

# MCO CONTRACT EXTENSION AND AMENDMENT SUMMARY

- 1 YR. EXTENSION OF CONTRACT
- FREEZE HEALTH INSURANCE COST SHARE FOR CURRENT EMPLOYEES UNITL SEPT. 2012
- NEW STATE HEALTH PLAN IMPLEMENTED FOR NEW HIRES AFTER APRIL 1, 2010
- 3RD SHIFT OVERTIME PROVISIONS
- IMPLEMENTATION OF NEW SICK LEAVE USE/OVERTIME REDUCTION PILOT PROGRAM
- LANGUAGE CLARIFYING ADMIN LEAVE
- 3 HOURS BANKED LEAVE TIME (BLT)
- COMPENSATORY TIME ACCRUAL CAP INCREASED FROM 150 TO 200

**WE GO BACK TO THE TABLE ON WAGES IF OTHER UNIONS OBTAIN WAGE INCREASES FOR FY '12 DURING NEGOTIATIONS**

After conferring with Chapter Presidents in early December, MCO entered discussions with the OSE regarding ways to find cost savings and avoid, if possible, the Department unilaterally forcing savings through more drastic means.

All state employee unions have been approached, with one, 517M, already ratifying a contract extension containing a freeze on health care for current employees, but with increases for future newly hired employees.

In revenue estimates released January 12, 2010, Michigan is facing a hole of at least \$1.725B for FY 2011. Job loss numbers for 2009 are the most substantial one-year

decline since 1961, and General Fund revenue tumbled 21.3%. Departments have already been advised to expect a 20% reduction to their General Fund spending for FY '10-'11.

Our current contract is scheduled to end in December of this year meaning negotiations would traditionally begin this summer. Michigan has faced hits from all directions, and the outlook for improvement is a ways off. With this in mind, and knowing the details of the agreement with 517M, it was felt that discussions involving a contract extension and freezing health insurance costs could be in the best interests of current members. While there is no guarantee that things will be better in the future... it is certainly a better bet than hoping for them to improve by summer bargaining.

The result of talks with the OSE are enclosed herein. Part of our discussions (re: health care) were limited because a pattern had already been set. Other factors that are more unit specific were discussed and beneficial changes made.

The state was looking to find \$50M in savings from state employee unions for the current fiscal year. Of this, approximately \$8.2M is apportioned to the MCO bargaining unit.

The elimination of line-up earlier this fiscal year resulted in savings to the state of \$7.6M, leaving \$600,000 in savings to be found by the MDOC. That savings can be achieved with 3 BLT hours at some point this fiscal year. This would mean that in one pay-period you would not get paid for 3 hours of your worked time. That time, however, would be available for you to use at a later date as leave time, or would be paid out to you upon retirement.

Our contract would be extended for one year, meaning that non-compensation provisions would continue through December 31, 2011, and compensation provisions through September 30, 2012.

While we were able to freeze health care for current employees until Sept. 2012, all new hires into our bargaining unit after April 2010 would be under a

**SEE VOTING  
INSTRUCTIONS  
ON BACK**



# MCO Contract Extension

New Hire State Health Plan PPO and New Hire HMO. This plan would mean an 80/20% premium split (85/15% HMO), an increase in deductible, co-pays, and prescription drug costs. (see chart at right for specifics)

MCO was successful in increasing the cap on comp. time accrual for the duration of this agreement from 150 hours to 200 hours. The additional 50 hours will not be used in the annual leave formula calculation nor the amount of hours subject to payoff upon separation from state government.

A minor adjustment to the union's administrative leave bank was achieved which would assure that a grievant and union official from second or third shift could attend an arbitration hearing or other meeting.

The most unique and perhaps precedent setting achievement was the State's agreement to an MCO proposal to establish a sick leave/overtime reduction pilot program. For almost three decades, all state employee unions have been trying to get back some type of sick leave payout as employees had previous to October, 1980.

This pilot program will be evaluated for up to one year. If successful, eligible MCO members will be able to cash in up to half of the sick leave hours accumulated and not used in that year. The ability to cash in sick leave will occur if the Department determines that overtime costs were reduced based on a reduction in sick leave usage by officers overall across the state. If successful, this program could be the classic "win-win" situation for the officer as well as the state, and could open the door for establishing a permanent program.

Members who regularly or occasionally receive the annual sick time and physical fitness bonus will not be harmed. If the pilot program is successful, those members will be able to cash in sick leave hours and actually gain more money than through the bonus. If the program is deemed unsuccessful, MCO secured the right for those eligible members to receive their original sick leave/physical fitness bonus payout.

MCO gained a correction of an inequality for 3<sup>rd</sup> shift employees during the pilot program cited above. If midnight officers work overtime beyond their shift and then happen to call in sick that night on their regular shift, they will still receive overtime pay. (see last bullet of Sick Leave Pilot Program)

A complete copy of the tentative agreement in legislative format is posted on the MCO website at [www.mco-seiu.org](http://www.mco-seiu.org).

## MEMORANDUM OF UNDERSTANDING MICHIGAN CORRECTIONS ORGANIZATION and the OFFICE OF THE STATE EMPLOYER

The collective bargaining agreement for the Security Unit will be extended for one year. Non-compensation provisions will continue through December 31, 2011; compensation provisions will continue through September 30, 2012.

However, in the event an across the board wage increase for FY12 is voluntarily agreed to during negotiations in 2010 with the UAW, MSEA, or AFSCME, and approved by the Civil Service Commission, upon request of the Union on or before March 1, 2011, negotiations for an across the board increase for FY12 will be reopened no later than April 1, 2011.

The New State Health Plan will be implemented for employees hired into the Security Unit on or after April 1, 2010. The Employer will pay 80% of the premium, and the enrolled employee shall pay 20% of the premium for the New State Health Plan. The HMO available for employees hired into the Security Unit on or after April 1, 2010 will have office visit, emergency room, and retail and mail order prescription co-pays that mirror those in the New State Health Plan. The Employer will pay 85% of the HMO premium up to the amount paid for the same coverage code under the New State Health Plan.

As soon as administratively feasible, during the first pay period in which a designated holiday occurs Security Unit employees will receive 3 hours of Banked Leave Time (BLT), with regular pay reduced accordingly. The 3 hours of BLT will not go into the annual leave formula calculation.

For the duration of the agreement, the number of compensatory time hours a Security Unit employee may accrue in a fiscal year will be increased from 150 to 200 hours, with the hours above 150 not going into the annual leave formula calculation. This does not affect the number of compensatory hours subject to payoff upon separation from state employment.

One year sick leave/overtime reduction pilot program. (see back pg.)

Administrative Leave Bank usage for Union leadership meetings and arbitration hearings will be clarified as follows:

Article 7, Section E add #6: "For second and third shift employees, this Administrative Leave Bank may be used to provide time off on a scheduled shift immediately prior or subsequent to the scheduled meeting or necessary travel."

Article 9, Section G add to the end of the last paragraph: "The Union's request to utilize Administrative Leave Bank credits for the remainder of the partial shift shall be approved for a designated union representative, properly designated union witness(es) or grievant(s)."

# & Amendment Summa-

## PROPOSED GROUP INSURANCE MODIFICATIONS FOR NEW HIRES

### New Hire State Health Plan PPO and New Hire HMO Designs

	Current SHP PPO	New Hire SHP PPO	Current HMO	New Hire HMO
Employer Premium Share	90%	80%	95% of the premium up to the amount paid for the same coverage code under the SHP PPO	85% of the premium up to the amount paid for the same coverage code under the SHP PPO
Prescription Drug Copays	R-\$10/\$20/\$40 M-\$20/\$40/\$80	R-\$10/\$30/\$60 M-\$20/\$60/\$120	R-\$5/\$10 M-\$10/\$20	R-\$10/\$30/\$60 M-\$20/\$60/\$120
<b>In-network</b>				
Preventive Limit	\$ 1,500	\$ 1,500	na	na
Deductible (Not applied to OOPM)	\$300 / \$600 Not Applied to OOPM	\$400 / \$800 Not Applied to OOPM	na	na
Office Visit Copay	\$15	\$20	\$10	\$20
Emergency Room Copay	\$50	\$200	\$50	\$200
Coinsurance	0% after Ded	10% after Ded	na	na
Out-of-Pocket Maximum (%)	\$1000 / \$2000	\$1500 / \$3000	na	na
<b>Out-of-Network</b>				
Preventive Limit	Not Covered	Not Covered		
Deductible	\$600 / \$1200 Not Applied to OOP	\$800 / \$1600 Not Applied to OOP		
Office Visit Copay	10% after Ded	20% after Ded		
ER Copay	\$50	\$200		
Coinsurance	10% after Ded	20% after Ded		
Out-of-Pocket Max (%)	\$2000 / \$4000	\$3000 / \$6000		

## SICK LEAVE USE/OVERTIME REDUCTION PILOT PROGRAM

- The sick leave use/overtime reduction pilot will be effective April 4, 2010 through April 2, 2011
- during the pilot, the attendance incentive and physical fitness incentive provided in Article 37 will be suspended
- in the event the required overtime reduction is not met and no payment is made under the pilot, the attendance incentive and physical fitness incentive will be reinstated effective April 4, 2010
- if during the pilot period the Employer identifies any problem with the pilot, the parties agree to meet to try to resolve the problem; in the event the problem is not resolved, the Employer reserves the right to suspend the pilot and reinstate the attendance incentive and physical fitness incentive effective retroactively to April 4, 2010.
- the attendance incentive and physical fitness incentive for the period of October 1, 2009 through March 31, 2010 will be one-half of the payment for a fiscal year based upon one-half of the sick leave utilization permitted in a fiscal year
- for any payment to be made under the pilot, the overtime costs attributable to the use of sick leave in the Security Unit during the effective dates of the pilot must be lower than the overtime costs attributable to the use of sick leave in the immediately preceding 12 months by an amount equal to or greater than the cost of the pilot.
- to be eligible to participate in the pilot, an employee must have a balance of 300 or more sick leave hours as of the pay period ending April 3, 2010
- to be eligible to receive payment under the pilot, an employee must be in full pay status in the Security Unit for 2,000 or more hours of service during the effective dates of the pilot. Time required to be treated as "full pay status" pursuant to state statutes dealing with injury arising from a prison riot or prisoner or inmate assault, or patient assault, not to exceed 80 hours in a pay period, but not to exceed six pay periods, shall be credited as if it had been in full pay status.
- upon meeting the required overtime reduction, an eligible employee may elect to receive payment for up to 50% of the sick leave hours accumulated during the pilot period at the employee's base rate of pay as of April 2, 2011.
- the employee's sick leave balance will be adjusted downward by the number of accumulated sick leave hours paid off
- during the pilot, when a third shift employee also works the subsequent first shift, the hours worked on the first shift shall be compensated at the overtime rate.

## VOTING INSTRUCTIONS FOLLOW CAREFULLY

Along with this summary you should have received, (1) Ballot, (1) BALLOT ENCLOSED envelope, and (1) Business Reply envelope.

The MCO Contract Ratification Ballot's purpose is to allow each dues paying MCO member the opportunity to vote on the proposed contract extension and amendments. A "YES" vote means you support extending the contract with the amendments. A "NO" vote means you oppose the tentative agreement.

### Voting Instructions

- 1) Read the summary.
- 2) Please indicate your vote by marking either the "Yes" or "No" box on the enclosed ballot. **DO NOT FILL IN BOTH BOXES OR MAKE ANY OTHER MARKS ON THE BALLOT OR THE BALLOT WILL BE INVALID.**
- 3) Place the ballot in the envelope titled "BALLOT ENCLOSED." Place the BALLOT ENCLOSED envelope in the business reply envelope that has the following address on it:

MICHIGAN CORRECTIONS ORGANIZATION  
3105 S MARTIN LUTHER KING BLVD PMB378  
LANSING MI 48910-9946

The above address is an independent postal service box where ballots will be held until February 9, 2010. The Election Committee, comprised of MCO chapter presidents, will pick up the ballots and begin the process of counting them. MCO will inform you of the results as soon as they are available via the web site ([www.mco-seiu.org](http://www.mco-seiu.org)) and the KYI.

**DO NOT COVER OR OBSCURE YOUR NAME, PROCESS CODE OR LOCATION CODE ON THE BUSINESS REPLY ENVELOPE. VOTERS MUST BE IDENTIFIED IN ORDER TO DETERMINE THEIR ELIGIBILITY TO VOTE. ENVELOPES CONTAINING BALLOTS WHERE THE VOTER CANNOT BE IDENTIFIED WILL BE INVALIDATED.**

**TO ENSURE THE CONFIDENTIALITY OF YOUR VOTE, THE BALLOT ENVELOPE WILL NOT BE OPENED UNTIL IT IS SEPARATED FROM THE BUSINESS REPLY ENVELOPE.**

**BALLOTS MUST BE RECEIVED NO LATER THAN 9:00 a.m. FEBRUARY 9, 2010.**

If you would like to make additional comments, please do so on another piece of paper and send it with your ballot. **If you mark any part of the ballot other than the space provided for your vote, your ballot will be invalid.**

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