated that it appears the overall burden has been placed on those that have not had the opportunity to negotiate. He described the inequities for NEREs as the no guarantee of no further layoffs, no guarantee in further reduction in work hours, larger increase in prescription copays, greater furlough hours, and pay for performance freeze.

Mr. Zuk commented on the chart that was prepared by Mr. Fink regarding the numbers of NERE employees in comparison to overall state employment. He stated that it appears the NEREs have twenty-five percent

of total state employment and the total cuts amount to one-third and, if you proportionately reduce everyone's compensation, the difference between managers and supervisors and the rank and file becomes less and less in dollar terms. He indicated that this would pose retention and recruitment issues and a big morale issue. MAGE requests that the Commission revisit the cuts that have been imposed on NEREs.

Susan Grimes Munsell readdressed her statement regarding the chart being proportionate, but indicated the target line was computed by everyone taking the same number of furlough hours and the same banked leave time at their rates of pay. The reason it is higher on a per employee basis is because when you save a furlough hour of pay for a NERE, it is more of a savings than if you furlough an hour of pay for a UAW member.

Michael Lockwood, UAW 6000 member, speaking on his own behalf, spoke in opposition to Agenda Item G-4f, UAW concession agreement, which he believes was violated by Attorney General Michael Cox by laying off two members of the UAW Local 6000. He stated this is a violation of the "no layoff guarantee." The program indicates that if a layoff does occur, then the banked leave time would be suspended for all members of the bargaining unit.

Susan Grimes Munsell inquired as to whether this would be something that may come back to the Commission at a later date in the form of an appeal. General Counsel, D. Daniel McLellan responded that this may be a matter for arbitration under the collective bargaining agreement if there is a violation of the "no layoff guarantee."

Mr. Lockwood commented that he doesn't understand how the Commission can approve something that already is in violation. He requested the Commission to review and investigate whether the "no layoff guarantee" has already been violated prior to approving the Letters of Understanding.

Susan Grimes Munsell stated that on November 26, 2003, temporary approval was granted on the Letters of Understanding. She informed Mr. Lockwood that his issue should be raised by the Union with the Office of the State Employer. General Counsel, D. Daniel McLellan indicated it is conceivable that this could come to the Commission as an unfair labor practice charge. Susan Grimes Munsell indicated she is hesitant to have too much information shared, other than to inform Mr. Lockwood of the method necessary to take regarding his complaint. Mr. Lockwood requested the Civil Service Commission to overrule the approval and asked the Commission not to approve the concessions.

Sharon Rivera, Financial Secretary Treasurer, UAW Local 6000, expressed gratitude to Mr. Fink on his earlier comment regarding the leadership of

UAW Local 6000. Ms. Rivera stated it was misdirected and that it is the membership who burdens the concessions and who ratified these concessions. Ms. Rivera also discussed Attorney General Mike Cox's argument that pay for performance was the only method he had to provide additional motivation to those employees who were eligible for pay for performance. She stated Mr. Cox granted \$289,000 worth of bonuses in September 2003 and in October, Mr. Cox hired additional staff. She further stated that in November 2003, Mr. Cox issued a layoff notice to two secretaries in the UAW bargaining unit. She indicated this was going on while members of the UAW were voting on the Letters of Understanding. Members voted on concessions with the understanding that no one would be laid off. Ms. Rivera stated that they have not been in favor of a merit pay program and that those NEREs in pay for performance programs who are not at the top of their pay scale, should go back to the old system where you receive step increases.

David Fink addressed the Commission to clarify concessions regarding the unclassifieds. He indicated that the unclassifieds are not taking furlough hours or days, however, those unclassifieds participate in the benefit program in regards to copays and do participate in the banked leave time. The distinction between the unclassifieds and other NEREs is that although the Coordinated Compensation Plan recommended a three percent increase for the unclassifieds, that increase did not occur. As such, he stated in comparison, the unclassifieds took a slightly larger cut than the NEREs. With respect to banked leave time, Mr. Fink clarified that it is not true that any bargaining unit has only 96 hours or less. Some of these commitments go beyond the end of the fiscal year and the total package is consistent with the spreadsheet that was provided. He further noted that some of the concessions will carry into the next fiscal year. In reference to furlough hours with respect to the NEREs taking four hours in a week, Mr. Fink clarified that this only applies to exempt employees. Mr. Fink stated, as far as pay for performance, he wanted to be clear about this and had stated at the previous meeting that we do support, and are interested and intend to work with the Commission to identify a way to bring some equity back to those persons who are disproportionately impacted by the freeze on pay for performance in the near future. Mr. Fink clarified further the basic issue of compression. The concessions exacerbate the issue of compression, and these concessions are intended to have a percentage-equivalent impact on employees. However, when that is done, there would inevitably be a slight reduction in the spread of employees who are supervisory and those that are line employees.

Mr. Fink responded to a comment presented by Ms. Sharon Rivera regarding expressing gratitude to the leadership of the unions. He indicated over 7,000 members of UAW voted to support this difficult package. Thousands of employees in MSEA and MCO voted to sacrifice for the

benefit of the State of Michigan. He stated at the same time, they are grateful to the NEREs for the sacrifices they have made, and will work with the Commission wherever possible to ensure things are not inequitable.

Susan Grimes Munsell stated that one bargaining unit turned down an agreement and an outstanding agreement is being considered by AFSCME that will be addressed at the next meeting. What is before the Commission are the agreements presented by Mr. Gnodtke and it is the Commission's intention to look now at this data and then reconsider whether or not there are changes to take up for consideration for the NEREs.

Commissioner Thomas Lewand stated for the record the desire from all Commissioners, collectively, of our strong desire to revisit these equity issues and that the State Employer is very agreeable to that process.

On motion duly made and supported, the Commission unanimously approved each of the Letters of Understanding for Resolutions G-4a through G-4h regarding concessions as presented by John Gnodtke.

Commissioner Sherry McMillan clarified the commitment from the Commission to review the NERE situation at the next Commission meeting.

COMMISSION APPEALS

1. In closed session on December 11, 2003, the Commission considered 18 decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

ADJOURNMENT

The meeting was adjourned at 12:15 p.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, Janet McClelland, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of December 11, 2003.



**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
February 20, 2004**

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

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:20 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the minutes of the meeting of December 11, 2003.

INFORMATIONAL REPORTS

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

Unclassified Position Report: Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. I received on January 7, 2004, a request from the Department of Labor and Economic Growth to establish an unclassified position to serve as the Special Assistant to the Director. This request was approved on January 21, 2004.

I received on January 29, 2004, a request from the Department of Civil Rights to establish an unclassified position to serve as the Public Information Officer. The position of Director of the Partnership Team has been abolished. This request was approved on January 29, 2004.

Regulations: Since the last meeting no new regulations were issued or revised.

2. David Fink addressed the Commission on the issue of equity for non-exclusively represented employees in the context of the concessions and

the freeze on pay for performance. At the last Civil Service Commission meeting, the Commission asked that the Office of State Employer look closely at the impact of the concessions package and the freeze on pay for performance for non-exclusively represented employees. Mr. Fink indicated that he provided information to the Commissioner's about the equity of the concessions and the extent that we could balance the fairness of the concession package between the non-exclusively represented employees and those that are represented. Mr. Fink discussed those employees (Groups 2 and 3) who had previously received base-pay increases through step-increases and where they were comparable to employees who get step increases. He stated that it did not appear to be equitable that their pay rates had been frozen because pay for performance had been frozen.

Mr. Fink also discussed actions to be taken and not to be taken in response to the Commission's previous inquiries. With respect to employees in Group 4, he stated that a close look was taken on the issue and recommended those employees should remain in pay for performance. Many employees in Group 4 will not get pay increases unless they are promoted. He indicated that it is hoped when the economy is stronger and we return to pay for performance awards, that it will be in the best interest of the State, and the best interest of those employees to have the opportunity to continue to participate in pay for performance.

With respect to employees in Group 2, with exceptions, but particularly in Information Technology, many of those employees are not being treated equitably compared to other employees who are similarly situated in the State because they have not been able to have base pay increases for quite some time. Mr. Fink stated he consulted with the Director of Information Technology, Teri Takai, who requested that we put Groups 2 and 3 Information Technology employees back into the step system. Those employees could be converted consistent with current Commission rules. When the economy is stronger, those employees will not go back to pay for performance, but will remain in step increases. The State Employer will continue to work with the Commission on the creation of new pay steps.

Mr. Fink also discussed that there is a significant issue on pay for performance with State Police positions in pay for performance classifications. He stated that State Police Director Colonel Tadarial Sturdivant felt that it is not equitable that some Group 3 employees within State Police are going without pay increases for an extended period of time. Mr. Fink further stated that this is not an exception to the freeze in place. These employees will no longer be in pay for performance and a request will be submitted to move them to the step system. Other employees, particularly in the Family Independence Agency and other agencies where there are some Group 3 employees who are in pay for performance, could also be converted to step increases if it is consistent with the department's

business plan. Mr. Fink added that this is also being made available to the Office of Attorney General.

Gary Calkins, Association of State Employees in Management (ASEM), addressed the Commission on the issue of pay for performance. Mr. Calkins noted that he sees little difference in those employees that are in Groups 3 and 4. He stated that employees accepted managerial positions with the assumption that they would receive pay increases. He discussed those employees who have not reached their fixed control point, where increases are based only on performance and a bonus. He stressed that those employees should also be placed back in the step system. Mr. Calkins commented on Mr. Fink's consideration to employees in Groups 2 and 3 and placing them back in the pay step system at the respective department director's request. He noted that employees in Group 4 are scattered over all departments and do not have a director to speak on their behalf. Mr. Calkins also inquired into the issues he raised at the last meeting regarding the inequity of concessions. He asked that the Commission give consideration to addressing this issue.

NEW BUSINESS

1. Draft Amendments to Civil Service Rules

Dan McLellan reported on the following proposed amendments:

Rule 8-3 (Technical Complaints) and Rule 9-1 (Definitions): The amendments clarify that the Technical Qualification complaint process is also open to non-employees to file a technical complaint.

Rule 1-8 (Prohibited Discrimination) and Rule 9-1 (Definitions): At the request of Governor Granholm in an executive directive adding "sexual orientation" to the list of prohibited bases of discrimination within State service and providing definition of "sexual orientation" which was not defined in the executive directive.

Rule 2-17 (Retirement) and New Rule 5-17 Deferred Retirement Option Plan (DROP): The Legislature has proposed to permit eligible State Police Command Officers to remain on active duty and collect partial retirement benefits. The legislation has passed in the House, but has not passed in the Senate. The Office of the State Employer requests special compensation rules for DROP participants which permit early payoff of sick leave, annual leave and compensatory leave; eliminate new sick leave and longevity payments; and limit new annual leave accruals. Mr. McLellan asks the Commission to table these provisions as the legislation has not

been enacted and will bring it back to the Commission at such time when the Legislature has acted.

On motion duly made and supported, the Commission unanimously approved tabling the proposed amendment and new rule regarding the DROP proposal.

Brandon Zuk, Michigan Association of Governmental Employees (MAGE), requested to speak to the Commission on this proposal. He stated that MAGE is asking the Senate to expand the proposal that has been passed by the House so that it will not only cover State Police Command Officers, but also other managers, supervisors, and confidential employees occupying what are considered covered positions for purposes of the State Employees Retirement Act. If this proposal is successful with the Legislature, the Commission will be asked to adopt a correspondingly expanded version of the proposal that is before the Commission and is now being tabled.

2. Dan McLellan presented information on the Letter of Understanding amending the "no layoff guarantee" between OSE and the UAW.

This interim approval clarifies the procedures related to possible suspension in the event of layoffs and the reduction of hours.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding the "no layoff guarantee."

COMMISSION APPEALS

1. In closed session on February 20, 2004, the Commission considered 14 decisions of the Employment Relations Board. Copies of the Review Sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

PUBLIC COMMENT

1. David Fink requested to address the Commission to comment on the rescission of Civil Service Rule 6-7.5 (Dues & Fees – Annual Notice Rights). Mr. Fink indicated he hopes after hearing the administration's perspective that the Commission would consider placing this on their agenda as a future item.

Mr. Fink explained the premise of the Civil Service Commission as a neutral arbiter of labor management relations for the State of Michigan. The Constitution also gives the Commission plenary authority over all rights of State employees. Mr. Fink stated the concern of the administration regarding

this rule, whereas, a special notice is sent advising exclusively represented employees of their rights to join a bargaining unit or not join. The notice is not sent to employees who are not exclusively represented. He further commented that a letter is sent every year to exclusively represented employees telling them that Commission rules prohibit political activity while on the job, yet that same notice is not sent to non-exclusively represented employees. He noted that the bias is clear in that it demonstrates a difference between exclusively and non-exclusively represented employees. He stated that the rule tells our lower-paid employees that they cannot participate in political activity while on the job, but higher paid employees are not advised that they cannot participate in political activity.

Mr. Fink also stated that the notices contain negative information about participating in a union. The notice also informs employees of their rights if they choose not to be in the union. They are also told that the federal law will protect them. He stated that what employees are not told in the notice is why they should belong to a union. Mr. Fink indicated that notices are not sent to employees regarding discrimination, specifically the amendment regarding sexual orientation, military leave, rights to file grievances and unfair labor practices. Mr. Fink stated that these are more of a fundamental right to employees.

Mr. Fink suggested that the Commission review the practices of other organizations, such as General Motors, who would have unfair labor practice charges if they sent out this type of notice. The National Labor Relations Board (NLRB) and MERC do not send notices, nor does the United States Congress who passes laws that affect employees' rights. He stated there are ways to get this type of information to employees through a provision in another rule which has posting requirements that can be seen by all employees, and is also on the web-site. Mr. Fink stated that this policy makes this Commission appear to be anti-union or anti-labor. Mr. Fink asked the Commission to consider at a future meeting the rescission of this rule as it is inconsistent with the intent and the policies of the Commission.

Mary Ellen Gurewitz, Sachs, Waldman Law Firm, also addressed the Commission on Rule 6-7.5. She stated she was involved in 1998 when the rule was first adopted. She provided information regarding the history of the rule, which was introduced at the request of former Commissioner Robert Hunter. She stated Mr. Hunter was particularly interested in what is called Beck rights. She informed the Commission that the NLRB has required that private sector unions give notice to their employees regarding their rights to join or not join the union. She indicated there has been a great deal of litigation on how that information is to be conveyed. The Supreme Court held that private sector employees have the right to not be union members as do public sector employees. Most public sector unions send notices to their members on an annual basis about membership and the ability to pay service

fees. The unions that represent State employees were doing that prior to the adoption of this rule. Civil Service Commission Rules already advise employees that they have the right not to be members but service fee payers, and the rules have a fair amount of information about the rights of service fee payers.

Ms. Gurewitz also stated the collective bargaining agreements, which the Commission approves, inform employees that they can pay a service fee rather than be a member of the union. She further indicated that there is no evidence that employees are not aware of their rights, or that there is an increase in service fee payers as a result of this notice being sent. Ms. Gurewitz indicated she concurs with Mr. Fink on the issues he raised and that this notice is not just unnecessary, but also unfair and discriminatory. She asks the Commission to consider rescinding this rule as it requires the wasteful, limited government resources to tell employees what they already know.

Susan Grimes Munsell stated she would like to defer the issue of rescinding Rule 6-7.5 until the next meeting. She noted that Mr. Fink laid out some excellent commentary regarding things employees are not notified about.

Mr. Calkins readdressed the Commission regarding concessions. He asked whether the Commission would take any further action on concessions as was indicated in the last Commission meeting. Chairperson Susan Grimes Munsell, with the support of the full Commission, commented that the Commission is very committed to the issue of concessions and equity. She stated that the Commission had the opportunity to review David Fink's numbers in detail in terms of the value of the various packages of concessions. She indicated the Commission is convinced that they are as close as possible in terms of equity for this fiscal year. The Commission does not anticipate any changes.

ADJOURNMENT

The meeting was adjourned at 11:12 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, Janet McClelland, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of February 20, 2004.



**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
April 29, 2004**

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

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:25 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the minutes of the meeting of February 20, 2004.

INFORMATIONAL REPORTS

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

Unclassified Position Report: Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. I received on February 19, 2004, a request from the Department of Attorney General to establish an unclassified position to serve as the Director of Public Affairs. The position of Director of Community Outreach has been abolished. This request was approved on February 24, 2004.

I received on February 26, 2004, a request from the Department of Environmental Quality to establish an unclassified position to serve as the Executive Office Assistant to the Director of the Office of Communications. The position of Director of the Partnership Team has been abolished. The position of Legislative Liaison has been abolished. This request was approved on March 4, 2004.

I received on February 24, 2004, a request from the Department of Corrections to establish an unclassified position to serve as the Sentencing Guidelines Specialist. This request was approved on February 26, 2004.

Regulations: Since the last meeting no new regulations were issued or revised.

2. Jim Farrell addressed the Commission and provided an update on the HR Optimization Project. Mr. Farrell gave an overview on the business challenges and objectives, project governance, MI HR Service Center, the organizational changes and the progress to date. He stated the project is on time and on budget. He discussed the next steps for this project which include installing and fine tuning the application into the State of Michigan environment, continuing with organizational change sessions, communications and launching the MI HR Service Center. The launching of the center will begin in August with our group benefits open enrollment for all agencies. Mr. Farrell's presentation then identified agencies which will be phased in at different dates for all the other services the MI HR Service Center will provide. Mr. Farrell's written presentation is, by reference, a part of the record of this meeting.
3. Matt Fedorchuk updated the Commission regarding the conversions from pay for performance back to step and pay grade schedules for Groups 2 & 3 Information Technology (IT) and Non-IT employees. He stated that the Department of Civil Service is circulating for review and comment Regulation 5.07 on Performance Pay Programs. The amendments to the regulation removes language regarding the IT performance pay plan including any language relating to signing bonuses and issuing critical bonuses that were part of the original regulation. He further stated that at the same time, agencies were encouraged to identify other Group 2 & 3 Non-IT conversions to be made. Mr. Fedorchuk indicated that MEDC, FIA, and DIT requested a list of classifications in Groups 2 & 3 to be converted to the pay step plan. Those took place along with the IT conversions at the end of March. Mr. Fedorchuk's written presentation is, by reference, a part of the record of this meeting.

UNFINISHED BUSINESS

1. Draft Amendments to Civil Service Rules

Dan McLellan reported on the proposed amendment to Rule 2-17 (Retirement) and New Rule 5-17 Deferred Retirement Option Plan (DROP), which was discussed at the last Commission meeting. At that time, the Commission tabled the proposed amendment and new rule pending legislation enactment. Governor Granholm signed legislation on April 22, 2004, which creates a Deferred Retirement Option Plan to permit eligible State Police Command Officers to remain on active duty and collect partial retirement benefits. Mr. McLellan's written presentation is, by reference, a part of the record of this meeting.

On motion duly made and supported, the Commission unanimously approved proposed amendment to Rule 2-17 (Retirement) and New Rule 5-17 Deferred Retirement Option Plan (DROP).

NEW BUSINESS

1. Dan McLellan presented information on the Letter of Understanding between Office of the State Employer (OSE) and the United Technical Employees Association (UTEA).

This interim approval is a change in the restricted transfer policy for technician level eight (8) vacancies and is entered into for a trial of one year from the date of signing.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding the "assignment and transfer."

2. Dan McLellan presented information on Letters of Understanding as follows:

E-1: Letter of Understanding --OSE & AFSCME

This interim approval provides for banked leave time, retirement assurances, compensatory time, testing, health care, and contract review discussions, employee education and resource fund, concession suspension in the event of layoffs or hours reductions, prescription drug copays and limited-term appointments for the Institutional Unit.

Mr. Fink spoke briefly to the Commission regarding their ability to work out the agreement with AFSCME. He indicated that this agreement includes the 3-tier prescription drug co-pay that not all the negotiated concessions packages included.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding concessions.

E-2: Letter of Understanding – DLEG & UAW Local 6000

This interim approval allows for applying the existing secondary collective bargaining agreements in MSHDA, the Department of Career Development, and the Family Independence Agency to employees of those departments who were transferred to the DLEG at its creation.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding the secondary agreements.

E-4: Letter of Understanding – DOS & UAW Local 6000

This interim approval provides for a one-day shut down of the Department of State for the purpose of using unpaid furlough hours on either July 2 or September 3, 2004.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding the one-day shutdown.

E-5: Letter of Understanding – DOS & MSEA

This interim approval provides for a one-day shut down of the Department of State for the purpose of using unpaid furlough hours on either July 2 or September 3, 2004.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding the one-day shutdown.

E-6: Proposed Amendment to Rules

This proposal to the rules is to add requirements to Rule 1-4 that the State Personnel Director communicate periodically with classified employees on matters of interest, and repeals Rule 6-7.5 that requires notices only to exclusively-represented employees on dues-related issues.

Commissioner Lewand commented that this solves some of the problems that have been heard at a previous meeting and encouraged staff to work with OSE and representatives of the non-represented employees.

Mr. McLellan addressed Commissioner Lewand's comment that the amendment to Rule 1-4.2 specifically permits the State Personnel Director to communicate jointly with others including the OSE and Office of Retirement Services.

On motion duly made and supported, the Commission unanimously approved the proposed amendments to the rules.

E-7: Letters of Understanding - OSE & SEIU 517-M

This interim approval provides for banked leave time, concession suspension in the event of layoff ("employment and continuing condition guarantee"), DLEG overtime and scheduling discussions, UA dress code and mentoring discussions, limited-term appointments, prescription drug committee, DLEG veterans preference committee and letter of intent for the Human Services Support Unit.

Mr. Fink addressed the Commission and spoke on the last item regarding Commissioner Lewand's issue of cooperation in terms of communication.

Mr. Fink stated that they have had wonderful cooperation and communication with the Department of Civil Service with respect to any communications with state employees and is grateful for that. He stated the Department could not be any more inclusive in cooperating with OSE and seeking their assistance and input.

With respect to item E-7, Mr. Fink expressed relief and gratitude to this bargaining unit who worked so hard to reach agreement at such a difficult time.

On motion duly made and supported, the Commission unanimously approved the Letter of Understanding regarding concessions.

PUBLIC COMMENT

1. Mr. Andre Friedlis, ASEM, addressed the Commission concerning agenda items E-4 and E-5. He addressed the issue on the scheduled one-day shutdown unpaid furlough day for NERE's with the Department of State.

Mr. McLellan responded to Mr. Friedlis that in respect to NERE's, Civil Service Commission approval is not required.

COMMISSION APPEALS

1. In closed session on April 29, 2004, the Commission considered 14 decisions of the Employment Relations Board. Copies of the review sheets indicating the Commission's actions on these decisions are on file in the Department of Civil Service.

ADJOURNMENT

The meeting was adjourned at 11:15 a.m.

NOTE

1. Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020.)

I, Janet McClelland, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of April 29, 2004.



**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
July 22, 2004**

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

CALL TO ORDER

1. The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:10 a.m., in Conference Room A, Lower Level, Capitol Commons Building, 400 S. Pine Street, Lansing, Michigan.
2. On motion duly made and supported, the Commission approved the minutes of the meeting of April 29, 2004.

AMENDMENTS TO AGENDA

1. Chairperson Susan Grimes Munsell amended the Agenda with the addition of Item E-8, Appointment to the Employment Relations Board.

INFORMATIONAL REPORTS

1. The Commission received the following report from Janet McClelland, Acting State Personnel Director.
Unclassified Position Report: Civil Service Commission Rules require me to report on the establishment or abolition of positions in the unclassified service. I received on May 7, 2004, a request from the Department of Attorney General to establish an unclassified position to serve as the Senior Research Analyst. The position of Director of Public Affairs was abolished. This request was approved on May 24, 2004.

I received a request on June 3, 2004, from the Department of Attorney General to reestablish the unclassified position of the Director of Public Affairs. This request was approved on June 18, 2004.

I received a request on June 7, 2004 from the Department of Natural Resources to establish an unclassified position to serve as the Chief Deputy and Chief of Staff. The position of Conservation Policy Advisor has been abolished. This request was approved on June 17, 2004.

Regulations: Civil Service Commission Rules require that I report to the Commission on the promulgation of regulations, which are issued to implement commission rules.

Since the last Commission meeting, the following regulations were revised and reissued:

Regulation 5.07, Performance-Pay Programs – Effective May 9, 2004

Summary: The regulation was amended to remove language regarding the information technology performance pay program. This change brings the information technology classifications' pay structure more in line with those of other Group 2 and 3 classifications.

Regulation 4.08, Working Out Of Class – Effective June 6, 2004

Summary: The regulation was amended to clarify the time period for a working out of class assignment. A working out of class assignment cannot exceed 26 pay periods.

Regulation 4.03, Establishing and Reclassifying Positions in the State Transitional and Departmental Trainee Classifications

Summary: The regulation was revised to clarify that the purpose of the State Transitional Professional is to facilitate career movement of employees in a professional or SEMAS classification, employees with a bachelor's degree or higher in a nonprofessional classification, or employees who possess the alternate education and experience for entry into a professional classification.

Acting Director McClelland also reported that, in response to the Civil Service Commission's April 27, 2004 action to amend the rules by adding Rule 1-4.2, Communication with Employees, MI Civil Service News was developed and issued to state employees. Four topic areas were highlighted in the first issue, which included: (1) MI HR, (2) Long-Term Care Insurance Open Enrollment, (3) Voluntary Work Schedule Adjustment Program, and (4) Political Activities.

Finally, Ms. McClelland reported that the Department of Civil Service met with the China Ministry of Personnel to discuss human resources processes in the State of Michigan classified service.

2. Nancy Foltz, Office of Great Workplace Development, provided a presentation regarding the vision and values initiative, the impact of 360 feedback process, and the vision to make Michigan a great place to do great work. Ms. Foltz's written presentation is, by reference, a part of the record of this meeting.

David Fink, Office of the State Employer, also presented information to the Commission regarding the vision of the 360 tool and its correlation with the current performance management program. He stated that it is their hope that the 360 tool can be blended with the current performance management program, but the intent is not to replace the current performance management program. The results and processes will be validated to make sure that the positive aspects of the performance management system are not given up.

Commissioner Lewand commented that the Commissioners would have questions as the program develops.

NEW BUSINESS

1. Howard Pizzo and Rhonda Whiting, Department of Management and Budget, addressed the Commission regarding approval of two changes in the reimbursement rates under the Standardized Travel Regulations applicable to non-exclusively represented employees. Mr. Pizzo requested that the FY-04 rates be amended, increasing the mileage rate to 32.7 cents per mile, and to provide for the reimbursement of auto policy collision deductibles, up to \$500 per accident effective immediately. He also requested that the Commission adopt the rates for FY-05. No change in travel reimbursement rates was requested.

Dan McLellan addressed the Commission requesting approval of a request from State Employer David Fink to amend mileage rates and to authorize the State Personnel Director to approve letters of understanding relating to the amendments.

On motion duly made and supported, the Commission unanimously approved the Standardized Travel Regulations.

2. Dan McLellan presented information on amendments to the following Rules:

E-2: Proposed Ethics Rule Amendment

Three proposals were presented regarding Rule 2-8 (Ethical Standards and Conduct), Rule 6-5 (Rights of Employees), and Rule 6-8 (Recognition Rights for Labor Organizations). The proposals exclude all employees in the Department of Civil Service and the Office of State Employer from joining or being represented by a Limited Recognition Organization (LRO);

exclude Human Resource employees from being an officer with an LRO; and exclude Human Resource employees from representing fellow employees represented by an LRO.

Andre Friedlis, Association of State Employees in Management (ASEM), expressed opposition to the proposed amendments to Rules 2-8, 6-5, and 6-8. He indicated there had not been conflicts previously and the LROs do not have any bargaining rights.

David Fink addressed the Commission in support of the exclusions. He indicated that the change would bring more clarity to the integrity of the process, and that over time it is hoped the LROs would have more opportunity to participate in a meaningful way. He discussed the current circumstances where a President of an LRO could also be a labor relations representative on the other side of the bargaining table. If we can avoid these conflicts, we believe over the long run we will be able to work with the Civil Service Commission to give LROs more recognition and fewer limits.

On motion duly made and supported, the Commission unanimously approved the amendments to Rules 2-8, 6-5, and 6-8.

E-3: Amendments to Rule 2-12, Leave of Absence Without Pay

As a result of a recent court decision, *Yarborough v DOC & CSC*, staff proposed an amendment to restore the original intent of the Commission when it enacted Rule 2-12. The following changes were proposed:

(b) If the appointing authority has demoted the employee since the beginning of a leave of absence under rule 2-6 [Discipline] or rule 3-3 [Appointments and Job Changes], the employee is returned to a position at the classification level to which demoted and is compensated within the range of rates approved for that classification level.

On motion duly made and supported, the Commission unanimously approved the amendments to Rule 2-12.

E-4: Amendments to Rule 2-14, Military Pay

Dan McLellan discussed the request from David Fink regarding extending the military leave benefits for an additional fiscal year, until September 30, 2005. He noted that the amendments to Rule 2-14 grant the State Personnel Director the authority to approve letters of understanding for all current collective bargaining agreements to provide the same military leave benefits for exclusively represented employees as for those approved by the Civil Service Commission for the non-exclusively represented employees.

State Employer David Fink addressed the Commission regarding his request to extend the military leave benefits to nonexclusively represented employees who were called to active duty after September 11, 2001 for an

additional fiscal year, thereby extending the benefits until September 30, 2005.

On motion duly made and supported, the Commission unanimously approved the amendments to Rule 2-14.

E-5: Interim Approval of Collective Bargaining Agreement between OSE and MSPTA

The Office of the State Employer and the Michigan State Police Troopers Association reached an agreement on a three-year collective bargaining agreement for the State Police Troopers and Sergeants Unit for October 1, 2002 through September 30, 2005.

With the consent of the Chair, Susan Grimes Munsell, interim approval was granted on May 18, 2004.

Since the collective bargaining agreement increased wages retroactively, the wage increases could not take effect unless the legislature waived the notice requirements of Article 11, §5, of the Michigan Constitution. Both the Senate and House of Representatives have now approved the required waiver in House Concurrent Resolution No. 61.

David Fink addressed the Commission regarding the voluntary agreement reached with the troopers and sergeants. He indicated that the agreement contained concessions consistent with those voluntarily agreed to by other bargaining units. This included a clause regarding bank leave time for fiscal year 05, provided a majority of members in other bargaining units also agree to bank leave time for fiscal year 05.

On motion duly made and supported, the Commission unanimously approved the Collective Bargaining Agreement between OSE and MSPTA.

Dan McLellan presented information on the Letters of Understanding as follows:

E-6: Letter of Understanding – OSE & UAW, Prorating of Furlough Hours for New Hires

This interim approval amends the primary collective bargaining agreements for the Administrative Support Unit and the Human Services Unit for prorating furlough hours for new hires after April 10, 2004.

Commissioner Lewand abstained from voting. On motion duly made and supported by three votes, the Commission approved the Letter of Understanding regarding prorating furlough hours.

E-7: Letter of Understanding – Secondary Agreement Letter of Understanding, MDCH and UAW

This interim approval amends the secondary collective bargaining agreement which adds Macomb Correctional Facility to the list of defined work sites.

Commissioner Lewand abstained from voting. On motion duly made and supported by three votes, the Commission approved the Letter of Understanding between MDCH and the UAW.

E-8: Appointment to the Employment Relations Board

Susan Grimes Munsell announced the reappointment of William J. Braman to the Employment Relations Board with a term expiring April 30, 2007.

PUBLIC COMMENT

1. David Fink addressed the Commission regarding the inequities that occurred with non-exclusively represented employees due to the long-term impact of concessions and the freeze on pay-for-performance. He advised the Commission that the freeze on pay-for-performance for Group 4 employees with respect to lump-sum payments will remain, but the freeze on pay-for-performance base pay adjustments will be lifted for FY 05. He stated that an Executive Directive will be issued specifying the terms and conditions that will apply to this provision. He indicated that at management's discretion and within certain criteria, Group 4 employees who are not at the fixed-control point will have the opportunity to receive base pay adjustments.

COMMISSION APPEALS

1. In closed session on July 22, 2004, the Commission considered 9 decisions of the Employment Relations Board. Copies of the review sheets indicating the Commission's actions on these decisions are on file at the Department of Civil Service.

ADJOURNMENT

1. The meeting was adjourned at 11:08 a.m.

I, Janet McClelland, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of July 22, 2004.



**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
December 15, 2004**

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

A. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:15 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Chairperson Munsell introduced and welcomed James D. Farrell, the new State Personnel Director who was appointed in October 2004. The Chairperson also acknowledged and thanked Chief Deputy Director Janet McClelland, who acted as the State Personnel Director after John Lopez' retirement in December 2003, for her diligent and steady leadership during the interim period. Darby Schlagheck was introduced as the newly-appointed executive secretary to the Commission and the State Personnel Director. Chairperson Munsell expressed her appreciation to Michele Cowgill for her excellent service while serving as the acting secretary to the Commission over the past year.

Chairperson Munsell introduced Susan Zurvalec, Chairperson of the Employment Relations Board (ERB) and ERB member Bill Braman who were in attendance.

On motion duly made and supported, the Commission approved the minutes of July 22, 2004.

B. AMENDMENTS TO AGENDA

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

C. INFORMATIONAL REPORTS

Director's Report: The Commission received the following report from State Personnel Director James Farrell.

Unclassified Position Report: Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolition of positions in the unclassified service.

The Department of Attorney General submitted a request to establish an unclassified position to serve as the Director of External Communications. The position of Senior Research Analyst was abolished. This request was approved on July 23, 2004.

The Department of Natural Resources submitted a request to establish an unclassified position to serve as the Chief of the Office of Communications. The position of Resource Management Deputy was abolished. This request was approved on September 7, 2004.

The Department of Treasury submitted a request to establish an unclassified position to serve as Deputy Treasurer of Programs. The position of the Legislative Liaison was abolished. The request was approved on November 17, 2004.

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

Regulation 1.03, Investigating Reports of Discriminatory Harassment
Effective: August 1, 2004

Summary: The regulation has been amended to include "sexual orientation" in the list of improper discrimination factors and incorporates the definitions of "genetic information" and "sexual orientation" as provided in Chapter 9 of the Civil Service Commission Rules. In addition, the regulation now reflects current rule language.

Regulation 2.10, Drug Testing Complaints by Non-Employees
Effective: August 1, 2004

Summary: The regulation establishes procedures for the filing and review of complaints regarding pre-employment drug testing of new hires. These procedures do not apply to those who are already classified employees, and who may file complaints under the appropriate existing grievance procedures for classified employees.

Regulation 5.02, Premium Payment of Overtime, On-Call Compensation, and
Callback Compensation
Effective: October 24, 2004

Summary: The regulation has been revised to reflect the change in the highest eligible employee rate in Standard B.2.b.(3)(b) resulting from the general wage increase effective October 1, 2004.

Premium Pay Approval

Extracurricular premium pay was approved for the 2004-05 school year for nineteen positions in the Department of Education's School for the Deaf and Blind, as provided for in the Letters of Understanding approved by the Civil Service Commission for AFSCME and UAW agreements.

MI HR Service Center

State Personnel Director Farrell also informed the Commission that the HR Optimization Project has been going well and that all departments were on-board as of November 8, 2004. The project was delivered ahead of schedule and under budget and is working very well.

D. UNFINISHED BUSINESS

Chairperson Munsell noted there was no unfinished business.

E. NEW BUSINESS

1. Department of Civil Service Financial Reports

Carol Vargovich, Budget and Financial Services Division, Department of Civil Service, briefed the Commission on the Department of Civil Service Budget. Ms. Vargovich summarized the Department's financial activity for fiscal year 2004 and reported a budget savings of \$455,000 for the fiscal year. The Constitution requires the Civil Service Commission to certify the total aggregate payroll of the classified service for the preceding year. Ms. Vargovich reported that the aggregate payroll for the classified state service from October 1, 2003, through September 30, 2004, is \$3,758,330,190. One percent of the payroll is \$37,583,301, and is the funding base for fiscal year 2005.

Ms. Vargovich also reported that the appropriation for fiscal year 2005 has been enacted with a \$3,012,863 increase from the budget approved by the Commission on December 11, 2003.

The Department increased its budget for funding associated with the MI HR Service Center, underestimates in employee salary and wage economics, CS&M savings, retirement rate savings, and banked leave time. Ms. Vargovich highlighted the budget proposal for fiscal year 2006 totaling \$37,466,700, along with a recommended staffing level of 241.5 FTEs. This is a continuation budget of the current fiscal year 2005 appropriation, along with two revenue adjustments and an estimated amount of \$500,000 for salary and wage economics. Revenue adjustments include an increase of \$300,000 for additional participation in Civil Service training programs and an increase of \$1,520,000 for user charges related to the MI HR Service Center.

The Civil Service Commission, in fulfillment of the Constitutional requirement to certify the aggregate payroll of the classified service for the preceding fiscal year, certifies the payroll of \$3,758,330,190, as recorded in the State's Michigan Administrative Information Network as of November 20, 2004, for the fiscal period October 1, 2003, to September 30, 2004.

On motion duly made and supported, the Commission approved Resolution E-1A, Certification of the Aggregate Payroll for FY 2004.

Consistent with its constitutional authority, and recognizing the funding requirements for the MI HR Service Center, employee economics, CS&M reductions, retirement rate savings, and banked leave time savings, the Civil Service Commission hereby increases the previously approved FY 2004-2005 budget for the Department of Civil Service by \$3,012,863.

The State Personnel Director is authorized to take any action necessary to comply with the provisions of this Resolution so that the estimated revenues correspond with the estimated expenditures of the Department of Civil Service as specified for FY 2004-2005.

On motion duly made and supported, the Commission approved Resolution E-1B, Budget Resolution for FY 2004-2005.

The Civil Service Commission approves the Fiscal Year 2006 budget proposal for the Department of Civil Service totaling \$37,466,700.

On motion duly made and supported, the Commission approved Resolution E-1C, Budget for FY 2006.

Dan McLellan, General Council for the Commission, presented information and staff recommendations on the following five Memoranda of Understanding which had received interim approval by Acting State Personnel Director Janet McClelland and Chairperson Munsell, and are now before the Commission for approval. Mr. McLellan noted that without approval of these memoranda, interim approval will expire at the end of the Commission meeting.

2. Inter-Agency Memorandum of Understanding Between Office of the State Employer (OSE) and Department of Civil Service (DCS) – Retiree Insurances

By statute, the Michigan Civil Service Commission and the Department of Management & Budget are authorized to jointly approve group health plans for retirees under the State Employees' Retirement Act, the State Police Retirement Act of 1986, and the Judges' Retirement Act of 1992. This is a continuation of the same retiree benefit plan that the Commission approved for the previous year, with the following changes, effective November 1, 2004:

- Durable Medical Equipment (DME) network with no co-pay.
- Change in the Coordinated Care Management (CCM) program.
- Addition of a third-tier drug program (a \$30 co-pay for non-preferred, brand name drugs for both the retail and mail order drug plans).
- Elimination of the 90-day supply at a retail pharmacy with a one-month co-pay.

On motion duly made and supported, the Commission confirmed the interim approval granted for E-2, Inter-Agency Memorandum of Understanding between OSE and DCS regarding Retiree Insurances. (Commissioner Pitz abstained from the vote, as a state government retiree.)

3. Letter of Understanding Between OSE and Michigan State Employees Association (MSEA) - Overtime Eligibility Codes for the Safety & Regulatory Unit

The OSE and the MSEA submitted a Letter of Understanding to amend the current collective bargaining agreement for the Safety & Regulatory Unit. The Letter of Understanding changes overtime eligibility codes to conform to the recent changes in the Federal Fair Labor Standards Act.

Jack Yoak, President of the MSEA, addressed the Commission giving his support to this Letter of Understanding.

On motion duly made and supported, the Commission confirmed the interim approval granted for E-3, Letter of Understanding between OSE and MSEA regarding Overtime Eligibility Codes for the Safety & Regulatory Unit.

4. Letters of Understanding Between OSE and Michigan Public Employees (MPE) (Articles 13 & 18) – Transfer and Relocation Expense Reimbursement in the Scientific & Engineering Unit

The OSE and the SEIU Local 517-M (MPE) submitted two Letters of Understanding to amend the current collective bargaining agreement for the Scientific & Engineering Unit. The Letters of Understanding amend Article 13, Transfers and Article 18, Relocation Expense Reimbursement.

On motion duly made and supported, the Commission confirmed the interim approval granted for E-4, Letters of Understanding between OSE and MPE (Articles 13 & 18) regarding Transfer and Relocation Expense Reimbursement in the Scientific & Engineering Unit.

5. Letter of Understanding Between OSE and MPE (Technical Unit) – State Workers and Co-Op Positions

The OSE and the Michigan Public Employees, SEIU Local 517-M (MPE) submitted a Letter of Understanding to amend the current collective bargaining agreement for the Technical Unit. The Letter of Understanding extends the number of hours that a State Worker 4 and co-op employee may work.

On motion duly made and supported, the Commission confirmed the interim approval granted for E-5, Letter of Understanding between OSE and MPE (Technical Unit) regarding State Workers and Co-Op Positions.

6. Letters of Understanding Between OSE and UAW - Concessions for FY 2005

The OSE and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) submitted various Letters of Understanding to amend the current collective bargaining agreement for the Human Services Unit and the Administrative Support Unit. Mr. McLellan noted that as part of negotiations included in the upcoming agenda items, the UAW also negotiated with the OSE over the question of concessions for FY '05. An agreement was reached that would have started the banked leave time prior to the date of today's Commission meeting, so the UAW and the OSE requested (and were granted) interim approval. Mr. McLellan pointed out that in all the other cases, there will not be a separate Resolution for the FY '05 concessions and the remaining new collective bargaining agreements beginning FY '06 because banked leave time for FY '05 begins after today's meeting.

The UAW concession agreement includes the following:

- 3.2 hours of banked leave time for 26 pay periods.
- A no-layoff guarantee.
- Letters of Understanding regarding committees to discuss:
 - Registered Nurses
 - State Contracting
 - Caseload Review
- Letter of Understanding regarding changing limited-term appointments to indefinite after 4,160 hours.
- Letter of Understanding regarding mandatory overtime for Registered Nurses in the Department of Corrections.

On motion duly made and supported, the Commission confirmed the interim approval granted for E-6, Letters of Understanding Between OSE and UAW Regarding Concessions for FY '05. (Commissioner Lewand abstained from the vote.)

7. Collective Bargaining Agreements and FY '05 Concession Agreements

- A. UAW Collective Bargaining Agreement: A proposed primary collective bargaining agreement has been reached between the OSE and the UAW, effective for non-economic provisions for the period of January 1, 2005, through December 31, 2007, and for economic provisions for the period of October 1, 2005, through September 30, 2008. Staff has reviewed the collective bargaining agreements and finds nothing that they believe would violate the Commission rules on prohibited subjects of bargaining.

In addition, Mr. McLellan noted that all the existing secondary collective bargaining agreements under the primary agreements will expire on December 31, 2004, unless extended. As of the date of the Commission meeting, the effected parties have not submitted the secondary agreements for extension. The Commission has not amended its rules on prohibited subjects of bargaining since approving all the current secondary collective bargaining units, and it was recommended that the Commission delegate its authority to the State Personnel Director to temporarily extend the secondary collective bargaining agreements (if requested by the effected parties).

Upon motion duly made and supported, the Commission approved E-7A, UAW Collective Bargaining Agreement and delegated the authority to temporarily extend the expiration date of the existing secondary collective bargaining agreements (if requested by the effected parties prior to December 31, 2004) to the State Personnel Director.

David Fink, Director, Office of the State Employer, noted that the OSE was delighted that they were able to reach complete voluntary agreements with all of the state employee unions, including concession packages. Mr. Fink applauded state employees for their willingness and understanding throughout the difficult negotiation process, as well as their sacrifices.

Chairperson Munsell acknowledged that it has been a difficult situation in which to negotiate with the economics that the OSE currently has to take into consideration.

On motion duly made and supported, the Commission approved E-7A, Collective Bargaining Agreement – UAW. (Commissioner Lewand abstained from the vote.)

- B. Collective Bargaining Agreement – MSEA: Mr. McLellan presented the proposed collective bargaining agreement and noted that staff has reviewed the agreement for violations of the Commission's rules on prohibited subjects of bargaining and has identified the following problem for the Commission's consideration.

An arbitrator had previously reversed the lay-off of fire safety inspectors in the Department of Corrections as a violation of Article 52 of the collective bargaining agreement that provides for the integrity of the bargaining unit. The Department of Corrections filed a complaint concerning the arbitrator's decision and, in CSC 2004-002, the Commission vacated the arbitrator's decision because it violated Commission rules on prohibited subjects of bargaining. The MSEA appealed to the Ingham County Circuit Court, and last week Judge Collette affirmed the decision of the Commission.

In the proposed MSEA collective bargaining agreement, the parties added new language to Article 52(A) regarding the integrity of the bargaining unit. Staff and the Attorney General's office have determined that the proposed new language in Article 52(A) could be interpreted by an arbitrator or a court to reverse Judge Collette's decision to uphold the Commission's decision in CSC 2004-002. Since the proposed new language could be interpreted to change the Commission's interpretation of its rules governing prohibited subjects of bargaining, the proposed new language itself violates those rules.

Both staff and the Attorney General's office believe the only solution to the problem is to delete, in its entirety, the proposed amendatory language to Article 52(A), leaving the Integrity of the Bargaining Unit section, the Civil Service Commission decision, and Judge Collette's decision unchanged.

Mike Aubin, an employee of the Department of Economic Growth, and Martin Mariano, a Department of Corrections employee, expressed their support for the change in Act 52 and their disappointment in the proposed deletion.

Jack Yoak, President of MSEA, addressed the Commission concerning the first sentence in Article 52(A) which says ...”The Employer recognizes that the integrity of the Bargaining Unit is of significant concern to MSEA.” Mr. Yoak feels that the employer showed that at the bargaining table, but that the Civil Service Commission does not appear to have that same level of understanding.

David Fink commented that he shares the concerns expressed by the representatives of MSEA. The OSE supports the contract as agreed to, and Mr. Fink asked that the contract be approved in the form that it was agreed to by the parties.

Commissioner Pitz clarified that the Commission is not voting on the contract, but rather voting on Civil Service policy and rules, which will be what the Commission will have to consider in this vote. He indicated he does not feel that this in any way is a reflection on the collective bargaining process. The collective bargaining system may be imperfect or there may have been some lack of coordination that occurred in the thought process while putting together the contract, but there are still Civil Service rules and the Michigan Constitution that the Commission has to follow when making decisions on issues before them.

Commissioner Lewand proposed that the issue be taken back to the bargaining table for further discussion in light of the court decision and the very tricky legal issues that counsel has briefed the Commission on.

On motion duly made and supported, the Commission approved E-7B, Collective Bargaining Agreement – MSEA. (Commissioner Lewand opposed for the reason noted above.)

Mr. Fink invited the MSEA to join the OSE for further discussions to attempt to design a new Letter of Understanding to address the issues of concern and intentions of the parties, in a manner acceptable to and consistent with, the constitutional powers and rules of the Commission.

Chairperson Munsell called for a ten minute intermission. The meeting reconvened at approximately 11:25 a.m.

- C. Collective Bargaining Agreement – AFSCME: Mr. McLellan presented the proposed collective bargaining agreement reached between the OSE and AFSCME and noted that staff has reviewed the agreement for violations of the Commission's rules on prohibited subjects of bargaining and have found none. Therefore, Mr. McLellan recommended approval of Resolution E-7C, the AFSCME collective bargaining agreement, effective January 1, 2005, approval of the Fiscal Year 2005 concession agreement, and delegating to the State Personnel Director the authority to temporarily extend the expiration date of the current collective bargaining agreements, if requested by the effected parties.

On motion duly made and supported, the Commission approved E-7C, Collective Bargaining Agreement – AFSCME.

- D. Collective Bargaining Agreement – SEIU: Dan McLellan noted that items E-7D-1, E-7D-2, and E-7D-3 are the three MPE collective bargaining agreements. Mr. McLellan advised the Commission that staff originally raised a question about three Letters of Understanding related to Political Action Committee (PAC) contributions, but the parties have withdrawn the Letters of Understanding regarding payroll deduction for contributions to PACs. Mr. McLellan informed the Commission that the parties wish to address this matter, and will be on the record today withdrawing that particular Letter of Understanding from the three proposed collective bargaining agreements for MPE.

Mary Ellen Gurewitz, attorney for the MPE, SEIU Local 517-M, addressed the Commission. Ms. Guerwitz, on behalf of the MPE, presented the position that the voluntary authorization of payroll deduction of contributions to a union PAC is not a prohibited political assessment and is not, therefore, a prohibited subject of bargaining.

Commissioner Lewand thanked Ms. Guerwitz for her thorough review of the issues, and commented that because of the legal issues, he appreciated MPE's withdrawal of the issue so the Commission can consider separately the question of whether the PAC check-offs are appropriate. He indicated that the Commission is in agreement that all parties involved need more information, analysis, and thought on the issue before making a decision.

David Fink addressed the Commission concerning the issues that were raised. Mr. Fink noted that he agrees with the approach suggested to come back to the Commission at a later time for further action.

Dan McLellan asked for a clear statement from David Fink that the OSE agrees to the withdrawal of the Letter of Understanding concerning PAC check-offs from these three collective bargaining agreements. Mr. Fink affirmed his agreement to withdraw, at this time, the Letter of Understanding concerning PAC check-offs.

On motion duly made and supported, the Commission approved E-7D-1, Collective Bargaining Agreement – SEIU (Scientific & Engineering Unit).

Dan McLellan commented that item E-7D-2, is exactly the same collective bargaining agreement as E-7D-1, but is for the Technical Unit MPE contract.

On motion duly made and supported, the Commission approved E-7D-2, Collective Bargaining Agreement – SEIU (Technical Unit).

Dan McLellan noted that Item E-7D-3, is the bargaining agreement for the Human Services Support Unit of MPE, and is exactly the same as the previous two items.

On motion duly made and supported, the Commission approved E-7D-3, Collective Bargaining Agreement – SEIU (Human Services Support Unit).

- E. Collective Bargaining Agreement – MCO: Dan McLellan presented the collective bargaining agreement for the Michigan Corrections Organization, SEIU Local 526-M (MCO). Mr. McLellan noted that staff reviewed the agreement for violations of the Commission's rules on prohibited subjects of bargaining and found none, and recommended approval of the agreement, the FY '05 concessions, and delegating the authority to the State Personnel Director to temporarily extend the expiration date of the current secondary collective bargaining agreements, if requested by the effected parties.

On motion duly made and supported, the Commission approved E-7E, Collective Bargaining Agreement – MCO.

Coordinated Compensation Panel Recommendations: Matt Fedorchuk, Civil Service Compensation Director, and Amy Cahoon presented the recommendations contained in the proposed Coordinated Compensation Proposal (CCP) for Fiscal Year 2006 developed by the members of the Employment Relations Board, serving as the CCP Panel under Civil Service Rule 5-1.3. The CCP panel recommends approval of the following:

- A 1 percent across-the-board base pay increase for NERES, effective October 1, 2005, and another 1 percent across-the-board pay increase effective April 9, 2006.
- Special pay adjustments for the following:
 - A \$1.50 per hour wage increase for excluded Registered Nurse 12, Registered Nurse Manager 12, 13, 14, 15, and Registered Nurse Director 15, 16, and 17 classifications, effective October 1, 2005, to be applied prior to any approved general wage increase.
 - A \$1.00 per hour wage increase for Practical Nurse Supervisor 11 and 12 classifications, effective October 1, 2005.
 - A 10 percent wage increase for Pharmacist Manager 13 and 14 classifications, effective October 1, 2005.
- An optional signing bonus program up to \$2,500 for new hires in Pharmacist Manager 13 and 14 classifications, effective October 1, 2005.
- An optional signing bonus of up to \$5,000 for new hires in excluded Dentist positions, effective October 1, 2005.
- An optional retention bonus in an amount up to \$5,000 for employees in excluded Dentist positions who have been employed by the State for at least 2,080 hours by the end of the first full pay period in February 2006.
 - The panel recommends that both of these programs for the Dentists be approved on a pilot basis and re-evaluated during the 2006 CCP proceedings.
- Reassign Treasury Investment Analyst classifications to pay schedules NERE-236 and NERE-237, and Treasury Investment Specialist classifications to new pay schedules mirroring the existing rates in schedule NERE-184, effective October 1, 2005.
- Implement a special Lottery Sales Incentive Program for Lottery sales and marketing staff with incentives of up to \$2,500 per year (up to \$625 per quarter), awarded to eligible employees based on sales indicators, beginning October 1, 2005. The panel recommends that the effectiveness of this program be re-evaluated during the 2006 CCP proceedings as well.
- A new base minimum pay step for all pay ranges in the compensation plan, effective October 1, 2005.
- Integrate the Coordinated Care Management Program into a comprehensive disease management program (Blue Health Connection), effective October 1, 2005.

- Integrate a PPO network for Durable Medical Equipment and Prosthetic and Orthotic appliances into the State Health Plan PPO, effective October 1, 2005.
- Change Chiropractic Spinal Manipulation benefit reimbursement to a rate of 100% for in-network services after a \$10 co-pay, and an out-of-network reimbursement rate of 90 percent after the deductible, effective October 1, 2005.
- Increase the annual visit limitation for Physical, Occupational, and Speech Therapy from 60 to 90 visits, effective January 1, 2006.
- Increase the annual Preventive Services maximum from \$750 to \$1,500 and exclude covered colonoscopy exams and childhood immunizations from the maximum limit, effective January 1, 2006.
- Limit prescriptions filled under the State Health Plan at retail pharmacies to a 34-day supply, effective October 1, 2005.
- Add the benefit of Brush Biopsy coverage to the State Dental Plan, effective October 1, 2005.
- Limit the benefit period for “mental/nervous” Long-Term Disability claims to 24 months from the beginning of the claim period, effective October 1, 2005.
- Change the Long-Term Disability eligibility period for Plan II claimants who remain totally disabled to age 65, or a period of 12 months, whichever is greater, effective October 1, 2005.
- Add Election Day as a new holiday to be observed on General Election Day in even-numbered years.
- Renew the Professional Development Fund for MSC employees at \$150,000, and renew the Professional Development Fund for Business & Administrative Unit employees at \$50,000.

The Panel recommends Commission approval of the following leave programs for FY 2005.

- Expand the current School Participation Leave provisions to also include community participation, effective January 1, 2005.
- Increase the annual leave maximum accumulation cap at each level by 40 hours, while leaving payoff caps unchanged, effective January 1, 2005.
- Reinstate the banked leave time program for NEREs at 4 hours per pay period for 21 pay periods beginning the pay period of January 2, 2005.

The Panel recommends denial of the following.

- A special \$0.38 per hour wage increase for Assistant Resident Unit Supervisors, as recommended by Mr. Gregory Brady.
- A special \$1.50 wage increase for Corrections Shift Supervisors as recommended by Mr. Darwin Berthiaume.

It was noted that this issue has been raised numerous times during the last 12 years and lacking any new information, the Panel again recommends denying this request. This issue will not be considered in the future, unless new and compelling information is submitted which would indicate recruitment and/or retention difficulties or otherwise support a special adjustment.

The Panel also proposes that the Commission:

- Take no action at this time on the issue of amending the State Health Plan and the Sick Leave Plan to include coverage for same sex domestic partners until such time as the legal questions created by the interaction of these provisions and the new Constitutional Amendment are answered.
- Direct the DCS, with input from the OSE and affected departments, to conduct a study of the effectiveness of the recruitment and retention bonus programs for excluded Dentists and report its findings to the Panel prior to completion of the 2006 CCP proceedings for fiscal year 2008.
- Direct the DCS, with input from the OSE and the Bureau of State Lottery, to conduct a study of the effectiveness of the Lottery Sales Incentive Program and report their findings to the Panel during the 2006 CCP proceedings for fiscal year 2008.

Matt Fedorchuk presented a table summarizing the known costs and savings contained in the proposals being recommended for approval by the Commission. Mr. Fedorchuk noted that the Panel weighed a number of factors in deciding to support the proposals presented to the Commission. While keeping in mind the State's financial condition, the Panel considered compensation provided for in negotiated agreements. The Panel noted, and gave particular weight to the consensus agreement reached between the Office of the State Employer and the limited recognition organizations. He noted that the Commissioner's briefing books contain proposed changes to Civil Service Rules 5-6 and 5-10 that would be necessary to implement these proposals, and the Panel requests that these rules be considered part of the report for the Commission's approval.

Upon motion duly made and supported, the Commission approved E-8, Coordinated Compensation Panel Recommendations.

David Fink commented that the OSE is grateful for the cooperation and assistance of the LROs in working with the OSE on the joint consensus agreement that was submitted to the ERB, and to the ERB for the work they did in reviewing and thoroughly analyzing the data presented and submitting their recommendations. Mr. Fink stated he believes that the concern expressed by the Commission in previous meetings regarding the issue of equity with respect to the NEREs has been addressed, and pointed out that the NEREs have again participated in sharing the sacrifice of the union employees with respect to banked leave time, adjustments in health plans, and structural savings on an equitable and comparable basis with the union employees.

Unclassified Pay Recommendations: Matt Fedorchuk presented staff's proposal for the annual Unclassified Pay Proposal required under Article XI, Section 5 of the Michigan Constitution.

Based on a review of the data, staff requests approval of the following recommendations for the Fiscal Year 2006 Unclassified Pay Proposal:

- A 1 percent merit salary increase, effective October 1, 2005, and a 1 percent merit salary increase, effective April 9, 2006.
- Legislative approval of the line-item funding necessary to support these recommendations.

Upon motion duly made and supported, the Commission approved E-9, Unclassified Pay Proposal for Fiscal Year 2006.

F. PUBLIC COMMENT

Chairperson noted that there were no further requests for public comment.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chairperson Munsell adjourned the meeting at 12:15 p.m.

I, James Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of December 15, 2004.



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

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

1. CALL TO ORDER

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

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

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

2. AMENDMENTS TO AGENDA

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

3. INFORMATIONAL REPORTS

Director's Report: The Commission received the following report from State Personnel Director James Farrell.

Unclassified Position Report: Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of positions in the unclassified service since the last Commission meeting on December 15, 2004.

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

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

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

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

Regulation 5.01, General Salary Schedule Administration
Effective: February 27, 2005

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

Regulation 5.02, Premium Payment of Overtime, On-Call Compensation, and Call-back Compensation
Effective: October 24, 2004 and March 27, 2005

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

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

Regulation 5.04, Special Pay Premiums
Effective: March 27, 2005

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

Regulation 5.07, Performance-Pay Programs

Effective: March 27, 2005

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

Regulation 5.08, Paid Holidays

Effective: March 27, 2005

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

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

Effective: March 27, 2005

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

Regulation 5.13, Disability Payment for Duty-Incurred Injuries

Effective: March 27, 2005

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

Statewide Health Plan Dependent Audit

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

HR Optimization

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

Huron Valley Center Restructuring

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

4. UNFINISHED BUSINESS

Chairperson Munsell noted there was no unfinished business.

5. NEW BUSINESS

a. Department of Civil Service Budget Reduction

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

d. Approval of Secondary Collective Bargaining Agreements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

g. Expense Reimbursement: Amendments to Rule 5-7

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

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

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

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

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

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

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

6. PUBLIC COMMENT

Chairperson Munsell noted there were no further requests for public comment.

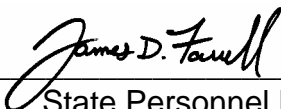
ADJOURNMENT

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

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020)

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



State Personnel Director

Date

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

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

1. CALL TO ORDER & APPROVAL OF MINUTES

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

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

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

2. AMENDMENTS TO AGENDA

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

3. INFORMATIONAL REPORTS

- a. **Director's Report:** The Commission received the following report from State Personnel Director James Farrell.

Unclassified Position Report: Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of positions in the state unclassified service. There were no requests for establishment or abolishment of positions since the last Commission meeting.

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

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

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

Regulation 5.16, Correcting Compensation Errors
Effective June 19, 2005

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

Regulation 5.18, Complaints About Benefits
Effective June 19, 2005

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

Regulation 5.20, Correcting Benefit Errors
Effective June 19, 2005

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

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

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

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

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

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

4. UNFINISHED BUSINESS

Chairperson Munsell noted there was no unfinished business.

5. NEW BUSINESS

a. Travel Expense Reimbursement Rates for Fiscal Year 2006

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

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

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

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

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

(1) Secondary Collective Bargaining Agreements

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

Labor & Trades and Safety & Regulatory Units

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

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

Institutional Unit

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

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

Administrative Support and Human Services Units

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

- Department of State

Security Unit

Agreements between the Michigan Corrections Organization (MCO) and:

- Department of Community Health

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

(2) MSEA-Department of State Secondary Agreement

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

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

(3) UAW-Department of Transportation Secondary Agreement

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

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

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

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

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

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

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

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

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

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

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

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

6. PUBLIC COMMENT

Chairperson Munsell noted there were no further requests for public comment.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chairperson Munsell adjourned the meeting at 10:50 a.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020)

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



State Personnel Director

Date

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

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

1. CALL TO ORDER & APPROVAL OF MINUTES

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

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

2. AMENDMENTS TO AGENDA

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

3. INFORMATIONAL REPORTS

- a. **Director's Report:** The Commission received the following report from State Personnel Director James Farrell.

Unclassified Position Report

Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of positions in the state unclassified service.

Department of Environmental Quality

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

Department of Attorney General

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

Compensation Rates

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

Regulations

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

Regulation 4.10, Frozen Classifications and Positions

Effective: November 6, 2005

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

Premium Mileage Rate Reimbursement

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

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

4. UNFINISHED BUSINESS

Chairperson Munsell noted there was no unfinished business.

5. NEW BUSINESS

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

a. Certification of Payroll - Fiscal Year 2005

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

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

b. Budget Resolution – FY 2005-2006

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

The State Personnel Director is authorized to take any action necessary to comply with the provisions of this Resolution so that the estimated revenues correspond with the estimated expenditures of the Department of Civil Service as specified for FY '05-'06.

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

c. Budget – FY 2007

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

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

d. Coordinated Compensation Panel Recommendations – FY 2007

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

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

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

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

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

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

The Panel recommended denial of the following:

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

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

The Panel also proposed that the Commission:

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

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

Mr. Fedorchuk also presented a table summarizing the known costs and savings contained in the proposals being recommended for approval by the Commission. He noted that the Panel weighed a number of factors in deciding to support the proposals presented to the Commission. While keeping in mind the State’s financial condition, the Panel considered the compensation received by exclusively represented employees through the collective bargaining process, and recognizes the need for equity for non-exclusively represented employees. The Panel also noted and continues to respect, the good faith consensus agreement reached between OSE and labor relations organizations.

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

e. Unclassified Pay Recommendations – FY 2007

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. PUBLIC COMMENT

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

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

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

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

ADJOURNMENT

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

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020)

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



State Personnel Director

Date

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
May 2, 2006**

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

Absent: Sherry L. McMillan, Commissioner

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:03 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

a. Approval of Minutes

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

b. Public Employee Recognition Week

On behalf of the Civil Service Commission, Chairperson Munsell recognized all state employees thanking them for their excellent work in serving the citizens of Michigan. Chairperson Munsell's comments were supported by Commissioners Pitz and Lewand.

c. Retirement Resolution – Charla Powell

On motion duly made and supported, the Commission adopted the following Resolution:

Whereas, Charla Powell has decided to retire from State Government after more than 26 years of service, of which nearly 23 years were with the Department of Civil Service, and

Whereas, Charla has demonstrated commitment and dedication throughout her career as a public servant, gaining the respect and admiration of her colleagues, and

Whereas, Charla has demonstrated extensive knowledge of the Department of Civil Service and state government and imparted that knowledge with enthusiasm and style, and

Whereas, Charla, in her capacities as personnel management analyst, specialist, and manager and, most recently, as manager of the Office of Employment Information and Career Planning Services, and

Whereas, Charla was instrumental in the inception and implementation of the Office of Employment Information and Career Planning Services and continually explored means by which to improve services to the public, and

Whereas, Charla will always be remembered for her warm smile and laughter, and

Whereas, Charla will now be able to spend more time with her daughter, Christa, in sunny California, and

Whereas, Charla can further indulge in her love of reading, church and senior citizens' activities, jewelry beading, movies, and travel.

Resolved, that the Michigan Civil Service Commission does hereby extend to Charla Powell its heartfelt appreciation for her dedicated efforts and many accomplishments during her years of service, and offers its warmest wishes for much health and happiness in her retirement.

2. AMENDMENTS TO AGENDA

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

3. INFORMATIONAL REPORTS

- a. **Director's Report:** The Commission received the following report from State Personnel Director James Farrell.

Unclassified Position Report

Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of positions in the state unclassified service.

Department of Treasury

The Department of Treasury submitted a request dated January 6, 2006, to establish an exempt, unclassified position to serve as the Deputy State Treasurer for Local Government Services. Concurrently, the position of Public Information Officer was abolished. The request was approved on January 11, 2006.

Department of Attorney General

The Department of Attorney General submitted a request dated January 20, 2006, to establish an exempt, unclassified position to serve as the Director of Constituent Relations. Concurrently, the Deputy Chief of Staff position was abolished. The request was approved on January 31, 2006.

In addition, the Department of Attorney General submitted a request dated February 23, 2006, to establish an exempt, unclassified position to serve as the Communications Liaison. Concurrently, the position of Director of Communications was abolished. The request was approved on February 24, 2006.

Department of Civil Rights

The Department of Civil Rights submitted a request dated February 21, 2006, to establish an exempt, unclassified position to serve as the Executive Office Assistant. Concurrently, the Public Information Officer position was abolished. The request was approved on February 24, 2006.

Department of Environmental Quality

The Department of Environmental Quality submitted a request dated February 24, 2006, to establish an exempt, unclassified position to serve as the Press Secretary. Concurrently, one of the Executive Office Assistant to the Communications Director positions was abolished. The request was approved on February 27, 2006.

Compensation Rates

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

Administrative Leave Bank

The Michigan Association of Governmental Employees (MAGE) submitted a request dated January 26, 2006, to establish an administrative leave bank for MAGE for 2006. In addition, MAGE requested carry-forward of 100 unused hours from 2005. Both requests were approved on February 1, 2006.

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 5.02, Premium Payment of Overtime, On-Call Compensation, and Callback Compensation - Effective April 9, 2006

This regulation was revised to reflect the change in the highest eligible employee rate of approved overtime pay for ineligible employees, resulting from the general wage increase effective April 9, 2006.

Regulation 7.01, Disbursements for Personal Services Outside the Classified Service Effective March 26, 2006

This regulation was amended to include new language that provides guidance in determining whether a service is within or outside the jurisdiction of the Department of Civil Service, and authorizes Civil Service review of non-jurisdictional services being provided. Other new language specifies what is required to support an agency's certification of its difficulty in filling a classified position and clarifies when amendments to an existing CS-138 may be appropriate. This regulation also has revised language that more accurately reflects agency certification and notice requirements for labor

organizations and NEREs. Furthermore, the regulation incorporates language relative to preauthorized services from Advisory Bulletin 7.01-2, dated October 2, 2002, thus making the advisory obsolete.

4. UNFINISHED BUSINESS

Chairperson Munsell noted there was no unfinished business.

5. NEW BUSINESS

a. Travel Expense Reimbursement Rates for FY '07

Rose Wilson, Department of Management & Budget (DMB), addressed the Commission regarding travel expense reimbursement rates for FY '07. Ms. Wilson indicated that the rates remain unchanged from the FY '06 rates. A memo from Lisa Webb-Sharpe, Director of the DMB, recommended adding a number of out-of-state higher-cost cities to the list and the removal of Ann Arbor and Traverse City from the "select cities" list. A copy of the letter from Lisa Webb-Sharpe is, by reference, a part of the record of this meeting.

On motion duly made and supported, the Commission approved the motion for travel expense reimbursement rates for FY '07.

b. Letter of Understanding (LOU) to Amend UAW-Michigan Department of Community Health (MDCH) Secondary Agreement to Remove the Standish Facility and Add the Thumb Correctional Facility to MDCH Worksites for the Administrative Support and Human Services Units (Interim approval granted 03/03/06.)

Dan McLellan, General Counsel for the Commission, presented information on the LOU which amends the secondary agreement between the MDCH and UAW to remove the Standish Facility and add the Thumb Correctional Facility to the MDCH list of defined worksites.

On motion duly made and supported, the Commission confirmed the interim approval granted and approved Agenda Item 5b. Commissioner Lewand abstained from the vote and stated for the record his abstention from all matters involving the UAW.

c. Letter of Understanding (LOU) to Amend the OSE-Michigan State Employees Association (MSEA) Secondary Agreement to Allow Temporary Accrual of Additional Compensatory Time in the Labor and Trades Unit (Interim approval granted 02/24/06.)

Dan McLellan presented information on the LOU to amend the OSE-MSEA secondary agreement which provides for a temporary, one-time increase in the compensatory time allowance for a group of employees in the Management Services Division of the Michigan State Police.

On motion duly made and supported, the Commission confirmed the interim approval granted, and approved Agenda Item 5c.

d. **Letter of Understanding (LOU) to Amend OSE-AFSCME Council 25 Primary Agreement in the Institutional Unit Regarding Availability of Presidential Administrative Leave for Local Union President at Michigan Schools for the Deaf and Blind**

This Letter of Understanding amends the primary collective bargaining agreement for the Institutional Unit and addresses the availability of presidential administrative leave for the local union president at the Michigan Schools for the Deaf and Blind.

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

e. **Approval of MSEA-Department of Agriculture Secondary Agreement**

The Office of the State Employer submitted for Commission review a secondary collective bargaining agreement between the MSEA and the Michigan Department of Agriculture.

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

6. PUBLIC COMMENT

Chairperson Munsell noted there were no requests for public comment.

7. COMMISSION APPEALS

In closed session on May 2, 2006, the Commission considered four decisions of the Employment Relations Board. Copies of the review sheets indicating the Commission's actions on these decisions are on file at the Department of Civil Service.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chairperson Munsell adjourned the meeting at 10:13 a.m.

Minutes drafted by: Michele Mann

NOTE

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

I, James D. Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of May 2, 2006.



State Personnel Director

Date

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
October 3, 2006**

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

1. CALL TO ORDER

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

On motion duly made and supported, the Commission approved the minutes of May 2, 2006.

2. AMENDMENTS TO AGENDA

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

3. INFORMATIONAL REPORTS

Director's Report The Commission received the following report from State Personnel Director James Farrell.

Unclassified Position Report

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

Department of Attorney General

The Department of Attorney General submitted a request dated June 2, 2006, to establish an exempt, unclassified position to serve as the Chief of Staff. Concurrently, the Executive Director of Constituent Relations position was abolished. The request was approved effective June 4, 2006.

In addition, the Department of Attorney General submitted a request dated August 3, 2006, to establish an exempt, unclassified position to serve as the Chief Deputy Attorney General. This position worked in parallel with the existing unclassified position occupied by Chief Deputy Attorney General Gordon to allow a transition period prior to his retirement. Concurrently, the Communications Liaison position was abolished. The request was approved effective August 13, 2006.

The Department of Attorney General submitted a request dated September 11, 2006, to establish an exempt, unclassified position to serve as the Director of Legislative and Constituent Relations. Concurrently, the Chief Deputy Attorney General position occupied by Gary Gordon was abolished, bringing to a close the previously-approved transition period during which the department had two Chief Deputy Attorney General positions. The request was approved effective September 13, 2006.

Department of Transportation

The Department of Transportation submitted a request dated July 13, 2006, to establish an exempt, unclassified position to serve as the Director of Office of Business Development. Concurrently, the Chief Deputy Director position was abolished. The request was approved effective July 16, 2006.

Department of Treasury

The Department of Treasury submitted a request dated June 15, 2006, to establish an exempt, unclassified position to serve as the Deputy State Treasurer for Bond Finance. Concurrently, the position of Deputy State Treasurer for State and Local Finance was abolished. The request was approved effective June 19, 2006.

Department of State Police

The Department of State Police submitted a request dated June 20, 2006, to establish an exempt, unclassified position to serve as the Deputy Director of the Administrative Services Bureau. Concurrently, a vacant, unclassified position was abolished. The request was approved effective July 2, 2006.

Compensation Rates

As previously authorized in letters of understanding approved by the Civil Service Commission for the AFSCME and UAW agreements, I approved compensation rates for extracurricular program services for four classified positions during the 2006-07 school year at the Michigan Schools for the Deaf and Blind.

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.

4.08, Working Out-of-Class (Effective May 21, 2006)

This regulation has been amended to clarify (1) situations that constitute authorized working out-of-class assignments and those where working out-of-class is not authorized and (2) that working out-of-class assignments are not appropriate if reclassification is possible.

In addition, new language has been incorporated to (1) address appointing authority time frames for processing working out-of-class payments and determinations and (2) specify that working out-of-class experience does not substitute for the aggregate qualification requirements of a classification in the event of an appointment, reclassification, or job change.

3.02, Student Assistants in the Classified Service (Effective August 13, 2006)

This regulation has been amended to clarify the process and criteria required for the reclassification of a student assistant employee to a career classification. The regulation now (1) indicates that a reclassification action requires Department of Civil Service review and approval, (2) identifies the criteria that a student assistant must meet to be eligible for reclassification, (3) details what must be included in the appointing authority certification statement, and (4) addresses assignment of the effective date with the clarification that retroactivity is not permitted for this type of reclassification. New language has now been added to clarify that a reclassification requires the employee to complete a probationary period in order to gain status in the classified service.

4.04, Effective Dates for Classification Actions (Effective August 13, 2006)

This regulation has been amended to clarify the criteria by which the Department of Civil Service determines effective dates and potential retroactivity for reclassification actions and effective dates for agency-specific senior standards.

4.09, Employee Generated Position Reviews (Effective August 13, 2006)

This regulation has been amended to include new language specific to the effective date assigned to a reclassification of a position resulting from an employee's self-generated request to be reclassified from either an (1) experienced-level worker classification to an advanced-level worker classification or (2) experienced-level or advanced-level worker classification to a specialist classification. In addition, language regarding retroactive effective dates has been deleted, as retroactivity is addressed in Regulation 4.04.

2.06, Conducting Employee Ratings (Effective September 10, 2006)

This regulation has been amended to clarify the requirements and procedures for conducting employee ratings and progress reviews. Significant changes include:

extending the time frame for developing a performance improvement plan for employees rated "Needs Improvement" from 14 to 28 calendar days; extending the time frame for reevaluating the employee's performance under the improvement plan from one month to three months; and clarifying that the time an employee is under a less than satisfactory rating is not creditable toward the time required for reclassification.

3.06, Employment Sanctions (Effective September 10, 2006)

The regulation has basically been rewritten to encompass all sanctions, and establishes the procedures for applying, appealing, and removing employment sanctions.

4. UNFINISHED BUSINESS

Chairperson Munsell noted there was no unfinished business.

5. NEW BUSINESS

- a. **Letter of Understanding (LOU) to Amend the OSE-MCO Primary Agreement Regarding High Security Retention Premium Pay for Corrections Transportation Officer 10 Positions (Interim approval granted 06/29/06.)**

Dan McLellan, General Council for the Commission, presented information on the LOU which amends the Collective Bargaining Agreement (CBA) with the Michigan Corrections Organization for the Security Unit. The LOU amends the CBA to grant high security retention premium pay to Corrections Transportation Officer 10 positions through the expiration date of the CBA (December 31, 2007).

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

- b. **Letter of Understanding to Amend the OSE-UAW-Michigan Department of State Police Primary Agreement Regarding State Worker 4 Positions at the Criminal Justice Information Center (Interim approval granted 06/29/06.)**

Dan McClellan presented information on the LOU which amends the primary Collective Bargaining Agreement (CBA) with the United Auto Workers (UAW) for the Administrative Support and Human Services Units. The LOU amends the CBA to authorize appointments to State Worker 4 positions at the Criminal Justice Information Center for up to 4,160 hours. The LOU also authorizes a pay increase of 20 cents per hour for employees with 2,080 or more hours of service. This provision will expire on May 31, 2007.

On motion duly made and supported, the Commission confirmed the interim approval granted for 5b. Commissioner Lewand abstained from the vote.

- c. **Letter of Understanding to Amend the OSE-MCO Primary Agreement and OSE-MPE SEIU Local 517M Primary Agreement Regarding the Zero Dollar Co-Pay Program (Interim approval granted 07/11/06.)**

Dan McLellan informed the Commission that the Office of the State Employer submitted a Letter of Understanding (LOU) amending the primary Collective Bargaining Agreements (CBAs) with the Michigan Public Employees (MPE) and Michigan Corrections Organization (MCO) for the Technical, Scientific & Engineering, Human Services Support, and Security Units. The LOU amends the CBAs to authorize a Zero Dollar Co-Pay Program for certain generic prescription drugs. This program permits employees in these units to obtain the generic drugs with no co-pay for six months, similar to those available in other units.

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

- d. **Letter of Understanding to Amend the OSE-MCO Primary Agreement Regarding Overtime Availability (Interim approval granted 08/02/06.)**

Dan McLellan presented information on the Letter of Understanding (LOU) which amends the primary Collective Bargaining Agreement (CBA) with the Michigan Corrections Organization (MCO) for the Security Unit. The LOU amends the CBA to entitle an officer to be called for overtime while on approved paid annual leave for a shift that is outside of their normal work schedule. The LOU also provides for the withdrawal of current grievances related to the issue.

Upon motion duly made and supported, the Commission confirmed the interim approval granted for 5d.

- e. **Collective Bargaining Agreement Between the OSE and the Michigan State Police Troopers Association for the Troopers & Sergeants Unit (Interim approval granted 07/24/06.)**

Dan McLellan informed the Commission that the Office of the State Employer and the Michigan State Police Troopers Association have reached agreement on a Collective Bargaining Agreement for the State Police Troopers and Sergeants Unit through December 31, 2008. On September 14, the Legislature approved (as required under Article 11, § 5 of the Michigan Constitution) the retroactive pay increases for 2005 and 2006.

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

f. Amendments to Rules 2-11 & 2-12: Disaster Response Leaves of Absence

Dan McLellan noted that the Legislature approved statutory amendments to the State Emergency Management Act in 2006, authorizing paid and unpaid leaves of absence (LOAs) for non-civil service state employees to provide in-state and out-of-state voluntary disaster relief services. For disaster response LOAs by classified employees, the statute defers to the authority of the Civil Service Commission.

Mr. McLellan explained that if adopted, the amendments to Civil Service Rules 2-11 and 2-12 would authorize disaster response LOAs for classified employees (NEREs only) on the same basis as non-civil service employees. The amendments authorize appointing authorities to grant LOAs to employees “skilled in emergency relief assistance” who are “certified as a disaster services volunteer by the American Red Cross,” as follows:

- Unpaid LOAs - The amendments to Rule 2-12 permit unlimited unpaid LOAs for employees to render disaster services in Michigan. (Like the statute, the amendments do not permit unpaid LOAs to render disaster services *outside* of Michigan.)
- Paid LOAs - The amendments to Rule 2-11 permit paid LOAs up to 10 workdays in a 12 month period. Paid LOAs also require that (1) a disaster be declared by the president or governor, (2) the Red Cross request the employee’s services, and (3) if services are rendered outside Michigan by executive branch employees, the governor approve the paid LOA. (Under MCL 30.411a, paid LOAs are limited to 50 state employees in a fiscal year, including both classified and non-civil service employees unless the governor authorizes an increase in an executive order.)

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

g. Extension of Rule 2-14.2, Eligibility for Supplemental Military Pay (Interim approval granted 09/26/06.)

Dan McLellan noted that the Commission originally extended pay differential and benefit continuation for employees in the National Guard and Reserves who were called to emergency active duty shortly after 9-11 and have renewed it on an annual basis. In Executive Directive 2006-5, Governor Granholm requested that the Civil Service Commission extend these supplemental military benefits indefinitely. In response, staff drafted the amendments to Rule 2-14 to extend these benefits indefinitely.

In order to facilitate approval of a similar extension for exclusively-represented employees, the Commission Resolution also authorizes the State Personnel Director to approve similar amendments to the collective bargaining agreements which will provide substantially similar extensions for exclusively represented employees as approved in Rule 2-14 for NEREs.

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

6. PUBLIC COMMENT

Chairperson Munsell noted there was one request for public comment.

Ruthie Edmondson, a retired Department of Natural Resources employee, addressed the Commission concerning what she felt was a broken agreement between herself and the DNR. She acknowledged, and indicated her appreciation for the time that Janet McClelland and Dan McLellan spent discussing the issues with her, but appealed to the Commission to assist her in resolving the conflict between herself and DNR.

Ms. Edmondson has applied for a number of state and non-state jobs. She feels that because of information contained in her personnel file, she wasn't offered any of the jobs. Dan McLellan explained that although Civil Service corrected Ms. Edmondson's employment history when it was brought to their attention in 2005, her actual complaint focuses on whether the DNR properly implemented the worker's compensation redemption agreement. In a meeting and during several phone calls with Ms. Edmondson, Mr. McLellan explained that neither Civil Service nor the Commission have authority over the worker's compensation system or over DNR with respect to the issue of enforcing that particular agreement or looking for damages that arise out of it. He noted that Civil Service has done everything it can to assist Ms. Edmondson, but ultimately, only a court can enforce the agreement.

Commissioner Lewand suggested that Civil Service staff work with DNR staff to try to facilitate discussions between the DNR and Ms. Edmondson.

Chairperson Munsell asked Civil Service to staff to contact the DNR to discuss what has transpired, and to copy Ms. Edmondson on any correspondence sent to DNR regarding her issues.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chairperson Munsell adjourned the meeting at 10:30 a.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020)

I, James D. Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of October 3, 2006.



State Personnel Director

Date

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
December 5, 2006**

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

Absent: Sherry L. McMillan, Commissioner

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 10:30 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

a. Approval of Minutes

On motion duly made and supported, the Commission approved the minutes of October 3, 2006.

b. Retirement Resolution – Mary Jane Putman

On motion duly made and supported, the Commission adopted the following retirement resolution.

Whereas, Mary Jane Putman has decided to retire from State Government after more than 38 years of service, of which more than 37 years were with the Michigan Department of Civil Service, and

Whereas, Mary has demonstrated commitment and dedication throughout her career as a public servant, gaining the respect and admiration of her colleagues, and

Whereas, Mary has demonstrated extensive knowledge of the Department of Civil Service and state government, and imparted that knowledge with enthusiasm and style, and

Whereas, Mary in her capacities as personnel management assistant, supervisor, and personnel management analyst in the Office of Human Resource Services consistently demonstrated integrity and professionalism, and

Whereas, Mary provided many years of excellent human resources liaison services to the Michigan Department of State Police, and continually explored other means by which to improve services to the public, and

Whereas, Mary will always be remembered for her benevolent caring, warm smile, and hardy laughter, and

Whereas, Mary will now be able to spend more time to love, cherish, and further build memories with her children Kevin, Andrea, Brian, and Jason, and her grandchildren, including Andrea's soon-to-be-born twins, and

Whereas, Mary can further indulge in her love of owls, gardening, traveling, reading, country music, knitting, crocheting, and other crafts.

Now, therefore, be it resolved that the Michigan Civil Service Commission does hereby extend to Mary Jane Putman its heartfelt appreciation for her dedicated efforts and many accomplishments during her years of service, and offers its warmest wishes for much health and happiness in her retirement.

c. Retirement Resolution – Delphine Morrin

On motion duly made and supported, the Commission adopted the following retirement resolution.

Whereas, Delphine Morrin has decided to retire from State Government after more than 27 years of service, nearly all of which was with the Department of Civil Service, and

Whereas, Delphine has demonstrated commitment and dedication throughout her career as a public servant, gaining the respect and admiration of her colleagues, and

Whereas, Delphine has demonstrated extensive knowledge of the Department of Civil Service and state government, and imparted that knowledge with character and integrity, and

Whereas, Delphine, in her capacity as a Personnel Management Assistant in the Detroit Regional Office was vigilant in scheduling and monitoring civil service examinations, even coming to work during a snow storm to administer a test to examinees who were unaware the office was closed, and

Whereas, Delphine's dedication to state service included an award-winning suggestion to redesign the construction of examination booklets, and

Whereas, Delphine provided invaluable assistance in processing human resource transactions for multiple agencies, and treated visitors to the Detroit Regional Office with courtesy and respect, and

Whereas, Delphine will always be remembered for her warm personality, commitment to excellence, and strong work ethic, and

Whereas, Delphine will now be able to spend more time with her family and have the opportunity to enjoy life more fully.

Now, therefore, be it resolved that the Michigan Civil Service Commission does hereby extend to Delphine Morrin its heartfelt appreciation for her dedicated efforts and many accomplishments during her years of service, and offers its warmest wishes for much health and happiness in her retirement.

Chairperson Munsell introduced and acknowledged Employment Relations Board members Susan Zurvalec, Bill Braman, and Richard Warner and thanked them for their service on the Board.

2. AMENDMENTS TO AGENDA

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

3. INFORMATIONAL REPORTS

a. Director's Report:

The Commission received the following report from State Personnel Director James Farrell.

Unclassified Position Report

Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of positions in the state unclassified service. There have been no requests since the last report.

Compensation Rates

As previously authorized in letters of understanding approved by the Civil Service Commission for the AFSCME and UAW agreements, I approved compensation rates for extracurricular program services for four classified positions during the 2006-'07 school year at the Michigan Schools for the Deaf and Blind.

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.

5.02, Premium Payment of Overtime, On-Call Compensation, and Callback Compensation (Effective October 1, 2006)

This regulation was revised to reflect the change in the highest eligible employee rate of approved overtime pay for ineligible employees resulting from the general wage increase effective October 1, 2006.

3.14, State Transitional Position Designation and Appointments (Effective November 19, 2006)

This regulation provides the standards and procedures for agencies when it is necessary to request Civil Service approval to designate an existing position classified as a business and administrative technician, professional, or manager as "transitional." The transitional designation of a position facilitates the movement of a career state employee to a new classification while maintaining the employee's employment preference rights and current pay rate if the rate of pay is less than or equal to the maximum of the classification level to which the employee will be reclassified upon completion of the transition period. Regulation 3.14 replaces certain portions of Regulation 4.03, *Establishing and Reclassifying Positions in the State Transitional and Departmental Trainee Classifications*, specifically, language found under Standards 3.A. (State Transitional Business and Administrative Technician), 3.B. (State Transitional Professional), and 3.C. (State Transitional Professional Manager).

Premium Mileage Rate Reimbursement

The Internal Revenue Service (IRS) has determined that the reimbursement rate for federal standard mileage will increase from 44.5 cents per mile to 48.5 cents per mile effective January 1, 2007. In accordance with Civil Service Rule 5-7.1(c) which states, *the state premium reimbursement rate shall be the standard mileage rate established by the IRS*, the state reimbursement rate for premium mileage will be adjusted on January 1, 2007, as well.

4. UNFINISHED BUSINESS

Chairperson Munsell noted there was no unfinished business.

5. NEW BUSINESS

Carol Vargovich, Budget & Financial Services Division, summarized the financial activity for the Department of Civil Service which included a summary of FY '06, certification of the FY '06 payroll of classified state service, appropriation adjustments to FY '07, and the proposed budget for FY '08. Ms. Vargovich requested Commission approval of the following three resolutions.

a. Certification of Payroll - Fiscal Year 2006

Resolution 5a. requests that the Civil Service Commission, in fulfillment of the Constitutional requirement to certify the aggregate payroll of the classified service for the preceding fiscal year, certify a payroll of \$4,412,132,500, as recorded in the state's Michigan Administrative Information Network as of November 20, 2006, for the fiscal period October 1, 2005, to September 30, 2006.

b. Budget Resolution – FY 2006-2007

Consistent with the Civil Service Commission's constitutional authority, and recognizing the funding requirements for the MI-HR Service Center, employee economics, CSS&M reductions, and worker's compensation/building economics, Resolution 5b. requests that the Commission decrease the previously approved FY '06-'07 budget for the Department of Civil Service by \$594,500.

c. Budget – FY 2008

Resolution 5c. requests Civil Service Commission approval of the Fiscal Year '08 budget proposal for the Department of Civil Service totaling \$37,537,400.

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

d. Coordinated Compensation Panel Recommendations – FY 2008

Matt Fedorchuk, Compensation Division, presented the recommendations contained in the proposed Coordinated Compensation Proposal (CCP) for FY '08 that was developed by the members of the Employment Relations Board, serving as the CCP Panel under Civil Service Rule 5-1.3.

The Panel recommended Commission approval of the following for FY '08.

- A 2 percent across-the-board pay increase effective October 1, 2007, and a 2 percent across-the-board pay increase effective April 6, 2008.
- A special 40 cent per hour wage increase for Assistant Resident Unit Supervisors 11 and Resident Unit Managers 13 effective October 1, 2007.
- A special 30 cent per hour wage increase for Corrections Shift Supervisor 11, 12, and 13, and Corrections Security Inspector 13 effective October 1, 2007.
- Increase the maximum annual award from \$2,500 to \$3,600 for the Lottery Sales Incentive Program effective October 1, 2007.
- Renewal of the Professional Development Fund for MSC employees at \$150,000 and renewal of the Professional Development Fund for B&A unit employees at \$50,000.

The Panel recommended Commission denial of the following:

- Creation of 10-, 15-, and 20-year pay steps for all State Police Command Officer pay ranges, as recommended by MSPCOA.
- A \$755 lifetime lasik/laser surgery benefit to NEREs, as recommended by ASEM.

The Panel proposed that the Commission:

- Take no action on the issue of awarding a lump sum payment of up to \$500 for employees in the performance-pay program who are at the base pay maximum and receive a satisfactory rating for FY '06/'07 as proposed by ASEM.
- Support the recommendation made by ASEM to increase awareness of the state's existing smoking cessation programs, by directing the Department of Civil Service to better publicize the programs and encourage employees to utilize existing services.

Mr. Fedorchuk also presented a table summarizing the known costs and savings contained in the proposals being recommended for approval by the Commission. He noted the Panel weighed a number of factors in deciding to support the proposals presented to the Commission. While keeping in mind the State's financial condition, the Panel considered the compensation received by exclusively represented employees through the collective bargaining process, and recognized the need for equity for non-exclusively represented employees.

The Panel also noted and continues to respect, the good faith consensus agreement reached between OSE and labor relations organizations.

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

e. Unclassified Pay Recommendations – FY 2008

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

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

Based on a review of the data, staff requested Commission approval and transmission of the following recommendations to the Governor and the Legislature for FY '08.

- Two percent merit salary increase effective October 1, 2007, and a two percent merit salary increase effective April 6, 2008.
- Legislative approval of the line-item funding necessary to support these recommendations.

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

f. Letters of Understanding (LOUs) Regarding Disaster Relief Leave Between the Office of the State Employer and the Michigan Corrections Organization, Michigan State Employees Association, Michigan State Police Troopers Association, Michigan Public Employees – SEIU Local 517M, and the UAW.

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

Mr. McLellan mentioned that at the October 3, 2006, meeting the Commission approved paid and unpaid disaster relief leaves of absence for state classified employees, consistent with Public Act 267 of 2006. The LOUs are amendments to the primary collective bargaining agreements for all unions (except AFSCME), which would provide similar paid and unpaid disaster relief leave for exclusively-represented employees.

On motion duly made and supported, the Commission confirmed the interim approval granted and approved Agenda Item 5f.

6. PUBLIC COMMENT

Larry Horvath, a manager from the Department of Community Health, addressed the Commission about his concern that under Civil Service Regulation 5.01, employees are not eligible for step or pay increases for two years when entering a position at the department trainee level. He asked the Commission to consider reviewing this regulation, as he felt that a trainee should not have to wait two years to be eligible for a pay increase. Commissioner Pitz commended Mr. Horvath for taking the time to bring this issue to the Commission on behalf of his staff. Chairperson Munsell noted the Commission would pursue this issue further with staff.

Andre Friedlis, representing the Association of State Employees in Management (ASEM) commented about the Commission's support for the denial of the \$755 lifetime lasik/laser surgery benefit to NERE's as proposed by ASEM. Mr. Friedlis indicated that ASEM views this request as a no-cost proposition to the state because presumably people who have the surgery would not need glasses in the future. He acknowledged that this benefit was approved for only one union, but requested that the Commission direct Civil Service staff and OSE to perform a study over a definite time period to quantify how many people are using the benefit and what the cost savings to the state has been.

The Chair expressed continued interest regarding the coverage of lasik/laser surgery for NEREs, similar to the benefit given to employees represented by MSEA via collective bargaining with the OSE. Ms. Munsell opined that she expects this issue will be raised in collective bargaining in 2007 for other bargaining units, and will therefore, in all likelihood, be reviewed again by CCP in the near future.

ADJOURNMENT

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

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Department of Civil Service, Executive Office, Capitol Commons Center, Lansing, Michigan. (517-373-3020)

I, James D. Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of December 5, 2006.



State Personnel Director

Date

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
January 31, 2007**

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

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Civil Service Commission Chairperson Susan Grimes Munsell at 9:03 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

a. Approval of Minutes

On motion duly made and supported, the Commission approved the minutes of the December 5, 2006, meeting.

2. AMENDMENTS TO AGENDA

Chairperson Munsell noted there were no amendments to the agenda.

3. INFORMATIONAL REPORTS

Chairperson Munsell noted there was no informational report.

4. UNFINISHED BUSINESS

Chairperson Munsell noted there was no unfinished business.

5. NEW BUSINESS

a. Letter of Understanding (LOU) by the UAW 6000 and the Office of the State Employer regarding recruitment and retention payments and signing bonuses for Registered Nurses.

Dan McLellan presented information regarding the LOU to amend the recruitment and retention bonuses for Registered Nurse classifications with an effective date of October 1, 2007. The LOU provides for the following:

Adds eligibility for RN classes at Charles Egler Reception and Guidance Center, Parnell Correctional Facility, and Southern Michigan Correctional Facility; increases

annual bonus amount to \$5,000; and an optional signing bonus which increases one-time lump sum bonus amount to \$5,000.

Commissioner Lewand abstained. Question was raised by the Commission regarding the timing of payment as it was outlined in the LOU. Tom Hall, Acting Director for the Office of the State Employer, addressed the Commission to clarify language in paragraph 5 regarding the Recruitment and Retention payments. Chairperson Munsell moved to approve the LOU and grant the State Personnel Director authority to approve the amended LOU that clarifies the timing of that payment when submitted by other parties. Motion supported by Commissioner Pitz. The motion was passed.

6. PUBLIC COMMENT

Chairperson Munsell noted there were no requests for public comment.

7. COMMISSION APPEALS

There were no closed session appeals.

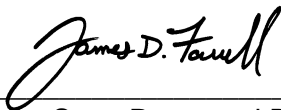
ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chairperson Munsell adjourned the meeting at 9:07 a.m.

NOTE

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

I, James D. Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of January 31, 2007.



State Personnel Director

Date

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
May 2, 2007**

Present: Susan Grimes Munsell, Chairperson
Sherry L. McMillan, Commissioner
F. Thomas Lewand, Commissioner (via conference call)
James D. Farrell, State Personnel Director

1. CALL TO ORDER

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

a. Approval of Minutes

On motion duly made and supported, the Commission approved the minutes of the January 31, 2007, meeting.

b. Retirement Resolution – Brenda Strieff

On motion duly made and supported, the Commission adopted the following Resolution:

Whereas, Brenda Strieff has decided to retire from State Government after over 13 years of service, nearly all of which was with the Department of Civil Service; and

Whereas, Brenda has demonstrated commitment and dedication to the State of Michigan and the Michigan Department of Civil Service throughout her career as a public servant, gaining the respect and admiration of her colleagues; and

Whereas, Brenda, in her capacity as a Secretary for the Employment Relations Board, prepared and organized the important support materials for the Board's work, often arriving early to avoid monopolizing the office copy machine and carefully organizing the materials for easy reference; and

Whereas, Brenda was instrumental in the development and maintenance of the Decision Status And Research Service (DSTARS), Civil Service's formal decisions database that has helped employees, employee representatives, and the labor relations community to understand the law of Civil Service; and

Whereas, Brenda commuted to Lansing from Ovid daily and was never late, and during one of those commutes, survived unhurt after her vehicle was struck by lightning and surrounded by a fireball; and

Whereas, Brenda will always be remembered as a generous supporter of charitable causes undertaken by Civil Service, and a kind, ethical, and thoughtful person; and

Whereas, Brenda and her husband of 41 years, Harold, have two children and three grandchildren in the mid-Michigan area with whom they can now spend more time; and

Whereas, Brenda and Harold will now be able to further indulge their love of travel, visiting auctions, craft fairs and interesting sites along the way, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Brenda Strieff its heartfelt appreciation for her dedicated efforts and many accomplishments during her years of service.

Resolved, that the Commission extends to Brenda its warmest wishes for much health and happiness throughout her retirement.

2. AMENDMENTS TO AGENDA

Chairperson Munsell noted there were no amendments to the agenda.

3. INFORMATIONAL REPORTS

- a. **Director's Report:** The Commission received the following report from State Personnel Director James Farrell.

Unclassified Position Report

Department of Attorney General

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

Request dated December 13, 2006, to serve as the Communications Advisor. Concurrently, the Chief Deputy to the Attorney General position was abolished. The request was approved effective December 18, 2006.

Request dated December 28, 2006, to serve as the Administrative Assistant to the Attorney General. Concurrently, the Director of Legislative and Constituent Relations position was abolished. The request was approved effective December 31, 2006.

Request dated February 22, 2007, to serve as a Special Assistant to the Attorney General. Concurrently, the Communications Advisor position was abolished. The request was approved effective February 20, 2007.

Department of Natural Resources

The Department of Natural Resources submitted a request dated March 14, 2007, to serve as Assistant Legislative Liaison. Concurrently, the position of Press Secretary was abolished. The request was approved effective March 4, 2007.

Department of Labor and Economic Growth

The Department of Labor and Economic Growth submitted a request dated March 19, 2007, to serve as Chief of Staff. Concurrently, the position of Special Assistant to the Director was abolished. The request was approved effective March 11, 2007.

Department of State

The Department of State submitted a request dated March 26, 2007, to serve as Director of the West Michigan Executive office. Concurrently, the position of Director of Civic and Community Affairs was abolished. The request was approved effective April 2, 2007.

Letter of Understanding

As authorized by the Civil Service Commission at its January 31, 2007 meeting, the clarifications to the Letter of Understanding on bonus programs for nurses in the Human Services Unit, as submitted by the Office of the State Employer on February 9, 2007, was approved by State Personnel Director James Farrell.

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.

5.07, Performance-Pay Programs (Effective April 5, 2007)

In Executive Directive 2007-14, Governor Granholm requested that the Civil Service Commission impose a moratorium on performance pay awards for classified employees for the remainder of FY 2006-07 to help address the state's fiscal condition. After review of the Governor's request, this regulation was revised with an immediate effective date of April 5, 2007, to prohibit performance-pay increases from being awarded or approved, on or between April 5, 2007, and September 30, 2007.

3.14, State Transitional Position Designation and Appointments (Effective April 8, 2007)

This regulation has been revised to clarify language to reflect that an employee with status who is appointed to a position designated as transitional at a new classification may be required to complete a probationary period at the discretion of the appointing authority. In addition, minor clarifying language was added which requires an employee classified in the Sr. Executive Management Assistant Service (SEMAS) to

possess an equivalent of six months full-time experience as a SEMA in order to be eligible for appointment to a professional position designated as transitional.

4. UNFINISHED BUSINESS

Chairperson Munsell noted there was no unfinished business.

5. NEW BUSINESS

a. Department of Civil Service Budget Reduction FY 06-07

Ms. Carol Vargovich, Budget and Financial Services Division, presented a Resolution for Commission approval concerning a reduction in the Civil Service Budget. Ms. Vargovich noted that the reduction is in response to the Governor's Executive Order 2007-3, which was issued to provide for a statewide expenditure reduction and funding shift in order to meet reduced revenue estimates. As part of the statewide reductions, the general fund appropriation for the Department of Civil Service was reduced by \$466,100 for FY 06-07.

The State Personnel Director is authorized to take any action necessary to implement the provisions of this Resolution so that expenditures of the Department of Civil Service are reduced as specified for FY 06-07.

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

b. Secondary Collective Bargaining Agreements: UAW & DLEG, UAW & MSHDA, UAW & Strategic Fund

Mr. Dan McLellan, General Counsel for the Commission, presented information on the secondary collective bargaining agreements (CBAs) between the UAW & Department of Labor and Economic Growth, UAW & Michigan State Housing and Development Authority, and UAW and Strategic Fund.

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

c. Temporary Layoff Rule Proposed Amendments (2-4 Layoffs, 2-5 Employment Preference, 5-16 Temporary Furloughs, 9-1 Definitions)

Counsel McLellan presented information on the temporary layoff rule. He explained that current rules for NEREs do not have any standards for temporary layoffs. Historically, the Civil Service Commission has approved temporary layoffs or furlough days as budget issues arose. Staff recommended a general temporary layoff rule which would give appointing authorities the flexibility to deal with budget issues as done previously on an ad hoc basis.

Counsel McLellan outlined the proposed rule changes as follows: 1) temporary layoff would be limited to 1-20 unpaid workdays per fiscal year, 2) employment preference would not be permitted, 3) a temporary layoff is creditable time which means that all time would be treated as if you were working, 4) while on temporary layoff, an employee would not be in pay status and could not elect for annual leave payoff, 5) benefits continue, 6) in consultation with the Office of Retirement Services, the

interpretation of the statute regarding the temporary layoff days would be included in the final average compensation at a slightly lower level. Mr. McLellan noted, however, with respect to the State Police Retirement System, the statute is unclear at this point, and staff would continue to work with the Attorney General's office and the Office of Retirement Services regarding how state police retirement would be treated if a temporary layoff occurred, and lastly, 7) an employee on temporary layoff would return to the same job at the end of the temporary layoff.

In addition, Counsel McLellan asked the Commission to repeal Rule 5-16 regarding furlough days which affected only FY 2004.

Counsel McLellan stated Resolution 5c includes the waiver of the 28-day notice requirement as provided in Civil Service Commission Rule 1-1.

Chairperson Susan Munsell discussed the reason the temporary layoff rule was being addressed was due to the state's anticipated budget shortfall for fiscal year ending September 30, 2007.

Mr. Scott Bowen, Director, Office of the State Employer (OSE), addressed the Commission to support the temporary layoff rule. He indicated the need for the rule is clear and its absence would not allow the executive office to utilize temporary layoffs as part of contingency plans for operating government in the event the budget crisis is not resolved and the state does not have enough money to fully operate all of its programs. He further noted that the proposed rule is patterned after provisions for temporary layoffs found in collective bargaining agreements and it is the intent to be equitable to all state employees. The proposed rule does not mean that temporary layoffs would automatically occur, however, state departments have been asked to prepare contingency plans in the event the budget situation goes unresolved. No final decision for implementation of those plans have been determined. He noted, the Governor is working with the legislature to resolve the budget crisis, and is taking appropriate and comprehensive measures if the budget crisis is not resolved. The OSE urged the Commission to adopt the temporary layoff rule.

Mr. Dennis Kelley, a NERE employee with the Department of Transportation, addressed the Commission regarding the rule on temporary layoffs. He expressed his concerns regarding the implementation of the rule and stated that employees have done their part in recent years with unpaid furlough days, banked leave time, and directives that have cut the ability to work effectively in our jobs and that it was unfair to target state employees. He stated that whether it's temporary layoffs or indefinite layoffs, they should not be required by state employees.

Mr. Dale Threehouse, President of MAGE, OPEIU, and legal counsel, Brandon Zuk addressed the Commission as representatives for NERE's regarding the temporary layoff rule. Mr. Threehouse expressed that the members of MAGE are adamantly opposed to the rule and that employees feel they have already done their share. Supervisors are working overtime with no overtime pay, nurses in psychiatric hospitals and prisons are working overtime excessively. Mr. Threehouse further stated that we have downsized two times, taken furlough days and banked leave time and that state employees are doing more with less staff and resources. Mr. Threehouse urged the Commission to reject the proposed rule amendment and reminded the Commission that in previous years when addressing furlough days, the Commission indicated that

NEREs would not be harmed greater than the rank and file employees and he asked that the Commission again make that proclamation.

Mr. Brandon Zuk, legal counsel for MAGE addressed the Commission to expand on MAGE's concerns with regard to the disproportionate treatment of NEREs under the proposed rule as compared to the treatment of rank and file employees in the event of a temporary layoff. He indicated the last time he was here was when the Commissioners made a commitment with regard to the furlough day issues with the NEREs not being treated disproportionately or more adversely than rank and file employees. He acknowledged that the intent was to pattern temporary layoffs for NEREs after the temporary layoff provisions in the collective bargaining agreements, but noted in some respects the proposed rules would in fact treat NEREs more adversely than rank and file employees. Mr. Zuk highlighted some of those differences. The proposed rule is capped at 20 days and none of the collective bargaining agreements (CBAs) have a cap of 20 days. Typically, the CBAs have less than 20 days, (i.e., a maximum of 19, but in two cases the CBAs have temporary layoff days capped in no more than 6 days in a fiscal year.) In many cases there is at least one additional day, and other cases, NEREs would be capped three times more. The CBAs provide that temporary layoffs be imposed in consecutive days and that a provision is missing from the proposal for NEREs and is important with regard to their ability to collect unemployment compensation for a temporary layoff. In addition, NEREs would not be able to use the leave time they have already earned and individuals will be without an income either from their pay, utilizing leave time, or collecting unemployment benefits. An additional difference for NEREs, in contrast to rank and file employees, is that the CBAs provide that temporary layoffs be done in order of seniority. The NEREs are not given this protection. He stated MAGE objects to any type of layoffs and would seek from the Commission to renew the commitment that was made a few years ago that NEREs would not be treated more adversely than rank and file employees. MAGE did have concerns with respect to the final average compensation and thanked Director James Farrell and Dan McLellan for addressing those concerns.

Mr. Ken Fletcher, Michigan State AFL-CIO, addressed the Commission regarding the state's fiscal crisis. Mr. Fletcher indicated that they would prefer that layoffs, whether temporary or indefinite, not be part of the budget solution. Mr. Fletcher indicated that it is their belief that state employees have done their part in previous fiscal years when they had furlough days and other concessions. Mr. Fletcher pointed out that the number of state employees has reduced from 58,000 to 53,000 and that is the lowest number of state employees since 1974, yet state employees are serving 1.3 million more citizens. He further indicated payroll has declined about one-third since 1982. Mr. Fletcher stated if layoffs become necessary, that they be done equally among bargaining units and departments with due consideration to maintaining public safety.

Mr. Tom Welch, a state employee with Department of Community Health, also addressed the Commission to speak from a personal perspective. Mr. Welch indicated he and his wife both work for the state and if the proposed rule was implemented it would severely impact their ability to raise their family. He implored the Commission to act as an independent body and to encourage other solutions during this time of crisis.

Ms. Martha Yoder, ASEM representing NERE employees, addressed the Commission and concurred with the concerns raised by others present. She strongly suggested

that modifications be considered to stipulate the NEREs be treated equitably with other state employees in terms of the use of temporary layoffs and/or other work time adjustments and NEREs should not suffer to a greater degree than any other group of state employees. She requested a minimum written notification be provided to employees for the use of temporary layoff days and it was suggested that it not be less than one week. Ms. Yoder also asked that temporary layoff time be given flexibility to state employees to have input as to when their layoff days would be; and that employment preference be considered. If employment preference is not considered, she asked the Commission to give direction to departments on how to implement temporary layoff because of concerns regarding favoritism and other inequities that could happen without guidance in applying the temporary layoff rule. Also requested was that NEREs not be expected to bear an overly burdensome share of layoff days and asked that the Commission understand that any loss of work time and associated pay reduction is very difficult and potentially traumatic to state employees. She reminded the Commission that state employees have always contributed their fair share and that some departments are federally funded and taking away those services would reduce federal funds.

Ms. Sandra Parker, President United Auto Workers (UAW), representing approximately 16,500 members for the State of Michigan addressed the Commission. Ms. Parker stated that the rule mirrors UAW's contract, Article 12, Section A, which does indicate that a UAW member could receive up to 20 consecutive layoff days. If the rule was implemented, it should be mirrored to the CBAs that have been negotiated and approved by the Commission.

Ms. Diane Garrison, Executive Director of the Michigan State Police Command Officers' Association, concurred with the concerns expressed by colleagues regarding temporary layoff days. She indicated that state employees feel they have done their part and it is unfair to balance the budget on the back of state employees. Other concerns addressed were, 1) additional language to the rule that the layoffs shall take place on the basis of inverse seniority among all employees of the appointing authority, and 2) concerns regarding the State Police Retirement Act whereas, the state police command officers would adversely be affected based on the statute which does not include the final average compensation of a state police command officer.

Counsel McLellan addressed the issue of final average compensation and indicated it would require a legislative change as it was done in 2003 for the furlough days. He indicated the Commission cannot address statutory issues with regard to the State Police Retirement Act.

Chairperson Susan Munsell added that OSE wanted the flexibility of using cumulative versus consecutive days and this appears to be one of the issues of contention, as well as the number of days. She indicated, even if the temporary layoff rule is adopted, the Commission is very concerned about the equity between represented and non-represented employees. The Commission's next meeting is scheduled for July and if the legislature and the Governor have not come to an agreement on how to deal with the budget shortfall, and the executive office has directed the departments to utilize the use of temporary layoffs, members of the Commission are concerned that it be done in a way that units are looked at by their function and not by whether the employees are represented or non-represented, and in fact that the NEREs do not feel unfair treatment based on their representation. Chairperson Munsell also indicated the

Commission could come back and address that issue if it is reported that employees are feeling adversely impacted, and if necessary, the Commission could meet prior to the July date. Chairperson Munsell strongly urged employees to notify staff of any issues if the institution of temporary layoffs occurred, and ensured that the Commission takes seriously their role of equitable fair treatment of State of Michigan employees.

Commissioner Lewand added that the Commission shares the tremendous concern that the budget not be balanced on the backs of state employees who have given so much and so often in the past, and who are valued by state government. He stated it is a policy decision made by the policymakers in the legislature and Governor's office and if the policymakers make those difficult decisions, the Commission feels very strongly that employees be treated fairly across the board, and encouraged staff to advise the Commission if there are trends that are problematic that the Commission address and meet prior to the scheduled July meeting if necessary.

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

6. PUBLIC COMMENT

Mr. Robert Proctor, retired Administrative Law Examiner in the Hearings Division of the Department of Civil Service, addressed the Commission regarding his interactions with the Department of Natural Resources (DNR) human resources staff. Mr. Proctor referred to a letter that was sent to the Commission on March 5, 2007, and provided an update to that correspondence with respect to Ms. Joyce Rhodes. In summary he stated his March 5, 2007, letter set forth a chronology of events regarding the DNR's actions related to the implementation of the decisions by the Hearing Officer, Employment Relations Board and Civil Service Commission with respect to the grievance decision of Ms. Rhodes. Since that time, Ms. Rhodes has received reimbursement, however, Mr. Proctor stated there were still outstanding issues.

Mr. Proctor also addressed the agency's failure to respond to grievances as provided in Regulation 8.01. He expressed his concern of the employee who pays for representation at such steps when the department does not respond and that the employee may then move their grievance to the next step when a required answer is not answered. Mr. Proctor submits that the Commission should address department's compliance with the rules and regulations.

Mr. Proctor also stated there is a burden of expense upon an employee when appealing an adverse adjudicating officer decision. Mr. Proctor requested the Commission consider this matter when the department's appeal is unsuccessful.

7. COMMISSION APPEALS

In closed session on May 2, 2007, the Commission considered six recommended decisions of the Employment Relations Board. Copies of the review sheets indicating the Commission's actions on these decisions are on file at the Department of Civil Service.

In closed session via conference call on February 22, 2007, the Commission considered 17 recommended decisions of the Employment Relations Board. Copies of the review sheets

indicated the Commission's actions on these decisions are on file at the Department of Civil Service.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chairperson Munsell adjourned the meeting at 11:19 a.m.

NOTE

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

I, James D. Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of May 2, 2007.



State Personnel Director

Date

**State of Michigan
DEPARTMENT OF CIVIL SERVICE
Civil Service Commission Meeting
August 21, 2007**

Present: F. Thomas Lewand, Chairperson
Sherry L. McMillan, Commissioner
Bryan J. Waldman, Commissioner
James D. Farrell, State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by State Personnel Director, James D. Farrell at 9:08 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

a. Election of Chairperson

State Personnel Director, James D. Farrell requested the election of a Chairperson due to the resignation of former Chairperson, Susan Grimes Munsell. Commissioner McMillan moved to elect F. Thomas Lewand as Chairperson to the Civil Service Commission. Commissioner Waldman seconded the motion and the motion passed.

b. Approval of Minutes

On motion duly made and supported, the Commission approved the minutes of the May 2, 2007, meeting.

c. Retirement Resolution – Barb Stoker

On motion duly made and supported, the Commission adopted the following Resolution:

Whereas, Barb Stoker has decided to retire from state government after 35 years of service, of which over seven years were with the Department of Civil Service, and

Whereas, Barb has demonstrated commitment and dedication throughout her career as a public servant, gaining the respect and admiration of her colleagues, and

Whereas, Barb has demonstrated extensive knowledge of the Department of Civil Service and state government and imparted that knowledge with enthusiasm and style, and

Whereas, Barb, in her capacities as Personnel Management Assistant with the Departments of Mental Health and Transportation, and Personnel Management Analyst with the Employee Benefits Division and, most recently, with the Production Support unit in the Office of Human Resource Operations, and

Whereas, Barb, will always be remembered for her warm smile and laughter, and

Whereas, Barb will now be able to spend more time with her husband, Tony and son, Derek, and

Whereas, Barb can further indulge in her love of gardening and sewing, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Barb Stoker its heartfelt appreciation for her dedicated efforts and many accomplishments during her years of service.

Resolved, that the Commission extends to Barb its warmest wishes for much health and happiness throughout her retirement.

2. AMENDMENTS TO AGENDA

Chairperson Lewand noted there were no amendments to the agenda.

3. INFORMATIONAL REPORTS

- a. **Director's Report:** The Commission received the following report from State Personnel Director James D. Farrell.

Unclassified Position Report

Department of Human Services

The Department of Human Services submitted a request to establish an exempt unclassified position dated May 3, 2007, to serve as the Deputy Director for Children and Adult Policy. Concurrently, the Deputy for Service Delivery position was abolished. The request was approved effective May 21, 2007.

Department of Natural Resources

The Department of Natural Resources submitted a request dated May 18, 2007, to convert the unclassified position of Chief Deputy Director to a classified position. Concurrently, the unclassified Chief Deputy Director position was abolished. The request was approved effective June 18, 2007.

Department of Corrections

The Department of Corrections submitted a request to establish an unclassified position to serve as the Office of Public Affairs Manager. Concurrently, the Legislative Liaison position was abolished. The request was approved effective February 11, 2007.

The Department of Corrections also submitted a request to establish an unclassified position to serve as the Community Liaison for the Office of Offender Re-Entry. Concurrently, the Public Information Officer position was abolished. The request was approved effective April 8, 2007.

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.

5.09, Annual, Personal, and School and Community Participation Leave, and 5.10 Sick Leave (Effective May 6, 2007)

As a result of the approval of the amendments to Rule 2-4 (Layoffs) at the May 2, 2007 Commission meeting, minor modifications were made to regulations 5.09 and 5.10 clarifying that an employee gets credit for leave accruals for each day of temporary layoff as if the employee was in active pay status. Regulation 5.09 also has been amended to clarify that freezing or paying off of annual leave is not applicable to a temporary layoff.

5.19, Temporary Furlough Hours (Effective May 6, 2007)

As a result of the deletion of Rule 5-16 (Temporary Furloughs) in its entirety, regulation 5.19 has become obsolete and therefore has been made inactive.

National Association of State Personnel Executives (NASPE)

On behalf of the Department of Civil Service and the Civil Service Commission, at the 2007 NASPE annual meeting in July, the State Personnel Director accepted the Department's second NASPE Communication award in the electronic category for our Web-based New Hire Online Orientation presentation. Chairperson Lewand extended to departmental staff and the State Personnel Director his congratulations for winning this award, particularly in this day and age where the Internet is the most used form of communication.

4. UNFINISHED BUSINESS

Chairperson F. Thomas Lewand noted there was no unfinished business.

5. NEW BUSINESS

a. Travel Expense Reimbursement Rates for FY '07-08

Rose Wilson, Department of Management & Budget (DMB), addressed the Commission regarding travel expense reimbursement rates for FY '08. Ms. Wilson indicated that the rates remain unchanged from the FY '08 rates. A memo from Lisa Webb-Sharpe, Director of the DMB, recommended adding the city of St. Joseph, Michigan to the "Select Cities" list. A copy of the letter from Lisa Webb-Sharpe is, by reference, a part of the record of this meeting.

On motion duly made and supported, the Commission approved the motion for travel expense reimbursement rates for FY '08.

b. Resolution 07-02 re Executive Order (EO) 2007-30

D. Daniel McLellan, General Counsel for the Commission, presented information on EO 2007-30 which reorganizes the executive branch by abolishing the Department of Civil Service; moving the Civil Service Commission to the Department of Management and Budget (DMB) as an autonomous agency; transferring the administration of all executive branch human resources operations and staff currently located in the executive departments to the Commission; and transferring miscellaneous supplemental statutory duties from the Department of Civil Service to the Commission or DMB.

General Counsel McLellan stated that the Commission has before it for action Resolution 07-02 that, if passed, would accept the transfer of duties and responsibilities to the Commission as outlined in Executive Order 2007-30.

Clarence Stone, Michigan State Housing Development Authority (MSHDA), addressed the Commission regarding a memorandum dated June 21, 2007, to State Deputy Budget Director Nancy Duncan and Janet McClelland, Chief Deputy Director with the Department of Civil Service, which opined that Executive Order 2007-30 does not apply to MSHDA because it operates as an independent public corporation. A copy of the memorandum is, by reference, a part of the record of this meeting.

Chairperson Lewand asked for a motion on Resolution 07-02. Commissioner McMillan asked Counsel if the memorandum presented would have any impact on the Commission's action. General Counsel McLellan responded that it is not for this Commission to determine, but would be a legal question regarding the Executive Order. Commissioner McMillan moved to approve the resolution, noting if an issue regarding MSHDA arises, that the issue be brought to the Commission. Commissioner Waldman supported. On motion duly made and supported, the Commission approved Resolution 07-02.

c. Resolution 07-03 Proposed Rule Amendments

D. Daniel McLellan, General Counsel for the Commission, presented information on amendments to the Rules as the result of Executive Order 2007-30.

General Counsel McLellan outlined the proposed rule changes as follows: 1) draft amendments delete all references to the "Department of Civil Service" and are replaced in most instances with "Civil Service Commission," "State Personnel Director" or "Civil Service staff" as appropriate; draft amendments address the new organizational placement of the Commission; due to the transfer of human resources operations and staff, rule amendments clarify the respective roles of the appointing authorities and the new Commission staff and resulting potential for conflicts of interest.

Unrelated to the Executive Order, additional minor amendments were made to Rules 2-14.4, 4-6.2(c), 4-7.2(c), 5-7.1(b)(1), and 9-1 (Definition of "Uniformed Services").

On motion duly made and supported, the Commission approved Resolution 07-03.

d. **Letter of Understanding (LOU) Between Office of the State Employer (OSE) & AFSCME**

D. Daniel McLellan, General Counsel for the Commission, presented information and staff recommendations on the LOU between the OSE and AFSCME amending the primary collective bargaining agreement for the Institutional Unit authorizing a pilot program for scheduling regular days off at the Hawthorn Center. Staff's review of the LOU did not identify any violations of the Commission's rules on prohibited subjects of bargaining.

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

e. **Resolution 07-04 re Executive Order 2007-31 (Internal Audit)**

D. Daniel McLellan, General Counsel for the Commission, presented information on EO 2007-31 which transfers the statutory internal audit and related personnel functions of the principal departments to the Office of the State Budget, Department of Management and Budget.

General Counsel McLellan indicated this Resolution authorizes the State Personnel Director (SPD) to consult with the State Budget Director regarding the provision of internal audit services for the Commission by the Office of the State Budget Director after October 1, 2007. Also, the SPD is authorized to enter into a written service level agreement with the State Budget Director on behalf of the Commission regarding the provision of internal audit service for the Commission protecting confidential Civil Service Commission information and documents.

On motion duly made and supported, the Commission approved Resolution 07-04.

f. **Resolution 07-05 re Executive Order 2007-32 (Accounting)**

D. Daniel McLellan, General Counsel for the Commission, presented information on EO 2007-32 that transfers the statutory accounting functions and related personnel of the principal departments to the Office of the State Budget, Department of Management and Budget.

General Counsel McLellan indicated this Resolution authorizes the State Personnel Director (SPD) to consult with the State Budget Director regarding the provision of accounting services for the Commission by the Office of the State Budget Director after October 1, 2007. In addition, the SPD is authorized to enter into a written service level agreement with the State Budget Director on behalf of the Commission regarding the provision of accounting services for the Commission and prohibits transferring Civil Service Commission constitutional authority.

On motion duly made and supported, the Commission approved Resolution 07-05.

g. **Letter of Understanding (LOU) Between Office of the State Employer (OSE) & MCO - Overtime**

D. Daniel McLellan, General Counsel for the Commission, presented information on the Letter of Understanding between Office of the State Employer and the Michigan

Corrections Organization, which amends provisions of Article 17, *Overtime*. The amendment authorizes shift overtime changes for employees on overlapping shifts.

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

6. PUBLIC COMMENT

David Purchase appeared before the Commission to raise questions regarding a Technical Appointment Complaint and a Technical Qualification Complaint in which he was the complainant. Mr. Purchase's main concerns focused on how an employee who is deemed not qualified for a position may occupy the same position in a working out of class capacity.

Chairperson F. Thomas Lewand asked General Counsel McLellan to review procedural issues Mr. Purchase brought before the Commission and take appropriate action necessary to answer his questions.

7. COMMISSIONER TRIBUTES

a. Susan Grimes Munsell

On motion duly made and supported, the Commission adopted the following Resolution:

Whereas, Susan Grimes Munsell has served with honor and distinction as a member and Chairperson of the Michigan Civil Service Commission for over ten years, making her the longest serving Chairperson, never missing a Civil Service Commission meeting, and

Whereas, Ms. Munsell has gained the respect and admiration of her colleagues by demonstrating dedication and commitment to the business of the Commission, and

Whereas, Ms. Munsell, as a member of the House of Representatives from 1987 to 1996, and as a Certified Public Accountant, brought to the Commission invaluable expertise addressing financial and politically-sensitive matters before the Commission, and

Whereas, Ms. Munsell worked diligently with her fellow Commissioners to completely amend the Michigan Civil Service Commission Rules, and

Whereas, Ms. Munsell continuously demonstrated her allegiance to the citizens of Michigan by volunteering her time to serve as a member of the Livingston Arts Council, board member and leader for the Girl Scouts of America, board member for the League of Women Voters, Rotary Club member, and many other volunteer activities, and was recognized as 'Citizen of the Year' by the City of Howell, and

Whereas, Ms. Munsell's dedication to public service was exemplified by her neutrality and sensitivity to issues impacting all classified state employees, and

Whereas, the Commission has greatly valued Ms. Munsell's commitment to excellence, compassion for state employees, fairness in enacting rules, and her composure and poise, be it therefore

Resolved, that the citizens of the State of Michigan, the Michigan Civil Service Commission, and the staff of the Department of Civil Service, express to Ms. Munsell their deepest appreciation for her dedicated efforts and many accomplishments during her years of service to the Commission, and be it further

Resolved, that the Michigan Civil Service Commission does hereby extend to Ms. Munsell its most sincere thanks, its highest esteem, and best wishes for health and happiness for many years to come.

b. James Pitz

On motion duly made and supported, the Commission adopted the following Resolution:

Whereas, James P. Pitz has served with distinction as a member of the Michigan Civil Service Commission for over seven and one-half years, never missing a Civil Service Commission meeting, and

Whereas, Mr. Pitz has gained the respect and admiration of his colleagues by demonstrating dedication and commitment to the business of the Commission, and

Whereas, Mr. Pitz, as a nationally recognized expert in transportation engineering, won numerous awards including recognition by the American Public Works Association as one of the nation's top ten public works leaders, and demonstrated that leadership ability with the Commission, and

Whereas, Mr. Pitz worked closely with his fellow Commissioners to completely amend the Michigan Civil Service Commission Rules, and

Whereas, Mr. Pitz demonstrated his allegiance to the citizens of the State of Michigan throughout his many years as Commissioner and having served for over eight years as Director of the Department of Transportation, and

Whereas, Mr. Pitz's dedication to public service included his keen ability and sensitivity to see both management's and employees' viewpoints, and

Whereas, the Commission has greatly valued Mr. Pitz's insight, wisdom, sense of humor, and diplomacy in addressing issues head-on, be it therefore

Resolved, that the citizens of the State of Michigan, the Michigan Civil Service Commission, and the staff of the Department of Civil Service, express to Mr. Pitz their deepest appreciation for his dedicated efforts and many accomplishments during his years of service to the Commission, and be it further

Resolved, that the Michigan Civil Service Commission does hereby extend to Mr. Pitz its most sincere thanks, its highest esteem, and best wishes for health and happiness for many years to come.

7. COMMISSION APPEALS

In closed session on August 21, 2007, the Commission considered nine recommended decisions of the Employment Relations Board. Copies of the review sheets indicating the Commission's actions on these decisions are on file at the Department of Civil Service.

In closed session via conference call on June 12, 2007, the Commission considered four recommended decisions of the Employment Relations Board. Copies of the review sheets indicated the Commission's actions on these decisions are on file at the Department of Civil Service.

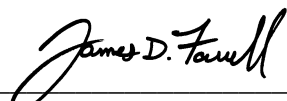
ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chairperson Lewand adjourned the meeting at 9:41 a.m.

NOTE

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

I, James D. Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of August 21, 2007.



State Personnel Director

Date

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
September 28, 2007**

Present: Bryan J. Waldman, Chair
Andrew P. Abood, Commissioner
Sherry L. McMillan, Commissioner
Mac Wardrop, Commissioner
James D. Farrell, State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by State Personnel Director, James D. Farrell at 8:40 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan. State Personnel Director Farrell welcomed the two newly appointed Commissioners to the Civil Service Commission, Mr. Andrew P. Abood, and Mr. Mac Wardrop.

Election of Chair

State Personnel Director, James D. Farrell, requested the election of a Chair due to the resignation of former Chair, F. Thomas Lewand. Commissioner McMillan moved to elect Bryan J. Waldman as Chair of the Civil Service Commission. Commissioner Abood seconded the motion and the motion passed.

a. Approval of Minutes

Chair Bryan Waldman requested a motion to approve the minutes of the August 21, 2007 meeting. On motion duly made and supported, the Commission approved the minutes of the August 21, 2007, meeting.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. NEW BUSINESS

a. Proposed Rule of General Applicability

Chair Waldman noted for the record the items being addressed and asked D. Daniel McLellan, General Counsel for the Commission, to provide explanation of the following agenda items relating to the proposed rule of general applicability:

- Rule 2-21, *Temporary Layoffs During a Fiscal Emergency*
- Resolution 07-06a – Waiver of 28-Day Notice
- Resolution 07-06b -- Rule of General Applicability
- Resolution 07-06c - approval of Rule 2-21.

General Counsel McLellan provided an explanation of the proposed rule of general applicability which would apply equally to all non-exclusively represented employees (NEREs) and to all exclusively represented employees.

General Counsel McLellan indicated the proposed use of the rule of general applicability would be for the specific purpose of regulating all temporary layoffs in the classified service between October 1, 2007 and November 3, 2007. General Counsel McLellan stated a motion may be necessary to amend the October 1, 2007 date to September 28, 2007, to provide for immediate effect in the event of possible notices being distributed to classified employees.

General Counsel McLellan further explained the temporary lay off rule would replace all collective bargaining provisions regarding temporary layoffs for a limited period which would apply to employment preference, recall, and notice for the 34 day period the rule would be in effect. The temporary layoff provisions of the collective bargaining agreements would resume at the end of the period. The purpose of the rule would be to effectively and equally apply layoffs to all employees in the classified service if a State shutdown were to occur.

General Counsel McLellan further stated the rule would authorize the appointing authority to temporarily layoff any state classified employee up to 20 cumulative days during the period up to November 3, 2007. He further explained that during a temporary layoff under the proposed rule, the benefits of all classified employees would continue, employment preference would not apply, employees would return to their same positions at the end of the temporary layoff. The rule would not establish standards for which employees would be laid off, or which employees would continue to work during a shutdown with the administration or appointing authorities determining essential services that would need to be continued.

4. PUBLIC COMMENT

Mr. M. Scott Bowen, Director, Office of the State Employer (OSE), addressed the Commission on behalf of the administration supporting the rule of general applicability due to the fiscal emergency the State of Michigan was facing. He indicated that with no budget in place for the next fiscal year, and with no experience to address these complex issues, and having examined all alternatives available in the event there is no budget by October 1, 2007, the current options under the agreement do not sufficiently meet an open ended fiscal emergency. The temporary layoff provisions in the collective bargaining agreements differ with regard to the reasons temporary layoffs may be invoked, the notice requirement, the duration of temporary layoffs, leave payoff, seniority rights and eligibility for insurance coverage.

Mr. Bowen provided historical information regarding the approval by the Civil Service Commission regarding Rule 6-3.6, Rules of General Applicability, whereby the Commission retains the authority to approve rules of general applicability during the term of any collective bargaining agreement and to apply the rule immediately to all classified employees including employees covered by collective bargaining agreements. He indicated the rule of general applicability has not been used to date for good reasons as it was designed for cases of emergency which the state is currently under. He stated if there

is no budget in place by 11:59 p.m. on September 30, 2007, the state cannot operate on October 1, 2007, and for equity across state service under the difficult circumstances, the Administration requests the Civil Service Commission to approve the proposed Rule 2-21, Temporary Layoffs During a Fiscal Emergency, as a rule of general applicability. He further explained the rule is limited and was designed to preserve employee benefits, including insurances, leave accruals, service credits, and ensures that employees who are temporarily laid off do not incur a break in service. Director Bowen indicated that while the Administration did not want to ask for this temporary rule, with the unprecedented event, and with no budget means and no constitutional authority to spend money from the state Treasury, he urged the Commission to approve the proposed rule as amended.

Mr. Mel Grieshaber, Executive Director, Michigan Corrections Organization (MCO-SEIU), spoke to the Commission in opposition of the proposed amended rule stating its main principle is to override the contract. Mr. Grieshaber urged the Commission to vote against Rule 2-21.

Mr. Roberto Mosqueda, President, Michigan State Employees Association (MSEA AFSCME), spoke to the Commission in opposition to the proposed amended rule. Mr. Mosqueda urged the Commission to reject the proposed rule.

Ms. Sandra Parker, President, United Auto Workers 6000 (UAW) and Mr. Phil Thompson, Executive Vice President, SEIU Local 517-M (Scientific & Engineering Unit) both spoke to the Commission regarding opposition to the proposed rule. Ms. Parker acknowledged Vice President UAW International, James Settles, Jr. in attendance to support the opposition of the rule. Ms. Parker outlined provisions in the UAW contract which protect state employees affected by any layoffs and stated that this rule would eliminate that protection. Ms. Parker defined "emergency" as an unforeseen combination of circumstances and stated that the budget crisis was not unforeseen. Ms. Parker urged the Commission to protect the rights of union and non-union employees and not adopt Rule 2-21.

Mr. Thompson spoke to the Commission and noted for the record that SEIU Local 517-M and the Coalition submitted letters to Governor Granholm on September 21, 2007, in opposition to the rule amendment. He provided historical information to the Commission regarding the December 12, 1998 adoption of Rule 6-3.6, Rules of General Applicability, and the concerns of the previous Commission when this Rule was enacted. Mr. Thompson outlined those concerns as to the authority of the Commission, and at what point the Commission would use the Rule 6-3.6, Rules of General Applicability. Mr. Thompson discussed specific reasons the previous Commission addressed regarding utilization of the Rule 6-3.6, Rules of General Applicability. He identified four items: 1) drug and alcohol testing, 2) smoke-free workplace (general application), 3) blood borne pathogens, and 4) Federal statute. He stated the previous Commission acknowledged that the Rule was for general application.

Mr. Thompson stated Rule 2-21 was an assault on the collective bargaining process by not following the contract on time notification. He noted that notification was given to all unions in the Spring of 2007 which later was rescinded and that OSE should be required to follow the contract. Mr. Thompson stated that the union contracts all have separate notification requirements which were bargained and that this rule takes away those bargained rights. Mr. Thompson asked the Civil Service Commission to reject Rule 2-21, and also requested the Commission to abolish Rule 6-3.6, Rules of General Applicability.

Chair Waldman asked for a practical understanding as to how this rule change would affect the members of SEIU Local 517-M, not just in regard to the notice requirement, but other impacts it would have. Mr. Thompson indicated pay, selection, seniority rights, and bumping rights would be affected. Ms. Sandra Parker, UAW, added that this rule also violates seniority rights.

Mr. Ed McNeil, Special Assistant to the President, AFSCME Council 25 (Institutional Unit) and Mark Smith, President of Local 3639, representing food service supervisors, dental aides, and LPN's in the Michigan Department of Corrections, collectively addressed the Commission. Mr. McNeil stated he concurred with the other unions addressing the Commission and that the proposed draft Rule 2-21 violates the current collective bargaining agreement between the State of Michigan and AFSCME Council 25 and that the current contract provides a process to deal with emergency layoffs requiring a 15 day notice rather than the usual 30 day notice. He defined an emergency as something sudden and unexpected which requires immediate action and stated that this "emergency" was not unexpected. Throughout the history of collective bargaining in state classified service, there is no precedence of this type of action. The inability of the legislature to find a comprehensive budget solution creates a crisis in all areas of government. He stated that this budget crisis does not justify the Commission adopting a rule to authorize a unilateral change to our contract in mid-stream. Mr. McNeil stated the Civil Service Commission provides for classified employees exclusively represented by labor organizations to bargain collectively with the State of Michigan and the purpose of employer – employee relationships is to provide employees with a voice in determining compensation and other conditions of employment. If the Commission adopts the proposed rule, it would have the effect of silencing those voices by taking unilateral action the Commission would abdicate its historic role and put in jeopardy any good will the state and its employees have built up over the years in the collective bargaining process. It would make it more difficult to resolve future contract negotiations and it would show a total disregard for concessions given over the years. Mr. McNeil urged the Commission to reject the proposed rule as it would have a substantial adverse impact on the bargaining process for all exclusively represented state employees.

Mr. Mark Smith, on behalf of his AFSCME members, spoke to the Commission in opposition to proposed Rule 2-21. He indicated the negotiation process must be protected and that the collective bargaining agreements came before this Commission for approval and to approve this rule would be going back on what the Commission had previously approved. Mr. Smith urged the Commission to oppose Rule 2-21.

Ms. Diane Garrison, Executive Director, Michigan State Police Command Officer's Association (MSPCO), representing the non-exclusively represented employee (NERE) command officers of the Michigan State Police addressed the Commission. Ms. Garrison stated that government has no purpose other than to serve and protect its citizens and to lay off highly trained and dedicated police officers willing to put their lives on the line for state citizens is contrary to the purpose of state government and police officers' solemn oath. Unless directly ordered by the Governor, the MSPCO Association will report to duty throughout the budget crisis and will do so without pay if necessary. She indicated the officers have a sworn solemn oath to protect the public and its laws and they remain faithful to that oath and will not be deterred by politics. Ms. Garrison urged the Commission to reject the rule.

Mr. Andre Friedlis, Association of State Employees in Management (ASEM), limited-recognition organization, spoke to the Commission in objection to Rule 2-21. Mr. Friedlis stated it was the Commission's constitutional authority to protect the wages and fringe benefits of all civil service employees.

Ms. Judy Woodson spoke to the Commission as a citizen of the State of Michigan and as an employee of the Department of Human Services who spoke in opposition of the proposed Rule 2-21 and asked the Commission to stand up to the legislature and vote no.

Mr. John F. Davis, retired dispatcher, member UAW Local 6000 addressed the Commission in opposition to the rule. A contract beats written law in many cases and takes precedence in many cases. This is a contract that is signed with state employees and now it's being asked that it be thrown out. Mr. Davis stated this is not an emergency crisis and asked that the Commission vote against Rule 2-21.

Mr. Mark Richard, state employee, MSEA, questioned why a union is necessary if the Commission can throw out inverse seniority.

Mr. Joseph Sloan, Hearing Officer, Department of Human Services, stated his position was 100 percent federally funded and if a layoff occurs, that money goes back to the Federal government. With no loss of funding, there should not be any loss of work.

On motion duly made by Commissioner Mac Wardrop, and supported by Commissioner Andrew P. Abood, the Commission took a brief recess at 10:00 a.m.

The Commission reconvened at 10:10 a.m. to address the motions before them.

Chair Waldman requested for the record that the names of those that completed cards who had taken a position in opposition to Rule 2-21 be noted. The comment cards are by reference a part of the record of this meeting. They are:

MSEA: Michael Kelley, Frank Gonzales, Rod Snyder, T. Jointer, Rick Jones
AFSCME: Wayne A. Koper, John Scott Whitman, Stacie Dineen, Bill Craft, Howard Weeks
UAW: Diane Doabrava, Kelly Rottenbenk, Susan Yenglin, Carol Erickson, Bill VanDriesscly, Michele Martin, Cassandra Wade, and one unidentified.

General Counsel McLellan indicated the approval of the Rule would require approval by the Commission on three separate resolutions in order for the Rule to take effect. Resolution 07-06a waives the 28 day notice requirement required in Rule 1-1.1. Resolution 07-06b provides a notice required in the Rules of General Applicability for the Commission to separately authorize the Rules of General Applicability to take effect immediately as to all employees during the term of collective bargaining agreements. Resolution 07-06c approves draft Rule 2-21, Temporary Layoffs.

On a motion duly made and supported, Resolution 07-06a – Waiver of the 28 day notice requirement was approved.

Commissioner Mac Wardrop moved to approve Resolution 07-06b – Notice: Rules of General Applicability, seconded by Commissioner Andrew P. Abood. Commissioners

Wardrop and Abood voted in favor. Chair Bryan J. Waldman and Commissioner Sherry L. McMillan opposed. The motion failed.

General Counsel McLellan stated to the Commission that draft Rule 2-21, if approved, would only apply to non-exclusively represented employees.

Commissioner Mac Wardrop moved to adjourn stating there was no further business to address. The motion was seconded by Chair Bryan J. Waldman. All supported.

7. COMMISSION APPEALS

In closed session via conference call on November 20, 2007, the Commission considered 14 recommended decisions of the Employment Relations Board. Copies of the review sheets indicating the Commission's actions on these decisions are on file with Civil Service.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Bryan Waldman adjourned the meeting at 10:17 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, James D. Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of September 28, 2007.



State Personnel Director

Date

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
December 19, 2007**

Present: Bryan J. Waldman, Chairman
 Andrew P. Abood, Commissioner
 Sherry L. McMillan, Commissioner
 Thomas M. Wardrop, Commissioner
 James D. Farrell, State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Chairman Bryan J. Waldman at 1:42 p.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

a. Approval of Minutes

Chairman Bryan Waldman requested a motion to approve the minutes of the September 28, 2007 meeting. On motion duly made and supported, the Commission approved the minutes of the September 28, 2007, meeting.

b. Commissioner Tribute – F. Thomas Lewand

On motion duly made and supported, the Commission adopted the following Tribute:

Whereas, F. Thomas Lewand has served with distinction as a member of the Michigan Civil Service Commission for over four years, most recently serving as its Chairman, and

Whereas, Mr. Lewand has gained the respect and admiration of his colleagues by demonstrating dedication and commitment to the affairs of the Commission, and

Whereas, Mr. Lewand's expertise in corporate law provided the Commission with keen insight in resolving complex business matters and,

Whereas, Mr. Lewand routinely shared with the Commission the invaluable knowledge of state government he gained while serving as the Chief of Staff for Governor James Blanchard and,

Whereas, Mr. Lewand's ethical standards were beyond reproach when potential conflicts of interest arose involving Commission business and,

Whereas, the Commission has appreciated Mr. Lewand's ability to consider opposing viewpoints and render decisions in the best interest of the State, to

clearly articulate his position, and to laugh under stressful circumstances, be it therefore

Resolved, that the citizens of the State of Michigan, the Michigan Civil Service Commission, and staff, express to Mr. Lewand their deepest appreciation for his dedicated efforts and many accomplishments during his years of service to the Commission, and be it further

Resolved, that the Michigan Civil Service Commission does hereby extend to Mr. Lewand its most sincere thanks, its highest esteem, and best wishes for health and happiness for many years to come.

c. Retirement Resolution – Dale Johnston

On motion duly made and supported, the Commission adopted the following Resolution:

Whereas, Dale Johnston has decided to retire from state government after over 34 years of service, and

Whereas, Dale has demonstrated commitment and dedication throughout his career as a public servant, gaining the respect and admiration of his colleagues, and

Whereas, Dale performed a variety of professional analyst and supervisory duties over the years, including conducting compensation studies and annual salary surveys for the Compensation Hearings Panel, before taking a promotion to head the State's Suggestion Award Program in 1988 where he served for over ten years, and

Whereas, Dale will always be remembered for his enthusiastic leadership and promotion of the State's Suggestions Awards Program receiving numerous awards including the 1997 Statistical Awards from the Employee Involvement Association and the 1989 and 1991 Group Winner Awards from the National Association of Suggestion Systems, and

Whereas, Dale will now be able to spend more time with his wife, Mary Jo, their daughter and son-in-law, Traci and Dwayne, and precious grandchildren, Hailey and Logan, and

Whereas, Dale and Mary Jo can now spend more time participating in Civil War re-enactments, portraying the parts of Reverend and Mrs. Johnston, as they travel to several states to join Musters, or gatherings of soldiers, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Dale Johnston its heartfelt appreciation for his dedicated efforts and many accomplishments during his years of service.

Resolved, that the Commission extends to Dale its warmest wishes for much health and happiness throughout his retirement.

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 James D. Farrell.

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 unclassified positions:

1. A request dated August 28, 2007, to serve as the Communications Advisor. Concurrently, the position of Administrative Assistant to the Attorney General was abolished. The request was approved effective August 30, 2007.
2. A request dated September 18, 2007, to serve as the Constituent Relations Analyst. Concurrently, the vacant Chief Deputy Attorney General position was abolished. The request was approved effective September 17, 2007.
3. A request dated October 15, 2007, to serve as the Special Assistant for Legislative Affairs. Concurrently, the Communications Advisor position was abolished. The request was approved effective October 15, 2007.

Department of Corrections

The Department of Corrections submitted a notice that they were abolishing an unclassified Deputy Director position, effective December 10, 2007.

Department of Human Services

The Department of Human Services submitted a request dated September 11, 2007, to establish an unclassified position of Chief Deputy Director. This position paralleled our existing unclassified position of Chief Deputy Director which allowed a transition period for the new incoming Chief Deputy Director. Upon completion of the transition period, one Chief Deputy Director position was abolished. The request was approved effective September 24, 2007.

Department of Natural Resources

The Department of Natural Resources submitted a request dated October 9, 2007, to establish an unclassified position of Chief of the Office of Legal Services. The request was approved effective October 7, 2007.

Regulations

5.07, Performance-Pay Programs (Effective October 1, 2007)

Standard C.8 of Regulation 5.07 prohibits performance-pay increases to be awarded or approved during FY 07-08. The ending date of this prohibition was extended from the previous September 30, 2007 ending date, to September 30, 2008.

Letter of Understanding - AFSCME

Approval of Extracurricular Premium Pay (Effective September 17, 2007)

At the request of the Office of State Employer (OSE), dated September 13, 2007, and as authorized in a letter of understanding in the AFSCME collective bargaining agreement, I approved the compensation rates for extracurricular program services for six positions at the Michigan Schools for the Deaf and Blind.

5. NEW BUSINESS

a. Civil Service Financial Reports

Ms. Carol Vargovich, Director, Budget & Financial Services Division, summarized the financial activity for the Civil Service Commission, which included a summary of FY 2007, certification of payroll of the classified state service, and the proposed budget for FY 2008. Ms. Vargovich further stated that the Civil Service Commission is currently working with the Office of State Budget for the FY 2009 budget due in part to the consolidation of human resources operations into the Civil Service Commission. The proposed FY 2009 budget will be brought before the Commission at a later date.

Ms. Vargovich requested Commission approval of the following two resolutions:

1. Certification of Payroll - Fiscal Year 2007 – Resolution 5a

The Civil Service Commission, in fulfillment of the Constitutional requirement to certify the aggregate payroll of the classified service for the preceding fiscal year, certified a payroll of \$4,453,362,885, as recorded in the State's Michigan Administrative Information Network as of November 21, 2007, for the fiscal period October 1, 2006, to September 30, 2007.

2. Budget Resolution – FY 2007-2008 – Resolution 5b

Consistent with the Civil Service Commission's constitutional authority, and recognizing the funding requirements for employee economics and CSS&M reductions, the Commission decreased the previously approved FY 07-08 budget for the Civil Service Commission by \$715,800.

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

b. Collective Bargaining Agreements

1. UAW

2. SEIU

a. Scientific & Engineering Unit

b. Technical Unit

c. Human Services Support Unit

General Counsel D. Daniel McLellan addressed the Commission regarding the Collective Bargaining Agreements (CBAs) and approvals reached for three year terms for the UAW International Union and its Local 6000, Michigan Public Employees, SEIU Local 517-M (Scientific & Engineering Unit, Technical Unit, and Human Services Support Unit). General Counsel McLellan stated that staff reviewed CBAs for potential prohibited subjects of bargaining and found no violations.

On motion duly made and supported, the Commission approved Resolutions 5.b-1, 5b-2a, 5b-2b, and 5b-2c.

c. Impasse Panel Recommendation

1. AFSCME Council 25

2. MCO Local 526-M

3. MSEA

Assistant General Counsel John Gnodtke addressed the Commission regarding the Impasse Hearing held by members of the Employment Relations Board and the parties (OSE and AFSCME Council 25, MCO Local 526-M, and MSEA) where agreement on designated issues could not be reached. The Panel consolidated three issues that were common to multiple bargaining units: wages, health insurance, and overtime calculation. The Panel's recommendation consisted of raises of 0%, 1%, and 3% for the next three fiscal years and new pay premiums for asbestos abatement work and Corrections Transportation Officers. The Panel recommended cost-sharing shifts in health insurance, with the employee premium share going up 5%, co-pays for drugs and office visits rising, deductibles increasing, and other changes. The Panel also recommended that hours on sick leave not be counted as time worked when calculating eligibility for overtime.

Assistant General Counsel Gnodtke stated the recommendations match the tentative agreements previously reached by the units at impasse, the Coordinated Compensation Panel's recommendations for nonexclusively represented employees, and the voluntary agreements ratified by other bargaining units.

The panel also addressed additional non-economic matters for each of the three units as follows: 1) recommended current language on work location definitions for AFSCME. OSE had sought to redefine neighboring facilities as a single work location, 2) OSE requested to streamline nine pages of overtime equalization and mandating procedures, while MCO had sought to add new provisions, and 3) the panel recommended current language on temporary layoffs for MSEA, extending for three years a letter of understanding pledging to not reduce hours.

The panel also recommended that a paragraph from the AFSCME contract, which indicated the premium share to be paid for health insurance, was inconsistent with the State Employees' Retirement Act and should be struck from the contract.

Assistant General Counsel Gnodtke presented IP2007-01, Institutional Unit, IP2007-02, Security Unit, and IP2007-03, Labor and Trades and Safety & Regulatory Units for approval.

Office of the State Employer Director, M. Scott Bowen and Deputy Director Tom Hall addressed the Commission on the impasse recommendations, requesting two changes that were bargained in good faith at the bargaining table and to which both parties had agreed. Mr. Hall requested approval of a letter of understanding for a pilot program for Corrections facilities in the Jackson area, which expands the definition of work locations for purposes of assignment and transfer on a pilot basis. This letter of understanding was submitted previously as part of the tentative agreement rejected in the ratification vote.

Mr. Hall also requested that the new language which was agreed to with MSEA at original negotiations related to Article 12, layoff and recall, temporary layoffs, be the language approved by the Commission.

Mr. John Loose, with the law firm Fraser, Trebilcock, Davis and Dunlap representing Michigan State Employees Association (MSEA), addressed the Commission in support of adoption of the Impasse Panel's recommendation.

Mr. Roberto Mosqueda, President, Michigan State Employees Association (MSEA), addressed the Commission in support of the adoption of the Impasse Panel's recommendation.

Mr. Mel Grieshaber, Executive Director, Michigan Corrections Organization (MCO-SEIU), spoke to the Commission regarding the sick leave time being calculated as overtime compensation. He stated that it was not equitable treatment between their unit and other units. He indicated Department of Corrections employees are required to work overtime and that it is not voluntary like in other units. He stated it's disparate treatment to Corrections Officer's pay, and asked the Commission to overturn the recommendation of the Impasse Panel and return the current language in the MCO collective bargaining agreement that has existed for the last 25 years, whereby sick leave time is considered in the calculation of overtime.

The Commission moved to consider motion 5c-1, IP2007-01, AFSCME (Institutional Unit). Commissioner Abood moved to amend and approve the tentative agreement to the Letter of Understanding regarding Article 20 – work location pilot program in the Jackson area. Commissioner McMillan seconded and the motion passed.

The Commission moved to consider motion 5c-2, IP2007-02 MCO (Security Unit). With regard to MCOs request to amend IP2007-02, Article 17, dealing with the calculation of overtime and sick leave time language to remain in the CBA, Commissioner Abood motioned for approval of IP2007-02. Commissioner McMillan seconded the motion. The motion to approve the Impasse Panel's recommendation passed.

The Commission moved to consider motion 5c-3, IP2007-03, MSEA (Labor & Trades Unit & Safety & Regulatory Unit). Commissioner Abood moved to amend the motion in regards to the tentative agreement, Article 12, regarding temporary layoffs and replace

the existing recommendation of the Impasse Panel with the Article 12 text that was previously agreed upon. Commissioner McMillan seconded and the motion passed.

d. Coordinated Compensation Panel Recommendations – FY 2009

Mr. Matthew Fedorchuk, Director, Compensation Division, presented the recommendations contained in the proposed Coordinated Compensation Proposal (CCP) for FY '09 that was developed by the members of the Employment Relations Board, serving as the CCP Panel under Civil Service Rule 5-1.3.

The Panel recommended Commission approval of the following for FY '09.

- No across-the-board general wage increase during fiscal year 2009.
- An increase in the out-of-state premium for Department of Treasury Auditors to 20% of base salary.
- Change the Employer's share of the State Health Plan PPO premium to 90%.
- Change the Employer's share of HMO premiums to 95% up to the amount paid for the same coverage code under the State Health Plan PPO.
- Add a \$50 co-pay for State Health Plan PPO members for emergency room visits if the employee is not admitted.
- Increase the State Health Plan PPO co-pay for office visits from \$10 to \$15.
- Increase State Health Plan PPO drug plan co-pays to \$10 for generic, \$20 for preferred brand, and \$40 for non-preferred brand. The mail order program will have co-pays of \$20 for generic, \$40 for preferred, and \$80 for non-preferred.
- The State Health Plan PPO drug plan will include the clinical programs of Generics Preferred, Step Therapy, and Drug Quantity Management.
- Renewal of the Professional Development Fund for MSC employees at \$150,000 and renewal of the Professional Development Fund for B&A unit employees at \$50,000.
- Effective January 1, 2009, increase the State Health Plan in-network deductible to \$300 individual/\$600 family, and increase the out-of network deductible to \$600 individual/\$1200 family.

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

e. Unclassified Pay Recommendations – FY 2009

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 a review of the data, staff requested Commission approval and transmission of the following recommendations to the Governor and the Legislature for FY '09.

- No merit salary increase for FY 2009.

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

f. Memorandum of Understanding between the Michigan Civil Service Commission and the Michigan Department of Management and Budget regarding Retiree Health Benefits

General Counsel McLellan presented information on the Memorandum of Understanding between the Michigan Civil Service Commission and the Michigan Department of Management and Budget regarding the proposal to move the State Health Plan PPO for all medicare-eligible retirees administered by Blue Cross and Blue Shield of Michigan (BCBSM) to the Medicare Advantage plan administered by BCBSM. The MOU would not apply to persons retiring from the State Police enlisted unit on or after October 1, 1987.

On a motion duly made and supported, the motion passed. Commissioner Thomas M. Wardrop abstained from the vote.

g. Rule 5-4, Additional Compensation, Overtime, etc.

General Counsel McLellan presented information regarding amendment to Rule 5-4, Additional Compensation, Overtime, etc. to exclude sick leave time as a basis for calculating overtime for non-exclusively represented employees.

On a motion duly made and supported, the motion passed.

h. Rule 6-3.6, Rules of General Applicability

General Counsel McLellan provided information regarding two proposals staff prepared in response to the request from State Employer, M. Scott Bowen, to repeal Rule 6-3.6, Rules of General Applicability. Proposal one that staff provided was to limit the use of the Rules of General Applicability to emergency circumstances; eliminate the 14-day prior written notice requirement; and require the Commission to approve unanimously both the rule of general applicability and a separate resolution that articulates the commission's reasons for enacting the rule and confirms that the rule takes effect immediately for exclusively-represented employees. Proposal two provided by staff was to repeal Rule 6-3.6 in its entirety.

Office of the State Employer, M. Scott Bowen addressed the Commission on the subject matter asking for the repeal of Rule 6-3.6 and provided a brief history on the Rules of General Applicability. He indicated that the effect of this provision is detrimental to the bargaining process and to date the rules of general applicability have not been invoked and even when not invoked it inhibits the trust to bargain in good faith and for these reasons, he asked that the rule be repealed in its entirety.

Commissioner Abood motioned to approve 5-h, Proposal 2, to repeal Rule 6-3.6, Rules of General Applicability. Commissioner Wardrop seconded the motion. Commissioner McMillan opposed. The motion passed.

i. Contributions to Political Action Committees (PACs)

General Counsel McLellan addressed the Commission regarding the request from the Office of the State Employer (OSE) to amend its rules to permit the collective bargaining parties to negotiate payroll deduction for employee political contributions to union PACs. General Counsel McLellan stated if approved, it would only authorize the bargaining units permission contained in the rules, which authorizes the parties to negotiate and submit to the Commission for approval, provisions of the collective bargaining agreements regarding PACs.

M. Scott Bowen, Director of the Office of State Employer, addressed the Commission on the request for the adoption of proposed Rule 6-16, Payroll Deduction for Separate Segregated Funds, and to establish procedures for separate voluntary payroll deductions for legally established funds by the employee and their representative. Mr. Bowen indicated two issues need to be addressed: 1) whether to allow voluntary payroll deductions for PACs and 2) whether it is legally permissible to do so. Mr. Bowen indicated that under the current Collective Bargaining Agreement with the UAW and Letter of Understanding, the State Employer agreed to commence negotiations on the subject of PACs in the event the Civil Service Commission's policy is amended. He further stated the constitutional and plenary authority the Commission has over employee relations allows the Commission to consider this request. Further, Mr. Bowen indicated that a recent court decision (*Michigan Education Association v Land*) and a legal opinion provided by outside counsel to the Commission should legally permit the payroll deduction of PACs.

Commissioner McMillan questioned whether any provisions have been negotiated for allowing the payroll deductions of the PACs and reiterated that this is only an opportunity to negotiate. She further questioned whether it was anticipated to allow state employees to solicit PAC dues during actual work time. Mr. Bowen responded that would not take place and would be illegal.

Commissioner McMillan directed questions to State Personnel Director, James D. Farrell, regarding the time and impact on Civil Service staff for the implementation of the payroll deduction for the voluntary PAC. Director Farrell indicated the State Employer would engage in negotiations with the unions and there would be a number of different options to determine the process, and would also include involvement from the Office of Financial Services who administers the payroll process. He further stated until a process is defined through negotiations, it would take some time for staff to determine the resources available and the process to implement.

Commissioner McMillan questioned whether it would be prudent to hold on the matter, given that there are various legal opinions regarding this issue, and considering the Court of Appeals has granted leave to appeal in the *Michigan Education Association v Land* case, rather than have Civil Service Commission staff implement a program that may ultimately be determined that was not appropriate.

Mr. Robert LaBrant, Senior Vice President, Political Affairs and General Counsel, Michigan Chamber of Commerce addressed the Commission in opposition of approving the proposed draft Rule 6-16. Mr. LaBrant highlighted the issues as to his opposition: 1) Attorney General Opinion No. 7187, which is binding on the Civil Service Commission, 2) the first legal opinion of Miller, Canfield, Paddock and Stone dated February 3, 2006, and 3) a pending appeal in *Michigan Education Association v Land*, where a circuit court vacated a Secretary of State Declaratory Ruling that disallowed a public body to administer a payroll deduction program for a union's separate segregated fund. He further stated that the purpose of the Civil Service system was to keep partisan politics out of state classified employment and approval of the proposed rule would re-insert politics into the operations of state government employment. Mr. LaBrant urged the Commission to disapprove the proposed rule. Mr. LaBrant's correspondence dated December 12, 2007, is on file as part of this record.

Commissioner Thomas M. Wardrop stated that a subsequent legal opinion of outside counsel was provided to the Commission which advised the Commission that a violation would not exist if the union PACs paid all costs associated with processing the voluntary contributions.

Chairman Bryan Waldman questioned Mr. LaBrant's opinion on keeping politics out of the Civil Service Commission, and stated the reason the Civil Service Commission was created was to protect state employees from running a spoils system. If a court determined it is legal to allow state employees to contribute to PACs, the Commission has an obligation to move forward.

Mr. Andrew Nickelhoff, an attorney with the law firm of Sachs Waldman, representing the Michigan State AFL-CIO and Change to Win, addressed the Commission in support of adopting the proposed rule. Mr. Nickelhoff stated his opinion of adopting the proposed rule is consistent with the Commission's constitutional plenary authority, and does not inject politics into the classified service. Mr. Nickelhoff's December 11, 2007 correspondence is considered part of this record.

Assistant Attorney General Susan Przekop-Shaw addressed the Commission on behalf of the Attorney General's office. Ms. Przekop-Shaw urged the Commission to table the approval of the proposed rule given the ongoing Court of Appeals case, *Michigan Education Association v Land* and critical constitutional issues implicated by this proposed rule. She indicated that she believed the planning and implementation of this rule would be done during working hours. Ms. Przekop-Shaw reiterated Attorney General Mike Cox's, advice in a December 17, 2007 letter to the Commission, which stated that under the Michigan Campaign Finance Act, Section 57, the Commission is precluded from approving payroll deductions for PAC contributions. She further stated that reimbursement to the State for the expenses involved for administering PACs does not cure the violation under Section 57.

Ms. Przekop-Shaw opined that by adopting this rule, the Commission becomes instrumental in reinserting a political element into the classified service, which places state employees in an insecure position. Members who are represented by unions can choose to check off whether they want a PAC payroll deduction and this would place a label on those employees, as well as those employees who do not want to contribute. The Commission previously adopted Rule 1-12.6, which prohibits on-duty political activity, and Rule 1-12.5, which states the levying, solicitation, collection or payment of

any type of political assessment and the authorizing or ordering of such activity in the classified service are prohibited. Based on these rules, this issue was addressed previously by the Commission.

Ms. Przekop-Shaw stated that the Constitution does grant the Commission plenary authority and in the last 64 years this issue has been given consideration, but the Commission continued to protect state government employees to be sure that political activity does not have a gateway into our State's civil service process. For the reasons stated, the Attorney General advised the Commission to table the proposed rule until the appellate process is concluded and additional legal review is considered based on the outcome of that process, and to also consider the Commission's authority and limitations.

Commissioner Abood reiterated Article 11, Section 5, and the meaning of plenary authority, which grants the Commission ultimate authority to address rules such as this.

Commissioner Abood moved to approve Rule 6-16, Payroll Deduction for Separate Segregated Funds, seconded by Commissioner Wardrop. The motion passed, with Commissioner McMillan opposed.

6. PUBLIC COMMENT

7. COMMISSION APPEALS

In closed session via conference call on November 20, 2007, the Commission considered 14 recommended decisions of the Employment Relations Board. Copies of the review sheets indicating the Commission's actions on these decisions are on file with Civil Service.

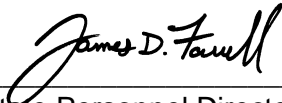
ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chairman Waldman adjourned the meeting at 4:17 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, James D. Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of December 19, 2007.



State Personnel Director

Date

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
March 19, 2008**

Present: Bryan J. Waldman, Chairman
 Andrew P. Abood, Commissioner
 Thomas M. Wardrop, Commissioner
 James D. Farrell, State Personnel Director

Absent: Sherry L. McMillan, Commissioner

1. CALL TO ORDER

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

a. Approval of Minutes

Chairman Waldman requested a motion to approve the minutes of the December 19, 2007 meeting. On motion duly made and supported, the Commission approved the minutes of the December 19, 2007, meeting.

b. Retirement Resolution – Carol Troia

On motion duly made and supported, the Commission adopted the following Resolution:

Whereas, Carol Troia has decided to retire from state government after more than 15 years of service with the Civil Service Commission, Office of Hearings, Employee Relations and Mediation, and

Whereas, Carol has demonstrated commitment and dedication throughout her career as a public servant, gaining the respect and admiration of her colleagues, and

Whereas, Carol as the Hearings Administrative Officer has demonstrated extensive knowledge of the duties and responsibilities of the position and served our customers in a manner that has brought credit to public service, and

Whereas, Carol has distinguished herself for her willingness to listen to the concerns of our customers and respond to all in a thoughtful, courteous manner, and

Whereas, Carol will always be remembered for her kindness, compassion, sense of humor, and ability to see the best and bring out the best in others, and

Whereas, Carol will now be able to spend more time with her family, friends, the outdoors she loves so immensely, and doing those things that bring her joy, purpose, and accomplishment, be it therefore

Resolved, that the Michigan Civil Service Commission does hereby extend to Carol Troia its sincere appreciation for her dedicated efforts and many accomplishments during her years of service

Resolved, that the Commission extends to Carol its warmest wishes for much health and happiness throughout her retirement.

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 James D. Farrell:

Unclassified Position Report

Since the last report, the following approvals were processed:

Department of Attorney General

1. A request dated January 16, 2008, to serve as the Special Assistant to the Attorney General. Concurrently, the position of Administrative Assistant for Legislative Affairs was abolished. The request was approved effective January 31, 2008.
2. A request dated February 6, 2008, to serve as the Constituent Relations Analyst. Concurrently, the vacant Director of External Affairs position was abolished. The request was approved effective February 20, 2008.

Department of Environmental Quality

1. A request dated January 7, 2008, to serve as the Assistant Energy and Environmental Policy Advisor. Concurrently, the vacant Deputy Director position was abolished. The request was approved effective January 8, 2008.
2. A request dated January 18, 2008, to serve as the Legislative Advisor. Concurrently, the vacant Executive Office Assistant to the Communication Director position was abolished. The request was approved effective January 31, 2008.

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.

2.03, Leaves of Absence (Effective January 13, 2008)

Since the last revision of this regulation in 2002, numerous rule amendments affecting leaves of absence, including disaster response leave, military leave, banked leave, and leave for appointment to an unclassified position have been adopted. Therefore, this regulation has been amended to clarify the administration of FMLA leaves, leaves of absence with and without pay and waived rights leaves of absence.

This regulation has also been reorganized to facilitate the understanding of, and clarify the relationship between rights under the Federal Family and Medical Leave Act and similar rights granted under the Civil Service Rules and Regulations.

8.07, Technical Military Benefit Complaints (Effective February 21, 2008)

Civil Service Rule 2-14.7(a)(2) provides that a person who is entitled to employment or return-to-work rights or benefits under Rule 2-14 [Rights of Employees Absent due to Service in the Uniformed Services] or Regulation 2.04 [Military Leaves of Absence and Return to Work: Basic Rights] may file a technical complaint. Therefore, I issued Regulation 8.07 to provide the procedures for filing technical military benefit complaints.

State's Government Performance Project

On March 3, 2008, on behalf of NASPE, I attended a luncheon for the 2008 Grading of the State's report card, which is based on a survey of all 50 states conducted every three years by the Pew Center and Governing magazine. I am pleased to report that only 3 states received a higher grade than Michigan. Michigan is one of just thirteen states that earned grades above the national average and improved in 3 of the 4 rating categories with an overall grade of B+ for its management of money, people, infrastructure, and information. The category that the Civil Service Commission was most involved was the "People" category which received an overall grade of B+. The "People" category examined the state's human resources area from employee hiring to workforce succession planning and everything in between.

5. NEW BUSINESS

A. Approval of Tentative Agreement on Union Business Between OSE & MPE (Human Services Support Unit)

General Counsel, D. Daniel McLellan addressed the Commission regarding the proposed amendments to the primary collective bargaining (CBA) agreement for the Human Services Support Unit. Mr. McLellan indicated the parties inadvertently omitted the amendments which were agreed upon during bargaining when the Civil

Service Commission considered the primary agreement on December 19, 2007. He further stated the amendments to Article 7 of the CBA addressed issues related to leave use for union business. Staff's review of the tentative agreement did not identify any violations of the Commission's rules on prohibited subjects of bargaining.

On motion duly made and supported, the motion passed.

B. Approval of Secondary Collective Bargaining Agreements

General Counsel McLellan addressed the Commission on the approval of Secondary Collective Bargaining Agreements reached for the period from March 19, 2008 to December 31, 2010, as follows:

American Federation of State, County, and Municipal Employees Council 25, AFL-CIO (AFSCME) and Education.

International Union, United Automobile, Aerospace and Agricultural Implement Workers (UAW) and Auditor General, Education, Environmental Quality, History, Arts and Libraries, Human Services, Labor and Economic Growth, Management and Budget, Michigan Strategic Fund, Lottery, Military and Veteran's Affairs, State and State Police.

Michigan State Employees Association (MSEA) Council 25, AFL-CIO (AFSCME) and Community Health, Education, Environmental Quality, Human Services, Labor and Economic Growth, Lottery, Natural Resources, Military and Veteran's Affairs, and State Police.

General Counsel McLellan indicated staff reviewed secondary agreements and did not identify any violations of the Commission's rules on prohibited subjects of bargaining.

Commissioner Abood moved to approve Resolution 08-01, Approval of Secondary Collective Bargaining Agreements. Commissioner Wardrop seconded and the motion passed.

C. Amendments to Rules

General Counsel McLellan addressed the Commission on the amendment to Civil Service Rule 3-8, Veteran's Preference. General Counsel McLellan indicated that Governor Granholm requested that the Civil Service Commission amend Rule 3-8 to extend indefinitely the time during which a hiring preference is available to veterans, rather than the current 5-year limitation, thereby making veterans' preference available without a time limit.

General Counsel McLellan also addressed the Commission on an amendment to Rule 5-4.2, Overtime and Regulation 5.02, Premium Payment of Overtime. General Counsel McLellan stated that the rule provides overtime pay for time in pay status (excluding sick leave) in excess of 8 hours in a day and 40 hours in a week or as otherwise provided in the regulation. The amendment clarifies that overtime is generally only paid for work in excess of 40 hours in a week.

Mr. Dale Threehouse (President) and Mr. John Strachan of Michigan Association of Governmental Employees (MAGE), addressed the Commission with concerns regarding Rule 5-4 and the Commission's December 19, 2007 approval of an amendment that excludes sick leave in computation of overtime calculation. Mr. Strachan indicated they did not object to the rule change at that time as they did not fully understand what the outcome would mean until they were provided with additional information regarding the implementation of the rule. Mr. Strachan indicated that they believed the rule creates disparate treatment among NERE employees, specifically between nurses in the Department of Community Health and Department of Military and Veteran's Affairs who would receive overtime pay and to those nurses in the Department of Corrections who would not receive overtime pay; and also between Corrections Officer's Supervisors and Corrections Officers. Mr. Strachan asked that the Commission revisit the issue on exclusion of sick leave for overtime calculation and for equitable treatment of NEREs to contract employees.

The Commissioners discussed the impact of the amendments being considered, and stated their action today by voting on the amendment would not have any affect on the issues raised by MAGE, as MAGE's issues are concerning the Commission's initial approval of the amendment to Rule 5-4 at its December 19, 2007 meeting. The Commissioners indicated if they find it necessary to revisit this approval they could do so at a later date.

Commissioner Wardrop moved to approve Resolution 08-03, Amendments to Rules, as amended. Commissioner Abood seconded and the motion passed.

6. PUBLIC COMMENT

7. COMMISSION APPEALS

In closed session the Commission considered 24 recommended decisions of the Employment Relations Board. Copies of the review sheets indicating the Commission's actions on these decisions are on file with Civil Service.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chairman Waldman adjourned the meeting at 10:42 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, James Farrell, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission Meeting of March 19, 2008.



State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
May 21, 2008**

Present: Bryan J. Waldman, Chairman
Andrew P. Abood, Commissioner
Sherry L. McMillan, Commissioner
Thomas M. Wardrop, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

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

A. Approval of Minutes

Chairman Waldman requested a motion to approve the minutes of the March 19, 2008 meeting. On motion duly made and supported, the Commission approved the minutes of the March 19, 2008, meeting.

B. Retirement Resolution

On motion duly made and supported, the Commission adopted the following retirement Resolutions:

Galen Anderson
Josetta Duhart
Rita Engardio
Gloria Hastings
Claudia Miller

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 Acting State Personnel Director, Janet McClelland:

Unclassified Position Report

Since the last report, the following approvals were processed:

Department of Attorney General

1. A request dated April 16, 2008, to serve as Director of External Affairs to the Attorney General. Concurrently, the position of Special Assistant to the Attorney General was abolished. The request was approved effective April 14, 2008.

Department of Human Services

1. A request dated April 16, 2008, to serve as the Special Assistant to the Director. Concurrently, the transitional Chief Deputy Director position that was vacated was abolished in October 2007. The request was approved effective April 20, 2008.

Regulations

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

Regulation 2.03, Leaves of Absence (effective January 13, 2008)

Since the last revision of this regulation in 2002, there were numerous rule amendments affecting leaves of absence. Therefore, this regulation was amended to clarify the administration of the Family and Medical Leave Act (FMLA) leaves, leaves of absence with and without pay and waived rights leaves of absence. This regulation was also reorganized to facilitate the understanding of, and clarify the relationship between rights under the federal FMLA and similar rights granted under the Civil Service Rules and Regulations.

Regulation 5.02, Premium Payment of Overtime, On-Call Compensation, and Callback-Compensation (effective March 23, 2008)

As a result of the Civil Service Commission's approval of rule 5-4.2, Overtime, regulation 5.02 was amended to reflect that overtime payment is made to eligible employees for time worked in excess of 40 hours in a week excluding sick leave.

4. NEW BUSINESS

A. Civil Service Commission Budget – FY 09

Carol Vargovich, of the Budget & Financial Services Division, addressed the Commission regarding the budget proposal for Fiscal Year '09. Ms. Vargovich stated the budget that was presented is a continuation of the current year enacted budget with the exception of the consolidation and centralization of human resources services into the Civil Service Commission. The proposed budget was modeled using the statewide cost allocation plan model as a funding mechanism beginning with Fiscal Year '09. Ms. Vargovich requested Commission approval of Resolution 5A.

On motion duly made and supported, the motion passed.

B. Letter of Understanding between UAW and OSE regarding recall rights for Family Independence Specialists

General Counsel D. Daniel McLellan addressed the Commission on the approval of the Letter of Understanding (LOU) to amend the primary collective bargaining agreement. The LOU permits employees in Family Independence Specialist positions in the Department of Human Services to be placed on Assistance Payment Worker recall lists.

General Counsel McLellan indicated staff reviewed the LOU and did not identify any violations of the Commission's rules on prohibited subjects of bargaining.

On motion duly made and supported, the motion passed.

C. Letter of Understanding between UAW and OSE regarding parking for employees assigned to the Change Reporting Center

General Counsel McLellan addressed the Commission on the approval of the Letter of Understanding (LOU) to amend the primary collective bargaining agreement. The LOU authorizes free parking for certain employees at the Cadillac Place.

General Counsel McLellan indicated staff reviewed the LOU and did not identify any violations of the Commission's rules on prohibited subjects of bargaining.

On motion duly made and supported, the motion passed.

D. Letter of Understanding between SEIU Local 517M and OSE regarding employees assigned duties which require a CDL

General Counsel McLellan addressed the Commission on the approval of the Letter of Understanding (LOU) to amend the primary collective bargaining agreement for the Scientific and Engineering Unit. The LOU addresses Commercial Drivers License requirements.

General Counsel McLellan indicated staff reviewed the LOU and did not identify any violations of the Commission's rules on prohibited subjects of bargaining.

On motion duly made and supported, the motion passed.

E. Approval of Tentative Agreement between MPE and OSE on union security and referenced Letter of Understanding on a Pilot Program on Alternative Work Schedules

General Counsel McLellan addressed the Commission on the amendments to the primary collective bargaining agreement for the Human Services Unit. The parties submitted a corrected Article 4 (Union Security) and a Letter of Understanding regarding a pilot program for alternative work schedules.

General Counsel McLellan indicated staff reviewed Article 4 and the LOU, and did not identify any violations of the Commission's rules on prohibited subjects of bargaining.

On motion duly made and supported, the motion passed.

F. Approval of Secondary Collective Bargaining Agreements

General Counsel McLellan addressed the Commission on the approval of Secondary Collective Bargaining Agreements reached for the period from May 21, 2008, to December 31, 2010, as follows:

American Federation of State, County, and Municipal Employees Council 25, AFL-CIO (AFSCME) and Corrections.

International Union, United Automobile, Aerospace and Agricultural Implement Workers (UAW) and Agriculture, Civil Rights, Community Health, Corrections, MSHDA, and Treasury.

Michigan State Employees Association (MSEA) Council 25, AFL-CIO (AFSCME) Local 5 (MSEA) and Agriculture, History, Arts and Libraries, Information Technology, Management and Budget, Transportation and Treasury.

Michigan Corrections Organization, Local 526-M SEIU (MCO) and Community Health.

General Counsel McLellan indicated staff reviewed secondary agreements and did not identify any violations of the Commission's rules on prohibited subjects of bargaining.

On motion duly made and supported, the motion passed.

6. PUBLIC COMMENT

Mr. John Strachan, Michigan Association of Governmental Employees (MAGE), addressed the Commission on three items. The first item was regarding Civil Service Rule 6-8.3 that precludes Office of the State Employer and Civil Service Commission employees from being members of a Limited Recognition Organization (LRO). Mr. Strachan expressed concern regarding human resources employees who were recently transferred to the Civil Service Commission, as a result of Executive Order 2007-30, who are ineligible to belong to a LRO as a result of the rule. He stated that membership in a LRO is voluntary and the LRO offers representation to employees to provide assistance when dealing with workplace issues, adverse employment actions and dealing with the Coordinated Compensation process. Mr. Strachan further stated that the LRO representation is given to the employee who may be adversely impacted; the role of the LRO is not of a bargaining nature and it does not interfere with collective bargaining practice.

Mr. Andre Friedlis, Association of State Employees in Management (ASEM), addressed the Commission in concurrence with MAGE's position regarding the prohibition of LRO membership for employees in the Civil Service Commission and the Office of the State Employer.

Chairman Waldman stated that the Commission would look at the history of the rule on prohibition and proceed as necessary.

The next item addressed by Mr. Strachan to the Commission concerned Labor Relations employees with the Department of Corrections (DOC) who were not transferred to the Civil Service Commission (CSC) as a result of the consolidation of Human Resources under Executive Order 2007-30. Mr. Strachan indicated the employees impacted would have a decrease in job security due to loss of bumping rights as Labor Relations employees in DOC, and they are not able to bump other labor relations employees within the CSC. He indicated that these employees are also denied the opportunity to compete for promotions when positions are posted for agency-only employees within the CSC.

The final item presented by Mr. Strachan to the Commission was in regard to Rule 5-4, Additional Compensation, Overtime, etc. which he addressed at a previous Commission meeting. Mr. Strachan reiterated his opposition to Rule 5-4, and stated since the implementation of the rule, he continues to believe the rule creates disparate treatment among Corrections Shift Supervisors and their subordinate employees. Mr. Strachan asked the Commission to reconsider their position on this rule.

The Commissioners asked CSC staff for further review and analysis regarding the issues brought forth. Based on that review, items will be addressed as deemed necessary.

7. COMMISSION APPEALS

In a closed session conference call on April 23, 2008, the Commission considered 12 recommended decisions of the Employment Relations Board (ERB). In a closed session meeting on May 21, 2008, the Commission considered 7 ERB recommendations. 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, Chairman Waldman adjourned the meeting at 11:17 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 May 21, 2008.



Acting State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
September 24, 2008**

Present: Bryan J. Waldman, Chairman
Andrew P. Abood, Commissioner
Sherry L. McMillan, Commissioner
Thomas M. Wardrop, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Chairman Bryan J. Waldman at 10:08 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

A. Approval of Minutes

Chairman Waldman requested a motion to approve the minutes of the May 21, 2008 meeting. On motion duly made and supported, the Commission approved the minutes of the May 21, 2008, meeting.

B. Retirement Resolutions

On motion duly made and supported, the Commission adopted the following retirement Resolutions:

Debra Carr
Linda Garcia
Kathy Gose
Ila Nickerson

Joseph Slivensky
Christy Somers
Louise Snow

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 Acting State Personnel Director, Janet McClelland:

Unclassified Position Report

Since the last report, the following approvals were processed:

Department of Attorney General

A request dated August 8, 2008, to serve as Special Assistant to the Attorney General. Concurrently, the position of Constituent Relations Analyst position was abolished. The request was approved effective August 24, 2008.

Department of Education

A request dated September 4, 2008, to serve as the Administrative Aide to the Superintendent of Public Instruction. Concurrently, the Community Outreach Coordinator position was abolished. The request was approved effective August 24, 2008.

Department of State Police

A request dated May 22, 2008, to serve as a Deputy Director of the Field Services Bureau. The request was approved May 15, 2008.

A request dated May 29, 2008, to abolish the unclassified position of Deputy Director of the Administrative Services Bureau.

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 3.13, Information Technology Programmer/Analyst Trainee Program (Effective May 18, 2008)

This regulation was used prior to the consolidation of information technology resources. With the existence of the Department of Information Technology, this regulation is now obsolete. Therefore, this regulation has been abolished.

Regulation 3.12, Return-To-Work Appointments (effective July 27, 2008)

Changes to this regulation clarify civil service processes with regard to the requirements for determining qualifications and appointments to classified positions when returning employees to active state employment from workers' compensation or long-term disability programs.

Premium Mileage Reimbursement Rate Change

Rule 5-7.1(c) provides that the state premium reimbursement rate shall be the standard mileage rate established by the IRS, unless otherwise ordered by the Civil Service Commission. Therefore, effective July 1, 2008, the state premium reimbursement rate increased from \$0.505 to \$0.585 per mile.

4. NEW BUSINESS

A. Approval of Secondary Collective Bargaining Agreements

General Counsel D. Daniel McLellan addressed the Commission on the approval of Secondary Collective Bargaining Agreements reached for the period from September 24, 2008 to December 31, 2010, as follows:

American Federation of State, County, and Municipal Employees Council 25, AFL-CIO (AFSCME) and Departments of Labor and Economic Growth, Human Services, and Military & Veterans Affairs.

International Union, United Automobile, Aerospace and Agricultural Implement Workers (UAW) and Departments of Attorney General, Information Technology, and Natural Resources.

Michigan State Employees Association, AFSCME Local 5 (MSEA), and Departments of Attorney General, Corrections, State, and Strategic Fund.

General Counsel McLellan indicated staff reviewed secondary agreements and did not identify any violations of the Commission's rules on prohibited subjects of bargaining.

On motion duly made and supported, the motion passed and the agreements were approved.

B. Letter of Understanding between OSE and MCO on overtime at Muskegon, Brooks, and West Shoreline correctional facilities

General Counsel McLellan addressed the Commission on the approval of the Letter of Understanding (LOU) to amend the primary collective bargaining agreement. The LOU permits bargaining unit members who have already worked 120 hours in a pay period to volunteer for overtime at three correctional facilities: Muskegon, Brooks, and West Shoreline.

General Counsel McLellan indicated staff reviewed the LOU and did not identify any violations of the Commission's rules on prohibited subjects of bargaining.

On motion duly made and supported, the motion passed and the LOU was approved.

C. Letter of Understanding between OSE and MCO modifying the collective bargaining agreement to allow pay protection for Corrections Officers transferring to Forensic Security Aide Positions

General Counsel McLellan addressed the Commission on the approval of the Letter of Understanding (LOU) to amend the primary collective bargaining agreement. The LOU permits bargaining unit members from select Department of Correction's facilities to transfer with pay protection to the Forensic Security Aide classification at the Center for Forensic Psychiatry for the Department of Community Health.

General Counsel McLellan indicated staff reviewed the LOU and did not identify any violations of the Commission's rules on prohibited subjects of bargaining.

On motion duly made and supported, the motion passed and the LOU was approved.

D. Letter of Understanding between OSE, UAW and MPE-SEIU on Jobs for Veterans Act

General Counsel McLellan addressed the Commission on the approval of the Letter of Understanding (LOU) to amend the primary collective bargaining agreement for the Human Services and Human Services Support Units. The LOUs address the use of a portion of the state's annual Veterans' Employment and Training Services grant allocation to cover training and other capacity building activities, in accordance with the Jobs for Veterans Act.

General Counsel McLellan indicated staff reviewed the LOU and did not identify any violations of the Commission's rules on prohibited subjects of bargaining.

On motion duly made and supported, the motion passed and the LOU was approved.

E. FY '08-09 Schedule of Travel Rates and changes to the Standardized Travel Regulations regarding meal receipts and reimbursement of deductibles

Ms. Joyce Van Coevering, with the Department of Management and Budget (DMB) addressed the Commission regarding travel expense reimbursement rates for FY '09. Ms. Van Coevering requested that the standard mileage rate increase from \$0.349 to \$.0399, effective October 1, 2008. Additionally, in a memo from Director Lisa Webb Sharpe, DMB requested changes to the travel regulations which now will require receipts for meal reimbursement, and will provide reimbursement up to \$999.99 for deductibles in the event an employee's personal vehicle is damaged while being used for state business. A copy of the letter from Director Webb Sharpe is, by reference, a part of the record of this meeting.

On motion duly made and supported, the Commission approved the motion for travel expense reimbursement rates for FY '09, and changes to the DMB travel regulations.

F. Retiree Health Benefits

General Counsel McLellan addressed the Commission on the Interagency Memorandum of Understanding between the Michigan Civil Service Commission and the Department of Management and Budget regarding changes to retiree health benefits. He indicated effective October 1, 2008 those employees who retired on or after January 1, 1987 will see increases in co-pays for both retail and mail order prescription drugs. Those employees retired prior to January 1, 1987 will only see increases in co-pays for mail order drugs for a three-month supply. In addition, effective January 1, 2009, increases in office visit co-pays, a new emergency room visit charge if not admitted, and increase in deductibles will occur for all retirees.

Mr. Alan Kilar with UAW Local 6000 addressed the Commission noting for the record that UAW retirees should only have a two-tiered co-pay system similar to current UAW represented state employees.

Chairman Waldman indicated a request from the Department of Management and Budget and the State Personnel Director would be necessary in order for the Commission to address retiree health plan changes.

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

6. PUBLIC COMMENT

No public comment.

7. COMMISSION APPEALS

In a closed session conference call on August 20, 2008, the Commission considered 14 recommended decisions of the Employment Relations Board (ERB). In a closed session meeting on September 24, 2008, the Commission considered 6 ERB recommendations. 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, Chairman Waldman adjourned the meeting at 10:30 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 24, 2008.

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

Acting State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
December 10, 2008**

Present: Sherry McMillan, Interim Chair
Andrew P. Abood, Commissioner
Kelly G. Keenan, Commissioner
Thomas M. Wardrop, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Acting State Personnel Director, Janet McClelland at 10:00 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

a. Election of Chair

Acting State Personnel Director, Janet McClelland, requested the election of a Chair due to the resignation of former Chair, Bryan Waldman. Commissioner Kelly Keenan moved to elect Sherry McMillan as Interim Chair of the Civil Service Commission. Commissioner Andrew Abood seconded the motion and the motion passed.

b. Approval of Minutes

Chair Sherry McMillan requested a motion to approve the minutes of the September 24, 2008 meeting. On motion duly made and supported, the Commission approved the minutes of the September 24, 2008, meeting.

c. Commissioner Tribute

On motion duly made and supported, the Commission adopted the Tribute to former Civil Service Commission Chair Bryan Waldman.

d. Retirement Resolutions

On motion duly made and supported, the Commission adopted the following retirement Resolutions:

LuAnn Cannell
Robert Kaczorowski
Susan Niles
Jeff Simbob

2. AMENDMENTS TO AGENDA

Commissioner Kelly Keenan moved to approve amendment Item 5e – Letter of Understanding between the Office of the State Employer and the Michigan Corrections Organization. Commissioner Thomas [Mac] Wardrop seconded and the motion passed.

3. INFORMATIONAL REPORTS

- a. **Director's Report:** The Commission received the following report from Acting State Personnel Director, Janet McClelland:

Unclassified Position Report

Since the last report, the following approvals were processed:

Department of Attorney General

A request dated November 24, 2008, for two positions to serve as a Senior Advisor and a Director of Constituent Relations. Concurrently, the position of Director of External Affairs will be abolished. The request was approved effective December 8, 2008 for the Director of Constituent Relations position and December 15, 2008 for the Senior Advisor.

Department of Corrections

A request dated November 6, 2008, to serve as the Administrator of the Office of Offender Re-Entry. Concurrently, the Deputy Director of Field Operations Administrator position was abolished. The request was approved effective November 13, 2008.

Department of Environmental Quality

A request dated November 26, 2008, to serve as the Legislative Director. Concurrently, the Assistant Energy & Environmental Policy Advisor position was abolished. The request was approved effective November 16, 2008.

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 8.07, Technical Military Benefit Complaints (Effective November 16, 2008)

This regulation clarifies the scope of civil service staff decisions subject to its exclusive complaint procedure. Civil service staff determinations, as to the proper calculation of military service credit hours for service hours before joining the classified service was inadvertently omitted from the listing of technical decisions from which a technical complaint could be filed.

4. NEW BUSINESS

a. Civil Service Commission Financial Reports

- 1. Certification of Payroll – FY 2008**
- 2. Budget – FY 2009**

Ms. Carol Vargovich, Director, Budget & Financial Services Division, summarized the financial activity for the Civil Service Commission, which included a summary of FY '08, certification of payroll of the classified state service, and the proposed budget for FY '09. Ms. Vargovich requested Commission approval of the following two resolutions:

1. Certification of Payroll – Fiscal Year 2008 – Resolution 08-06

The Civil Service Commission, in fulfillment of the constitutional requirement to certify the aggregate payroll of the classified service for the preceding fiscal year, certified a payroll of \$4,726,287,730, as recorded in the state's Michigan Administrative Information Network as of November 24, 2008, for the fiscal period October 1, 2007 to September 30, 2008.

2. Budget Resolution – Fiscal Year 2008-2009 – Resolution 08-07

Consistent with the Civil Service Commission's constitutional authority, and recognizing the funding requirements for employee economics and CSS&M reductions, the Civil Service Commission increased the previously approved FY 08-09 budget for the Civil Service Commission by \$58,600.

On motion duly made and supported, the Commission approved Resolutions 08-06 and 08-07.

b. Coordinated Compensation Panel Recommendations – Fiscal Year 2010

Mr. Matthew Fedorchuk, Director, Compensation Division, presented the recommendations contained in the proposed Coordinated Compensation Proposal (CCP) for FY '10 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 FY '10:

- A one percent across-the-board pay increase effective October 1, 2009.
- A special two percent per hour wage increase for Financial Institutions Examiners 9-12, Financial Institutions Specialists 13-15 and Financial Institutions Managers 13-15, effective October 1, 2009.
- An increase of the maximum annual award from \$3,600 to \$6,000 for the Lottery Sales Incentive Program, effective October 1, 2009.
- Renewal of the Professional Development Fund for MSC employees at \$150,000, and renewal of the Professional Development Fund for B & A unit employees at \$50,000.

The Panel recommended denial of the following:

- A special base wage increase for State Police Lieutenants 14 and 15, as recommended by Michigan State Police Command Officers Association.

The Panel also proposed to the Commission to direct staff, along with representatives from the Office of State Employer and the Department of Labor and Economic Growth, to conduct an in-depth study of the Financial Institutions Examiner/Specialist/Manager class series. The study should be completed by July 1, 2009, and results presented to the Panel prior to the 2009 CCP proceedings for FY '11.

On a motion duly made and supported, the Commission approved the CCP recommendations.

c. Unclassified Pay Recommendations – Fiscal Year 2010

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 a review of the data, staff requested Commission approval and transmission of the following recommendations to the Governor and the Legislature for FY '10.

- One percent merit salary increase, effective October 1, 2009.

On motion duly made and supported, the Commission approved the unclassified pay recommendations for FY '10.

D. Impasse Panel Recommendation (UAW & MDOT)

Assistant General Counsel John Gnodtke addressed the Commission regarding the Impasse hearing held by members of the Employment Relations Board and the Michigan Department of Transportation (MDOT) and the United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW) where agreement on two issues – worksite and work location definitions, could not be reached. The Panel recommended accepting MDOT's proposals which continued current language.

Mr. Gary Peterson, representative for the UAW, addressed the Commission in opposition of the Panel's decision. He indicated due to the way MDOT is now doing business, that broader work sites and locations are no longer appropriate, and that the proposed definition of work location is consistent with the primary agreement's definition and that the current language conflicts with it. The UAW also believes that the region-based definition of work site is similarly inappropriate.

Commissioner Kelly Keenan requested to table the vote regarding the Impasse Panel's recommendation to allow for further review of the language provided in the primary and secondary agreements.

Commissioner Abood motioned to table the Impasse Panel Recommendation, Resolution 08-08 until the next meeting. The motion was seconded by Commissioner Wardrop and the motion passed.

e. Letter of Understanding between OSE & MCO regarding reorganization and transfer of bargaining unit work from Camp Valley to Huron Valley Women's Correctional facility.

General Counsel D. Daniel McClellan addressed the Commission regarding the Letter of Understanding which establishes shift preference and regular day off schedules for bargaining unit members affected by the reorganization and transfer of work from Camp Valley to Huron Valley Women's Correction Facility.

On a motion duly made and supported, the Commission approved the Letter of Understanding between OSE & MCO.

6. PUBLIC COMMENT

John Strachan, Michigan Association of Government Employees (MAGE), addressed the Commission to again reiterate MAGE's position with respect to allowing Civil Service Commission and Office of State Employer employees the opportunity to belong to a Limited Recognition Organization (LRO).

Mr. Strachan also expressed MAGE's continued concern regarding over-time pay for Department of Correction's supervisors, specifically at the Standish Correctional Facility where supervisors are required to work 12 hour daily shifts and are not compensated for over-time if 80 hours of work is not completed in a pay period. Mr. Strachan asked the Commission to review the rule that defines security personnel, as MAGE believes supervisors should be included in the definition.

Mr. Melvin Farmer, Association of State Employees in Management (ASEM) also addressed the Commission in support of Mr. Strachan's position with respect to allowing Civil Service Commission and Office of State Employer employees the opportunity to belong to a LRO.

7. COMMISSION APPEALS

In a closed session conference call on October 22, 2008, the Commission considered 8 recommended decisions of the Employment Relations Board (ERB). In a closed session meeting on December 10, 2008, the Commission considered 15 ERB recommendations. 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 10:50 a.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the 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 10, 2008.

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

Acting State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
March 11, 2009**

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 Interim Chair, Sherry McMillan, at 10:12 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Interim Chair McMillan introduced and welcomed Jeremy S. Stephens, the new State Personnel Director, who was appointed in January 2009. Also acknowledged for her leadership was Chief Deputy Director, Janet McClelland, who served as the Acting State Personnel Director during the interim period.

a. Election of Chair and Vice Chair

Commissioner Kelly Keenan moved to elect Interim Chair McMillan as Chair of the Civil Service Commission. The motion was seconded by Commissioner Thomas M. Wardrop and the motion passed.

Commissioner Andrew Abood moved to elect Commissioner Kelly Keenan as Vice Chair of the Civil Service Commission. The motion was seconded by Commissioner Thomas M. Wardrop and the motion passed.

b. Approval of Minutes

Chair Sherry McMillan requested a motion to approve the minutes of the December 10, 2008 meeting. On motion duly made and supported, the Commission approved the minutes of the December 10, 2008, meeting.

c. Retirement Resolutions

On motion duly made and supported, the Commission adopted the following retirement Resolutions:

Karen Hagan
Deanna Hopkins
Lynda Knight

d. Employer Support of the Guard and Reserve

Members from the Employer Support of the Guard and Reserve met briefly with the Commissioners thanking the Commission for their support. In a private ceremony, the Commissioners signed the Statement of Support for the Guard and Reserve recognizing the National Guard and Reserve who are essential to the strength of our nation and the well-being of our communities.

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

A request dated January 9, 2009, for a Constituent Relations Analyst. Concurrently, the vacated Special Assistant to the Attorney General position was abolished. The request was approved effective January 11, 2009.

Department of Human Services

A request dated December 2, 2008, for a Director of Special Projects. Concurrently, the position of Federal Liaison was abolished. The request was approved effective November 30, 2008.

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.

2.03, Leaves of Absence (Effective January 16, 2009)

Changes were made to reflect amendments to the Family Medical Leave Act (FMLA) and the Department of Labor's FMLA regulations since the last revision of this regulation in 2008. The principal change was to add new provisions clarifying the availability of FMLA military caregiver leave and qualifying exigency leave. The regulation was also amended to clarify that any time during which an employee uses any paid leave during a FMLA leave counts toward the employee's FMLA entitlement.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

a. Civil Service Commission Budget FY 2010

Ms. Carol Vargovich, Director, Budget & Financial Services Division, addressed the Commission regarding the budget proposal for Fiscal Year 2010. Ms. Vargovich stated the budget that was presented is a continuation of the current year enacted budget with the exception of the reductions in human resources staff due to the upcoming facility closures impacting the Department of Corrections and Department of Community Health. Ms. Vargovich requested Commission approval of Resolution 09-01.

On motion duly made and supported, the Commission approved Resolution 09-01.

b. Amendment to Rule 3-8, Veteran's Preference

General Counsel D. Daniel McLellan addressed the Commission regarding the proposed amendments to Rule 3-8, Veteran's Preference. General Counsel McLellan stated that a number of requests have been received by the Commission to make the veterans' hiring preference available to persons who have retired from the uniformed services. In response, amendments to Rule 3-8 would include retired veterans for veterans' preference.

On a motion duly made and supported, the Commission approved Resolution 09-02.

c. Letter of Understanding (LOU) between OSE and the MCO

General Counsel McLellan addressed the Commission regarding the Letter of Understanding between OSE and the MCO on transfers to Forensic Security Aide positions with pay protection for the security unit.

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

d. Letter of Understanding (LOU) between OSE and the MSEA

General Counsel McLellan addressed the Commission regarding the Letter of Understanding between OSE and the MSEA regarding the operation of seniority in the labor and trades and safety and regulatory units.

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

6. PUBLIC COMMENT

7. COMMISSION APPEALS

In a closed session conference call on February 18, 2009, the Commission considered 8 recommended decisions of the Employment Relations Board. In a closed session meeting on March 11, 2009, the Commission considered 3 ERB recommendations. 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 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.

I, Jeremy Stephens, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of March 11, 2009.



State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
May 20, 2009**

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 10:07 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 March 11, 2009 meeting. On motion duly made and supported, the Commission approved the minutes of the March 11, 2009, 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

Since the last report, the following approval was processed:

Department of Attorney General

A request dated April 14, 2009, for a Chief Administrative Officer. Concurrently, the vacated Director of Constituent Relations position was abolished. The request was approved effective April 5, 2009.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

a. Letter of Understanding between OSE and the UAW adding the classification of Services Specialist Assistant to Appendix A of existing contract

General Counsel D. Daniel McLellan addressed the Commission regarding the Letter of Understanding to amend the primary collective bargaining agreement which assigns an overtime eligibility code for Services Specialist Assistant 8, 9, and E10 classes.

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

b. Rule Amendments

1. Rule 5-6.4 – Premium for Department of Treasury Auditors

General Counsel McLellan addressed the Commission regarding the rule amendment to pay in-state auditors who are assigned to audit out-of-state taxpayers a 20 percent pay premium for those hours worked out-of-state. The Department of Treasury believes that the premium will yield an overall cost savings by eliminating the need for another, more expensive, out-of-state office and addresses staff recruitment and retention issues.

On a motion duly made and supported, Resolution 09-03 was approved.

2. Rule 5-10.2 – Paid Leave

General Counsel McLellan addressed the Commission regarding the rule amendment whereas newly-hired employees may not utilize accrued annual leave until they have completed 720 hours of employment. The amendment eliminates the 720 hour waiting period for newly-hired employees and allows employees the ability to use annual leave as it accrues.

On a motion duly made and supported, Resolution 09-04 was approved.

3. Rule 8-2.4 – Civil Service Grievance Appeal Procedures

General Counsel McLellan addressed the Commission regarding the rule amendment to address back-pay awards. The amendment details which premiums may be included (shift differential and prison employee premiums) and which other premiums cannot be included (on-call, callback, explosives duty, out-of-state location, and emergency response). The rule also specifies the deductions from back-pay awards (e.g., workers' compensation), and authorizes a hearing officer to award lost sick and annual leave credits, longevity pay, and seniority credits.

Mr. Brandon Zuk, on behalf of the Michigan Association of Governmental Employees, addressed the Commission in opposition to the proposal of Rule 8-2.4(c)(4). Mr. Zuk stated his position regarding the purpose of back pay is to "make whole" the grievant for pay the grievant would have received but did not

due to wrongful termination. He indicated that the burden of proof of overtime would rely on the grievant and that a blanket prohibition on including overtime in back-pay awards would be unjust to those grievants who can prove they were wrongfully deprived of overtime pay. Mr. Zuk asked the Commission to oppose the proposal to Rule 8-2.4.

On a motion duly made and supported, Resolution 09-05 was approved.

c. Secondary Agreement between UAW and the Michigan Department of Transportation

General Counsel McLellan addressed the Commission regarding the Secondary Agreement between the UAW and the Michigan Department of Transportation which, at its December 2008 meeting, the Commission tabled consideration of the impasse panel's recommendation. The parties have subsequently reached a voluntary agreement on the Secondary Collective Bargaining Agreement.

General Counsel McLellan indicated staff reviewed the secondary agreement and did not identify any violations of the Commission's rules on prohibited subjects of bargaining.

On a motion duly made and supported, Resolution 09-06 was approved.

d. Letter of Understanding between OSE and the UAW regarding furlough days in the human services and administrative support units.

General Counsel D. Daniel McLellan addressed the Commission regarding the Letter of Understanding to amend the primary collective bargaining agreement which addresses the scheduling of six temporary layoff days during FY 2008-2009 with no more than one temporary layoff day scheduled per pay period between May 15, 2009 and September 30, 2009.

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

6. PUBLIC COMMENT

Mr. Dale Threehouse, President, of the Michigan Association of Governmental Employees (MAGE), representing managers and supervisors in state government, addressed the Commission with concerns regarding furlough days in the Department of Corrections. Mr. Threehouse reiterated his concern regarding pay inequity between supervisors and corrections officers as he has discussed at previous Commission meetings. He asked that consideration be given regarding furlough days for supervisors of corrections officers. Currently, there are mandatory furloughs for supervisors and not for corrections officers which again presents a pay inequity.

7. COMMISSION APPEALS

In a closed session meeting on May 20, 2009, the Commission considered 11 ERB recommendations. 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 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.

I, Jeremy Stephens, State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of May 20, 2009.



State Personnel Director

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
September 23, 2009**

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 10:05 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 May 20, 2009 meeting. On motion duly made and supported, the Commission approved the minutes of the May 20, 2009, meeting.

b. Retirement Resolutions

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

Linda Tennyson
Jessie Worthey

2. AMENDMENTS TO AGENDA

A motion was made to amend the Agenda to table Items 5b and 5c. On motion duly made and supported, the amendment passed.

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 approval was processed:

Department of Attorney General

A request dated May 20, 2009, to serve as a Director of Constituent Relations. Concurrently, the vacated Special Assistant to the Attorney General position was abolished. The request was approved effective May 4, 2009.

A request dated August 13, 2009, to serve as a Director of External Affairs and a Director of Public Affairs. Concurrently, the positions of Constituent Relations Analyst and Chief Administrative Officer positions were abolished.

A request dated September 14, 2009, to serve as Constituent Relations Analyst.

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 5.04, Special Pay Premiums, and Regulation 8.01, Grievance and Grievance Appeal Procedures (effective October 7, 2007)

These regulations were updated to reflect current rule language based on the rule amendments approved at the May 20, 2009 Civil Service Commission meeting. No other changes have been made, therefore, the effective date for both regulations remains October 7, 2007.

Regulation 5.09, Annual, Personal, and School and Community Participation Leave (effective May 31, 2009)

This regulation reflects deletion of the 720 hours waiting period and permits newly-hired employees to use annual leave as it accrues. Standard A(6) reflects deletion of the 720 hours of creditable service for payoff purposes of unused annual leave and the former A(7) has been deleted as it is no longer necessary.

Alfred P. Sloan Award for Business Excellence in Workplace Flexibility

On behalf of the Civil Service Commission, Director Jeremy Stephens accepted the the Alfred P. Sloan Awards for Business Excellence in Workplace Flexibility which recognizes exemplary employers across the U.S. for their innovative workplace effectiveness and flexibility initiatives. The Sloan Awards honor organizations and work sites that are using workforce flexibility as a strategy to increase workplace effectiveness and yield positive business results, and to help employees succeed at work and at home.

Civil Service Commission Fundraiser

Director Stephens reported on the recent generosity of the Civil Service Commission employees, who during difficult economic times, held several fund raising events to support the Food Bank Council of Michigan. The original goal of \$5,000 was tripled

and a total of \$15,351.35 was raised. Jane Marshall, Executive Director of the Food Bank Council of Michigan, appeared before the Commission to accept the donation and thanked the Civil Service Commission for their generosity. Chair Sherry McMillan also spoke thanking employees that participated for their generosity at a time when economic times are difficult.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

a. FY '09-10 Schedule of Travel Rates

Ms. Joyce Van Coevering, with the Department of Management and Budget (DMB) addressed the Commission regarding travel expense reimbursement rates for FY '09-10. Ms. Van Coevering requested that the standard mileage rate decrease from \$0.399 to \$.0362, effective October 1, 2009. There are no other changes to the travel rates. A copy of the letter from Director Webb Sharpe is, by reference, a part of the record of this meeting.

b. Revisions to Civil Service Commission Bylaws

This item was tabled.

c. Rule Amendments – Rule 1-1.4, Interim Rule Action by Director and Chair, Rule 6-14, Administration

This item was tabled.

d-i. Letter of Understanding between OSE and the listed unions on paid annual leave

Michigan Public Employees, SEIU Local 517M
UAW International Union
Michigan State Employees Association
Michigan Public Employees, SEIU Local 517M
Michigan Corrections Organization
Michigan Council 25 AFSCME AFL-CIO

General Counsel D. Daniel McLellan addressed the Commission regarding the Letters of Understanding to delete the 720-hour annual leave waiting period for newly-hired employees, thereby permitting new employees to use annual leave as it accrues.

On a motion duly made and supported, the LOU between OSE and the above listed unions was approved.

j. Letter of Understanding between OSE and the MCO renewing pay protection

General Counsel D. Daniel McLellan addressed the Commission regarding the Letters of Understanding to extend the effective date to December 31, 2009 for the LOU's previously approved regarding the transfer of MCO members to vacant Forensic Security Assistant positions at the Center for Forensic Psychiatry.

On a motion duly made and supported, the LOU's between OSE and MCO was approved.

6. PUBLIC COMMENT

7. COMMISSION APPEALS

In a closed session conference call on August 19, 2009, the Commission considered 7 recommended decisions of the Employment Relations Board (ERB). In a closed session meeting on September 23, 2009, the Commission considered 13 ERB recommendations. 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 10:18 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 23, 2009.



State Personnel Director