1 MS. ZURVALEC: Thank you. MS. WALSH: We continue to have costs in public 3 safety needs, education programs, revenue sharing where there's been effort to rebuild since the last recession because there were some significant cuts then. Just like there's uncertainty on the revenue side from the federal government, we're still uncertain about some of the actions on the budget side, particularly with the human services 9 programs. So in terms of the budget process, it's a little 10 different this year because we are awaiting a new governor. 11 So right now we would normally be a little farther 12 into the budget process for Fiscal Year 20, but right now 13 what we're having departments do is just develop their needs 14 in terms of baseline costs to operate existing programs, 15 identify technical changes and, of course, they're working 16 on their requests internally for what kind of priority items 17 and investments or reductions that they will recommend, but 18 we'll need to wait for a new governor to come in and 19 identify his or her priorities for the new year. Thank you. 20 I'm happy to answer questions if there are some. 21 JUDGE WHITBECK: None from me. 22 MS. ZURVALEC: Thank you very much. 23 (Off the record) 24 MS. ZURVALEC: We are here on the matter of 25 Michigan Corrections Organization and the Office of State Page 28



1	Employer who are at impasse. As the Impasse Panel, we're
2	here to hear the presentations by the parties. So proceed
3	if you're ready to start. Please state your name and your
4	position and spell it, please, for our recorder. Thank you.
5	MR. FOLDIE: Madam Chairperson, my name is Jeff
6	foldie. I'm the Director of Legal Affairs for the Michigan
7	Corrections Organizations. My colleague is Mitchell Bean,
8	who is to my right. I'm asking if there are any economical
9	questions, that I defer to him for these proceedings. We do
10	have a housekeeping matter that we would ask and that's I
11	guess to bring a motion, formal motion to ask if we could
12	live stream these events or at least record them. The
13	nature of the business here today is impactful to say the
14	least for our membership and we feel it's important that
15	they at least get a glimpse of the representation that we're
16	going to afford them today. Thank you.
17	MS. ZURVALEC: I'm sorry, Jeff. What is your last
18	name again?
19	MR. FOLDIE: Foldie; F-o-l-d-i-e.
20	MS. ZURVALEC: Thank you. I'd like to hear from
21	the Office of State Employer before we respond to your
22	motion so we can understand what their position is on this.
23	Thank you.
24	MR. FOLDIE: Certainly.
25	MR. WESAW: May I ask a question?
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1	MS. ZURVALEC: Sure.
2	MR. WESAW: Are we live streaming now?
3	MR. FOLDIE: No, we're not.
4	MS. ZURVALEC: That's a good question. This is a
5	case of first impression. We've never had the request
6	before so we want to handle this appropriately. Cheryl,
7	would you please come to the mic? Thank you.
8	MS. SCHMITTDIEL: Good morning, again. I'm Cheryl
9	Schmittdiel, Office of the State Employer, director. We
10	object to live streaming recording, video recording this
11	proceeding. We see the Impasse Hearing as an extension of
12	our bargaining process. We clearly would not be here except
13	for the bargaining and the impasse that we have reached on
14	one issue. Once it is recorded or live streamed, we don't
15	know what will happen to it after that. This is not a
16	public meeting. For those reasons, we do object.
17	MS. ZURVALEC: I'd like our staff John Gnodtke as
18	general counsel to speak to the Civil Service rules and
19	regulations regarding impasse and regarding the recording of
20	it.
21	MR. GNODTKE: Thank you, Madam Chair. As was
22	previously indicated, this is kind of an issue of first
23	impression that has not been addressed previously. I think
24	the relevant regulatory and legal considerations stem from
25	two sources. One is Regulation 6.05 on Impasse Panels.
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There are three particular standards that could be of assistance in your determination. The first is simply that Standard 3.6 stating that the panel shall rule on procedural requests, appearances of witnesses and other motions, so you do have the discretion to determine the provisions for the conduct of this proceeding.

Attendance, Section 5.35 states that attendance at Impasse Panel hearing is limited to the participants. The term participant is not specifically defined in the regulation or rules other than in Standard 3C where it says participation, Impasse Panel participation for primary negotiations issues is limited to the Office of the State Employer and exclusively recognized employee organizations. Finally, Standard 3.4 indicates that record, the panel shall make a verbatim record of the proceedings. Transcripts may be made available to the parties at their own expense.

A copy of the transcript is not necessary for determination by the panel. It's silent as to motions for the creation of own records or verbatim records of proceedings by the parties. One other consideration is when the Open Meetings Act was enacted some 40-ish years ago, there was an omnibus opinion by Attorney General Frank Kelly where it was stated because of the language in Article IV, Section 48 of the State Constitution limiting the authority of the legislature to enact laws providing for the



1 resolution of disputes concerning public employees in the state classified service, that the provisions of the Open 3 Meetings Act did not apply to those sorts of proceedings involving classified civil servants. So under that guidance from the Attorney General's opinion, 51.83, that would seem to suggest that we're more in the realm of Regulation 6.05 guidance in guiding your decision as to an Open Meetings Act analysis. MS. ZURVALEC: Thank you. My decision is to --10 based on that information -- to allow for videotaping only. 11 The reason behind that is as Mr. Gnodtke mentioned, the 12 hearing itself is limited to the participants, either the 13 Office of State Employer or, in this case, MCO. By video 14 streaming, we are not limiting that to just the 15 participants. I want to remain a little bit conservative 16 here as it's a case of first impression. 17 We have an objection from the State Employer here also, that on the basis of the fact that the Impasse 18 19 proceeding is an extension of the bargaining process and we 20 do not have bargaining in the public in the State classified 21 service, so I will support a videotaping which is not of 22 course being broadcast. It is a recording, in effect a 23 video recording of the proceedings with an official 24 transcript here, of course which goes to the parties. Ιf 25 the Office of State Employer would also like a copy of the Page 32



1	video taping, I would say that would certainly you would
2	want to provide for them at your request.
3	We can proceed with videotaping. With that MCO,
4	you can proceed with your presentation on the issues.
5	MR. FOLDIE: Good morning. Prior to beginning I'd
6	like to reserve five minutes for rebuttal, Madam
7	Chairperson.
8	MS. ZURVALEC: All right.
9	MR. WESAW: Excuse me. I just have to ask one
10	question. I'm not a tech. What do we have over here?
11	MS. LLOYD: This is just a basic digital camera
12	that can take video also so it's taking video now. This was
13	my cell phone that I had set up to do the live stream, but I
14	did not push Start and I guess I'll just leave that there
15	for the sake of convenience during the hearing. Or I can
16	put it away if you'd like.
17	MR. WESAW: I will be very comfortable if you put
18	it away. Sorry.
19	MS. ZURVALEC: That's fine.
20	MR. FOLDIE: Thank you. Good morning. For the
21	record, my name is Jeffrey Foldie, the general counsel for
22	the Michigan Corrections Organization. On behalf of its
23	president Brian Osborn and its entire executive board as
24	well as the 6,000 courageous men and women that secure the
25	facilities and state prisons within the state of Michigan,
	Page 33



1 we want to thank you for our opportunity to appear before you today. I said we were here on behalf of 6,000 members. 3 I wish I could have told you that we were here on the behalf of 600 members. Because if we were here on behalf of 6800 members, we wouldn't be here. The fact is, our membership is 750 members short. 6 That's exactly why we are here today. We've been 750 short 8 for some years. It's reaching an increasingly dangerous 9 level of vacancy. Not just for the officers. It's 10 dangerous for the Department. It's dangerous for the 11 prisoners. It's dangerous for every staff member that works 12 in the prison system and it's dangerous for the public. 13 From our opening statement until the last word spoke at the 14 bargaining table the MCO had a mantra of risk, reward and 15 retention. 16 It was an important aspect of our bargaining that 17 we do something to come to the table to close these ranks 18 and to fill them. I probably don't have to tell you that 19 the corrections officers within the prison are the police 20 When the alarms sound or the duress signals go off 21 or the screams for assistance come over the radio, it is our 22 members that have the primary charge and duty to respond. 2.3 When medical emergencies occur and there's a call for 24 assistance because there's a man down, whether that is a 25 staff member or a prisoner, it is our members who are Page 34



1 initially responding with the automatic defibrillators. And when the prisoners who have been locked up in 3 these prisons because they have been found not fit to walk in the communities that we have, have been overcome and have determined that the depression is too much and decide that they want to commit suicide to get out, it's our members 6 that come through the door and attempt to save their lives. 8 Unlike our colleagues in the communities, police officers, 9 we don't have the luxury of responding to public service 10 We don't have the luxury of responding to traffic control points or to assist elderly people. 11 12 When our members are called, ladies and gentlemen, 13 bad things are happening all the time. It is because of 14 this that we're here today because this response force is 15 severely depleted. We have over a 10 percent vacancy rate 16 with the numbers of 50 of our officers leaving per month. 17 Since 2012 33 percent of our officers have left the ranks. That's one third of our ranks have left in six years. 18 19 factors I believe increase retention problems. First is the 20 cumulative effect of working in a prison environment which is injurious to our members itself. Second, because of this 21 22 retention problem, massive overtime, mandatory overtime has 2.3 taken hold of our officers. 24 Both these factors are literally killing our 25 members and your employees. As to the cumulative effect of Page 35



1	the career of working behind the walls, the career in and of
2	itself imposes detrimental effects upon our employees and
3	members. Studies and empirical evidence have shown that
4	high rates of PTSD soak through the minds of our members
5	equal to that of combat veterans. This PTSD contributes to
6	many other factors. Suicidal risk. The evidence in these
7	studies will show that out of 100 corrections officers,
8	five, five are at a high level of the possibility of
9	suicidal risk. I notice you have read our briefs.
10	In our briefs we have cited that since 2016 we
11	have lost 11 of our brothers and sisters to suicide. I want
12	to update that. As of that writing, we have lost another on
13	October 24th. Retired less than a year, he took his life.
14	It also contributes to high rates of substance abuse,
15	marital problems and domestic violence as well as
16	declinations in health. With regard to mandatory overtime,
17	one fifth of our prisons, one fifth of our prisons are at a
18	critical level and are facing mandatory overtime. One of
19	these prisons by way of example and illustration is women's
20	Huron Valley.
21	I'm certain or I'm hopeful that you've all seen
22	the Free Press article that was released that was done on
23	that. These women at this prison are used to working three,
24	four, five and even six consecutive mandatory assignments,
25	16 hours per day. In some cases, ladies and gentlemen, it
	Page 36



2.3

goes to 17 or 18 or 19 hours before they are relieved. Then when they are relieved from that assignment, they go out into the public to travel. The effects of this type of environment lead to exhaustion. They are less vigilant, less vigilant in a prison setting where hypervigilance is required.

It slows their response time. It goes without saying that morale problems are rampant and an increase in discipline. With all due respect, I must say if the public suffered from these factors, if the Michigan State Police or the county sheriff or the city police department was suffering under these types of laborious problems, there would be a public outrage in their communities. But us? We're tucked away behind walls. Our cancers are buried deep within the prison bowels with pleas falling upon deaf ears, hopefully until today. The mandatory overtime crisis exacerbates the already existing ills associated with the job.

How can this be acceptable? It's been occurring for years. How can we not immediately launch an endeavor to eradicate these factors that compound the dangers that face the corrections officers that protect the public every day, 24/7? Two factors create a stable work force. The first is compensation and the second is the working conditions. With regard to working conditions, let's face it. This is a



1 prison setting. Very little can be done about the conditions in a prison. We don't have pastel walls. 3 not going to have ergonomic chairs or ergonomic desks that we work at. We accept that. It is a prison setting. Therefore, we're left with compensation. I'm 6 often confronted with the argument that says, Mr. Foldie, you argue safety, but yet you say money is the answer. 8 do you reconcile that? How does money affect the safety 9 problem? It doesn't to be quite frank, but there's a cost 10 benefit analysis. Those individuals in New York City that 11 wash the windows on skyscrapers, that climb 60 floors, they 12 won't do it for 10 or \$15. They'll do it for 40. They'll 13 do it for 45. It's a simple cost benefit analysis and I 14 just want to be plain and blunt with you on that. 15 The arguments distilled down with us today after 16 reading the briefs I believe leave us with three essential 17 facts that cannot be argued differently. Money is 18 available. Number two, a serious problem exists and has 19 existed for a damn long time. And three, to this date the 20 employer has just said no to our proposal. Madam 21 Chairperson, we are widely aware of the dangers of coming to 22 This is not our first time. I've counseled our Impasse. 23 clients and our membership that Impasse is not where we want 24 to be at any given time. 25 I'm thankful for the work we did with the Office Page 38



1	of the State Employer in resolving every single issue right
2	up until the 11th hour before we appeared here today leaving
3	us this one single issue, but it is this one single issue
4	that we cannot turn a blind eye to. Our members are
5	suffering greatly and in suffering greatly, it's causing a
6	dangerous impact on those parties that I told you about in
7	my introduction, specifically the department itself, all
8	staff, prisoners and the public alike.
9	In closing, the problem I would submit to you is
10	so serious as we sit here today, everyone associated with
11	Corrections, whether you're a nurse, whether you're an
12	executive secretary, whether you're the deputy warden,
13	whether you're the doctor, whether you're the wife of a
14	corrections officer or the son, everyone associated with the
15	Department of Corrections should be praying that MCO
16	succeeds today. Thank you.
17	MS. ZURVALEC: Thank you. We will have some
18	questions. I don't know if you want to ask questions at
19	this point or wait you're going to have a presentation on
20	the
21	MR. FOLDIE: He's just here to answer any economic
22	questions.
23	MS. ZURVALEC: All right. So this is your
24	presentation?
25	MR. FOLDIE: This is the first part.
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1	MS. ZURVALEC: So we are open for questions.
2	Judge, do you have questions?
3	JUDGE WHITBECK: Counsel, first off, let me
4	compliment you on your brief. It's very well done.
5	MR. FOLDIE: Thank you.
6	JUDGE WHITBECK: It's a good piece of work.
7	Having said that, of course, first you say this problem has
8	existed for a damn long time. How long? Where do you think
9	this problem as beginning?
10	MR. FOLDIE: Judge, I think there's a combination
11	of problems that I would address that question with. Number
12	one is this. I think there's been some failed policies that
13	have occurred over the years, both with the employer as well
14	as with the legislature. So I would begin back in '96 when
15	the pensions were taken away. No doubt
16	JUDGE WHITBECK: Wait a minute. You say taken
17	away. An alternative was offered; right? I mean, you
18	switched from one type of retirement system to another.
19	MR. FOLDIE: I don't believe that's accurate,
20	Judge. We had a defined benefit program that was set into
21	effect and that was removed by the legislature.
22	JUDGE WHITBECK: Right. You now have a defined
23	contribution program?
24	MR. FOLDIE: Contribution. That is correct. But
25	I think those are wholly different in the eyes of our
	Page 40



1	membership.
2	JUDGE WHITBECK: It's different in my eyes. I
3	went from one to the other. I understand the difference.
4	It's not as if there's no retirement plan at the State
5	level. There is.
6	MR. FOLDIE: There is.
7	JUDGE WHITBECK: It's just a different type of
8	retirement.
9	MR. FOLDIE: I stand corrected.
10	JUDGE WHITBECK: But coming back to my point, what
11	I'm trying to establish is a beginning point, a point at
12	which you would say, look, this is when this problem
13	whether we call it retention or vacancy or turnover, this is
14	when it really began. Then I assume you're going to say or
15	might say from that point the data probably show some ups
16	and downs in retention or turnover or vacancy, whatever word
17	you want to use, until today at which point you say now it's
18	really too high. I looked at your exhibits and I couldn't
19	find one that told me what's the range here and when do we
20	hit a crisis point?
21	When can we say this is dangerously too high?
22	Well, okay. Give me a number. Translate that into
23	something that I can look at a chart and say if we were to
24	reduce this vacancy rate or retention rate by 10, 15, 20, 30
25	percent, we would then bring it down within the level of it
	Page 41



1	may not be perfect but at least is reasonable. Is there
2	such a document?
3	MR. FOLDIE: I believe there's such a document and
4	I believe there would be an exhibit if I might just point to
5	our brief at Page 5. Judge, I can tell you this. One of
6	the factors that occurred that in 2012 under the
7	directorship of Dan Hines, he moved the academies from a
8	state-run academy to college courses. During that period of
9	time that lasted four years during that period of time
10	there was a dramatic drop and a dramatic recruitment problem
11	within the Department of Corrections. Specifically since
12	2012 approximately 3,700 corrections officers have been
13	hired. As of the same date to present, 1,212, that's 33
14	percent, have left the corrections officers' ranks.
15	So during that period of time I would in answer
16	to your question, the best that I can do right here is point
17	to that period of time from 2012 to 2016 when we had a
18	dramatic drop and we haven't been able to recover from that
19	point since.
20	JUDGE WHITBECK: When you say a dramatic drop,
21	there was a dramatic increase in turnover and in vacancies?
22	MR. FOLDIE: That's correct, Judge.
23	JUDGE WHITBECK: So you would say, I assume, that
24	this problem really began to manifest itself at some date in
25	2012?
	Page 42



1	MR. FOLDIE: I think the evidence objectively
2	would show that's when it starts to manifest itself. That's
3	correct.
4	JUDGE WHITBECK: That's six years worth of data.
5	I'm not a statistician. Believe me.
6	MR. FOLDIE: Nor am I. That's why I have one
7	sitting next to me.
8	JUDGE WHITBECK: It strikes me, though, that may
9	not be enough data. It may be too short a period. I guess
10	we'd have to think about that a bit. But within that
11	period, let's just use that as an example, when do what's
12	the number that you consider to be a number that is
13	unacceptable that indicates all the problems that you
14	mentioned either happening or are about to happen? What's
15	the magic number? Is it 4 percent turnover or vacancy? Is
16	it 12 percent? What's the magic number?
17	MR. FOLDIE: I do not have evidence to support
18	this. I only know in speaking with my colleagues that
19	attend the ACA the ACA standards and such around the
20	United States, that an acceptable number that I've come to
21	understand is 8 percent to 9 percent, up to 11 percent
22	turnover is typically I don't know if it's acceptable,
23	but that's typically the average number.
24	JUDGE WHITBECK: So that's a number that we could,
25	not comfortably perhaps, but we could live with. During
	Page 43



1	this period were we ever above that number?
2	MR. FOLDIE: Were we ever above the w11 percent in
3	the six years?
4	JUDGE WHITBECK: Right. Was there ever a point
5	where we were not in crisis?
6	MR. FOLDIE: No.
7	JUDGE WHITBECK: So we were always above 11
8	percent turnover during that period?
9	MR. FOLDIE: That's correct. I think that we've
10	had a 700 officer vacancy rate for a period of time,
11	extending before 2012, to be quite frank. Anywhere from
12	probably my recollection is anywhere from 650 to 750.
13	JUDGE WHITBECK: Let me broaden the question just
14	a little bit. You might want to ask Mr. Bean this one in
15	particular. Again, I don't know if that's a long enough
16	period to do what struck me as one possibility or an
17	increase or a decrease in vacancy rates. The possibility is
18	if the economy is good and wages are rising, there are jobs
19	out there. I know there's the comparability question.
20	Nobody wants a job that's comparable to a correction officer
21	job. I accept that. I understand it. But it would strike
22	me that in good economic times, you might see an increase in
23	turnover, an increase in vacancy rates because there are
24	more opportunities available.
25	Your members might go to work some other job for
	Page 44



1 more money and less risk. Mr. Bean, is that an economic proposition that makes any sense? 3 MR. BEAN: Yes, it does but a couple of clarifications there. We haven't had the kind of economic environment that we currently have for six or eight years. This is relatively new. So if there's actually been a 6 change over time, that could be tied to -- the causality 8 could be determined as good economic conditions. That would 9 be one way to look at it. Now, if you really want to do an 10 empirical study of this, you'd have to have a longer time 11 series. 12 JUDGE WHITBECK: Yeah. This isn't not a big 13 enough time period, is it? 14 MR. BEAN: Probably not. But to establish too 15 much causality. But what you'd also do is you'd look at 16 other states. You look at their retention rates. You look 17 at their -- do a comparison with other states and -- of course, they may do things differently than we do. I'm sure 18 19 they do, but that's the type of thing you'd have to do to --20 do you'd have a -- you'd have a panel of data that you want 21 to look at. 22 JUDGE WHITBECK: You would also expect that if the 23 prison population is going down, the number of beds is decreasing, that although the proportion of vacancies 25 between the number of beds and the number of correction Page 45



1 officers may remain roughly the same. The absolute number might go down because you have less beds. Therefore, you 3 need less guards. You'd have probably or perhaps the same vacancy rate when the absolute number you would need fewer corrections officers. MR. BEAN: That depends on the type of prisoners you've got. You got different levels of prisoners that need different levels of supervision obviously. 8 9 JUDGE WHITBECK: You lead me exactly to my next 10 question which is -- well, let's say you have two prisons. One of them is a minimum security, I don't like this term, 11 12 but a cupcake environment. The other is a maximum security; 13 Marquette. Wouldn't you expect to have a higher vacancy 14 rate, a higher turnover, higher -- lower retention rates in 15 Marquette than at Camp Cupcake? 16 MR. FOLDIE: I don't know, Judge, that that's accurate. You know, some decades ago there was a retention 17 18 problem at these higher level facilities, the Level V's and 19 Level IV's and there was a high security premium paid that 20 was put into effect to maintain them, but I don't know we 21 have any empirical data that says that there's a higher or 22 lower retention rate in either. But I would say in the 30 23 years I've been doing this business, I've seen lots of 24 officers get hurt at Camp Cupcake and I've seen a number of 25 officers that have been working in Camp Cupcake suffer from Page 46



1	the various same things that officers do at higher level
2	facilities.
3	JUDGE WHITBECK: I think you're probably right.
4	There's no single factor that you can pull out and say
5	that's it, okay, we have a silver bullet here. If we can
6	improve our physical environment to the Nth degree, we would
7	have no retention problems. That probably is itself, if you
8	have the most modern prison in the world with the most
9	enlightened administration and the fewest number of write-
10	ups, if you will, against the inmates, just go through any
11	data that you might look at, you still would have retention
12	problems given the nature of the work.
13	MR. FOLDIE: Certainly we would probably have
14	retention problems. I don't think the objective here today,
15	at least from MCO standpoint, is to ameliorate retention
16	problems all together. Our objective is to lower those
17	retention problems into a workable number.
18	JUDGE WHITBECK: And that workable level, if I'm
19	understanding your testimony, is according to some standards
20	roughly 11 percent.
21	MR. FOLDIE: That's my understanding, Judge. I'm
22	pretty certain that that information is readily handy to
23	some certain degree or at least there's some empirical
24	evidence out there that would suggest that. My
25	understanding in working in the field with former colleagues
	Page 47



1	that 8 to 11 percent typically is a retention rate which has
2	been deemed acceptable by employers.
3	MS. ZURVALEC: Retention rate or turnover rate?
4	MR. FOLDIE: I'm sorry; turnover rate.
5	MS. ZURVALEC: And right now are you saying it's
6	at 33 percent or that's over the period of time? Excuse me.
7	I'm just following up on that.
8	MR. FOLDIE: Yes. From 2012 to the present time,
9	once again, the numbers were we hired 3,704 corrections
10	officers and to present, 1,212 have left the correction
11	officer ranks. That's 33 percent.
12	MS. ZURVALEC: I'm sorry. I didn't mean to
13	interrupt. Judge?
14	JUDGE WHITBECK: So really in fact, I don't
15	blame you for this one bit. As a matter of fact, I think
16	it's a responsible position to take. You're not really
17	suggesting that by adopting your proposal we can eradicate
18	the turnover problem. You're suggesting we can ameliorate
19	it. My question is, how will we measure that? Is there a
20	way in which let's assume we accept your proposal, in
21	total or in part. Every time the state of Michigan adopts a
22	demonstration program I cringe because nowhere in that
23	program, or very rarely, do I see a mechanism for measuring
24	success or failure.
25	What would the mechanism be to measure success or
	Page 48



1	failure?
2	MR. FOLDIE: Judge, I think in the simplest terms
3	and I guess the simplest I can say is that if we can
4	orchestrate some plan to have this pilot put together our
5	plan was over three years. We thought that was a period of
6	time that was sufficient to determine whether or not we can
7	start to maintain and hold the bodies that we have right
8	now. I think the only benchmark that I can sit here and
9	tell you that would be effective is to see for certain that
10	we're maintaining and holding bodies within the ranks of the
11	corrections officers. I think that kind of sounds
12	sophomoric or simple, but
13	JUDGE WHITBECK: No, not in the least. It's one
14	way of measuring it.
15	MR. FOLDIE: It just seems to me that that would
16	be the process. But following up on that question, Judge,
17	might I just add that it's interesting that you bring that
18	up because at the negotiating table, there were no
19	discussions about those benchmarks or how we do this. At
20	the negotiation table there was proposals submitted by MCO
21	and flat rejections by the employer. Proposals submitted by
22	MCO, flat rejections by the employer. I will tell you that
23	in sidebar conversations there may have been some
24	conversation that was brought about by the union at the 11th
25	hour that talked even as much as a sliding scale.
	Page 49



1 Much like they use in general contracting, whereas a general contractor signs a contract and says if you 3 produce this by this point and you're ahead of schedule, you get this bonus. In the reverse, the union had even talked about here's our basic proposal. What if we talked about doing something where the Department showed they were bringing people in, they were retaining those people and the 8 mechanism would then have a sliding scale where the 9 retention fees that we were asking for would then reduce. 10 We were in conversations about that, but no proposals, no formal -- I'm sorry -- no counterproposals ever came from 11 12 the Department. 13 So I'm ill-equipped. I'm ill-equipped at this 14 time to give any in depth discussion about benchmarks. 15 JUDGE WHITBECK: What I derive from the 16 Department's response is that they consider your proposal, your retention pilot as being too expensive because they 17 estimate it will cost, I don't have it right here, but some 18 19 three times over the full payout, if you will, three times 20 what the simple 2 percent bonus would cost. I believe 21 that's their basic objection. Their basic objection is the 22 They do say, and I agree with them, that there's got cost. 23 to be some performance mechanism, some mechanism to measure 24 the performance. 25 Otherwise, we're just putting another program into Page 50



2.3

effect that becomes part of the structure and once a program
is in effect, it's very hard to eliminate it.

MR. FOLDIE: Let me be perfectly clear, your

MR. FOLDIE: Let me be perfectly clear, your

Honor. The Michigan Corrections Organization is not here
seeking monies for persons or seeking benefits for persons
just because they're on the payroll. We have an interest to
have people at work. We engage in those discussions. This
is not something that we're try- -- this is not a mechanism
in which we're trying to shrewdly get some more compensation
for our employees. The bottom line here is we want bodies
in that prison. We want our members to have its partner or
the two partners next to them. Not having to have worked 16
or 17 hours on the shift before.

So I will agree with you on this. We are not looking for somebody to receive something simply because they are on the payroll. We are here today because we want bodies inside of the prison working. To bootstrap to that, Judge, it seems to me that when we have a problem bringing somebody in the front door and cannot keep people going out the backdoor, then we have to concentrate on the workforce that we have. We have to stabilize that workforce that we have so that when we bring those bodies in which we felt over a three year period of time -- we're talking about 750 positions.

And they're having problems filling those

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1	academies at this point in time. So we need to do something
2	to stabilize the immediate workforce that we have and we are
3	in total agreement that if our workforce if members of
4	our workforce are off on long-term leave, they're doing us
5	no good. Now, that's not to say they're not legitimately
6	out there for a reason, but the fact remains as we sit here
7	today, the principle and the principle cause of our proposal
8	is to stabilize the immediate workforce we have until we can
9	rehabilitate the numbers that are dwindling at this point in
10	time.
11	So I agree with you as well and we agree with the
12	State employer.
13	JUDGE WHITBECK: Those are my questions, Madam
14	Chair.
15	MS. ZURVALEC: Mr. Wesaw, would you like to ask
16	some questions?
17	MR. WESAW: I have some questions, but I'm not
18	sure if they're for you, Jeff.
19	MR. FOLDIE: Mr. Wesaw, I didn't mean to
20	interrupt, but my colleague was wondering if he could
21	address the question that was last
22	MR. BEAN: About the cost.
23	MR. FOLDIE: About the cost.
24	MS. ZURVALEC: Of course.
25	MR. BEAN: This is just a point of clarification,
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1	Judge. The 2 percent this is from a document that comes
2	out with every budget where the economics and the cost of
3	the economic increases by department are given to the
4	legislature. That way the legislature can pick and choose
5	to vote it down and raise the but anyway, the General
6	Fund cost for the 2 percent increase in the 2019 budget, the
7	entire 2 percent is \$15.79 million. So if your
8	supposition was it was three times that. That ain't a lot
9	of money to be frank with you.
10	We're already in terms of the General Fund
11	coming out 2018 we're already about \$450 million ahead of
12	what the estimates are. And I point out and you actually
13	have this set of documents. On average since 2000 budget
14	lapse has been about \$132 million a year, General Fund
15	budget lapse. So it's not there really isn't a lack of
16	money out here.
17	MS. ZURVALEC: I think yo can go ahead. Judge,
18	are you okay if we ask some questions over here?
19	JUDGE WHITBECK: Sure. Absolutely.
20	MR. WESAW: Just a couple of quick ones, Jeff.
21	Aside from are you suggesting that your pilot retention
22	program is the sole reason for your lack of ability not
23	yours but the lack of ability to recruit officers?
24	MR. FOLDIE: Could you just ask me that again?
25	MR. WESAW: What do you see as the reason why
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1 Corrections can't hire enough officers? MR. FOLDIE: Well, I mean I guess I have to be 3 brutally honest with you. I think the judge pointed it out. When economic times are good and you can make a certain 5 living doing something without dealing with high risk felons, it seems to me that people are going to go that route. You know, if we had a situation where economic times 8 are inhibiting the ability to recruit, I wouldn't disagree 9 with that, but that does not -- that does not -- you know, 10 it seems to me if we had a bad economic time, if we were in bad economics right now, we'd still have this problem and it 11 12 is a grave problem. 13 We're here today and there is money, but it seems to me that the answer is, ah, we just don't want to go that 14 15 route. And for us, obviously because we're appearing here 16 today, it was just unacceptable. I have to agree with the 17 judge that if we're in good economic times and there's a better road to travel where you don't have to walk into a 18 19 prison and have a gate slam behind you and deal with 1200 20 people that the courts have deemed not fit to walk among 21 society you and I are, that's just the raw truth and I can't 22 run from that. 23 MR. WESAW: I get that, but I look -- you know, 24 you talk about the inside law enforcement. I look at the 25 outside law enforcement. There's been a recruiting issue



1	for a number of years now for law enforcement officers
2	outside. It's not about money. It's about today's society.
3	We set records on the number of officers killed in the line
4	of duty by gunshot. I'm just trying to figure out what
5	is it money or what. But I do have a question that maybe
6	you can help me with. Are your officers covered by the Fair
7	Labor Standards Act?
8	I was looking at the survey from the women's
9	correctional facility and the number of hours that they
10	work.
11	MR. FOLDIE: They are.
12	MR. WESAW: If they were covered under that, that
13	almost seems like a violation of federal law.
14	MR. FOLDIE: There is a certain section of the
15	Fair Labor Standards Act. I almost want to say it's Section
16	K, but don't hold me to that. That allows law enforcement,
17	fire personnel and including corrections personnel to be
18	paid in a manner under a formula which is far different than
19	what we typically see in other industries.
20	MR. WESAW: That would be a question for OSE.
21	Because I think even in the State Police, their capped at 16
22	hours in a 24 hour period. I don't think there's any
23	exceptions for that. Some of your people, frankly, work a
24	lot more than that. That might be a better question for
25	them.



1	MR. FOLDIE: Lucky you, Cheryl. You get your
2	questions up front.
3	MR. WESAW: So right now you're looking at 740
4	vacant positions?
5	MR. FOLDIE: That's correct.
6	MR. WESAW: Is that actually 740 bodies that
7	you're missing or is that 740 FTEs in the budget?
8	MR. FOLDIE: That is 740 full time positions that
9	we are short.
10	MR. WESAW: Is that by a budget number? How do
11	you arrive at that 740? As an example, I'm a little bit
12	familiar with state budgets but not everybody's budget. In
13	the state budgets that I'm familiar with, there are
14	additional FTEs placed in that budget that are never
15	intended to be filled so that there is extra money for
16	overtime, some of those things that you just can't forecast.
17	So my question, if you know again, it might be is that
18	740 actual bodies, physical human bodies that you're short
19	or is that 740 FTE positions within the budget that are
20	vacant?
21	MR. FOLDIE: 740 bodies.
22	MR. WESAW: And then if we go back the six years,
23	I'm trying to figure out where the 740 might fit into your
24	argument. We're down it looks like by the numbers presented
25	in the book, 5,000 prisoners and 629 MCOs. The prison
	Page 56



1	population in 2012 was I didn't write it down, but it's
2	5,000 less today than it was then. The guard numbers
3	MR. FOLDIE: Corrections officers.
4	MR. WESAW: Sorry. I'm amenable to that. I
5	apologize for that. I do appreciate all the service of the
6	men and women here. You're down 629 corrections officers.
7	How does that mesh with the 740 that you're trying to get?
8	MR. FOLDIE: I guess I'm having a hard time
9	appreciating your question.
10	MR. WESAW: In Employer's Exhibit Number 5 it
11	shows your correction officer count in 2012 at 6343. Now
12	you're down okay. I think I did some wrong math.
13	MS. ZURVALEC: Your count is almost a thousand
14	less now.
15	MR. WESAW: Then the prison population in 2012 was
16	43,000 and change and today it's 38,000 and change. Let's
17	say in the contract, is there a ratio of correction
18	officer to population?
19	MR. FOLDIE: There is not.
20	MR. WESAW: There is not? Okay. So there's no
21	way to judge when the population goes down should the number
22	of FTEs go down. I'm not suggesting it should. I'm just
23	looking for
24	MR. FOLDIE: I'm familiar with no benchmark that
25	does that.
1	



1	MS. ZURVALEC: Even like another I'll just say
2	other states. Are there any other benchmarks that show
3	ratio? Like a standard ratio or anything that would be
4	MR. FOLDIE: Not that I'm familiar with. I can
5	tell you I don't know if this helps the question the way
6	that I perceive your question, that in that period of time
7	when the prisoner ratio would drop, we weren't laying off
8	corrections officers because the because we were still
9	short. Those officers were being they could take a
10	voluntary layoff, but typically the majority of them I
11	don't even think we had very many that would take layoffs.
12	The majority of them would relocate to prisons that had
13	vacancies to help fill those vacancies.
14	MR. WESAW: The volume would reduce through
15	attrition?
16	MR. FOLDIE: Correct.
17	MR. WESAW: SO of the 1200 that have left in the
18	last few years, do you know how many of those were due to
19	retirements or were all of those less than vested employees
20	that left?
21	MR. FOLDIE: I can tell you by way of example.
22	From September of 2017 to September of 2018 there were 613
23	departures. 226 resigned. 258 retired. 51 were
24	terminated. 14 were on an expired waiver or leave of
25	absence and 36 were on a wait leave of absence. So the
	Page 58



1 majority, over 500 was between resignation and retirement. MR. WESAW: Do you have anything else? 3 MS. ZURVALEC: I have some questions, too. Just one -- let's follow up on that exhibit you had, Exhibit 5 with your count. In 2011 there were 4,240 corrections officers and then it jumped by a couple thousand. Can you explain what happened between '11 and '12, if you know? MR. FOLDIE: Between 2011 and 2012 I can tell you 9 that we were having -- we were still under the state run 10 corrections academies. Under the state run corrections academies, when you hired in, much like the State Police, 11 12 you began getting paid. At 2012 to 2016, there was kind of 13 a -- I don't know how to call this other than a two tier system that occurred. In the first system you paid for your 14 15 own schooling. You went to your own schooling. Once you 16 finished the schooling, the Department as I recall would 17 then find out if you fit the criteria. You took the PT test and they gave you a little 18 19 certificate that said you could come aboard and get hired. 20 So the best way that I can explain that is in 2011 people 21 coming on board were being paid immediately and were state 22 employees. During the periods of 2012 to 2016 they were 2.3 students paying for -- going to the academy and paying for 24 it themselves and then coming aboard. 25 MS. ZURVALEC: To me that's sort of Page 59



1 counterintuitive. This is what I'm trying to figure out. It looks like something was put in place or something 3 happened, an event that -- as you've described it, it sounds like we'd have fewer people employed because they wouldn't come to us when they're learning and being paid. And yet we have a jump of almost -- well, maybe it's not 2,000 but --6 MR. GNODTKE: I'm sorry to interrupt. I believe 8 that's the Henderson VRUO reclassification matters 9 reflecting that --10 MR. FOLDIE: Oh. There was that. 11 MS. ZURVALEC: So these were employees that were 12 reclassified. 13 MR. FOLDIE: There was that case that causes us to 14 be at the Supreme Court today. 15 MS. ZURVALEC: Thank you. I was like maybe there 16 was some magic bullet in there that they were able to hire and we could look back on that practice and say here's 17 something that actually worked. 18 19 MR. FOLDIE: Please don't look back on that 20 practice. 21 MS. ZURVALEC: I got it. I have some questions 22 that are more hypothetical for you to consider. I noticed 2.3 in your statement and I very much appreciated that, that you 24 were open to having more ideas and discussions. Your 25 proposal, while you want us to take that very seriously and Page 60



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we do, there might be other possibilities or solutions to the problems you're facing. I'm going to pose some of these questions to the employer, too, because the employer has acknowledged that the problem exists according to their statement and they say it's a national problem.

And it seems from the research that they provided here that this is being experienced, high vacancy, high turnover in other states around the country. My question is what research have you done, has the union done or has been discussed at the bargaining table or in any form about the best practices that other states have employed to reduce their vacancy and turnover rate? So that's Question Number 1. What have you talked about? What ideas are working out there? What has been studied?

By way of example, just things that came to my mind, since the State has waived the initial requirement at 18, I think it was 18 hours of college credit that could be — upon hiring a corrections officer could get that within 18 months or something. Programs like paid college tuition reimbursement programs, recruitment bonuses that are paid out after a period of time. Because as I read your proposal, I didn't see anything quite in it that said if I pay this out on this date, that the person couldn't leave the very next day. clearly if you're trying to retain someone, you want to build an incentive to make them stay,



Ţ	not just for one year but obviously longer if possible. So
2	those are the kinds of things I'm just wondering about. Has
3	discussion taken place? Have you done any research about
4	these programs? If so, what would be your comment on that?
5	MR. FOLDIE: I can tell you this. Prior to the
6	bargaining session beginning the waiver of the college
7	credits was something that MCO approached the Department
8	with. It was MCO that spearheaded that actually, brought it
9	to the Department, went to the training commission, had the
10	training commission endorse it and then we brought it to
11	Civil Service. That is one aspect that we've attempted.
12	In all fairness, the employer at Huron Valley
13	women's where this crisis is the most critical, the employer
14	came to us and asked about having a situation where we would
15	have employees be allowed to we call them work site
16	lines. For lack of better words, a prison is a work site
17	and the prison next door is a separate work site and
18	officers don't cross that for various reasons. Safety is
19	one. The employer came to us and asked if we would
20	entertain the notion of allowing officers to come in and
21	help with the mandatory overtime there from other prisons.
22	That notion of crossing work site lines for
23	decades has been taboo for us. But recognizing, recognizing
24	that the women at Huron Valley were suffering so much, we
25	did it. But I will tell you this day, as of yesterday we
	Page 62



1 have two employees that have crossed work site lines. It's not working. 3 MS. ZURVALEC: So are you open to things like other programs? Recruitment bonuses? Retention bonuses? Tuition reimbursement? Typical tuition reimbursement programs that employers offer, if you pay for tuition for 6 somebody, they got to commit to stay or they have to pay it 8 There are disincentives for leaving. I'm iust 9 wondering how open the union is to exploring those options. 10 MR. FOLDIE: Madam Chairperson, we are open to 11 anything that will fill those bodies. I can tell you that 12 our political director, Jeremy Tripp, is working on a 13 tuition assistance program. It's in its infancy at this 14 point, but we are working on a tuition assistance program at 15 this very -- in fact, he's already met -- as I recall --16 he's already met with a few colleges that would conduct this 17 training by online training. We are engaged in that at this point in time. I have to tell you this and I don't mean it 18 19 to be a slight against the employer. Nonetheless, this 20 bargaining session was something I've never experienced. 21 There was very little conversation across the 22 In fact, we have made a proposal -- and again, we'll table. 2.3 admit our proposal on this programming was bare bones, but 24 it was only to offer something for conversation. There was 25 no conversation. There was no counteroffer. There was Page 63



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nothing. There was conversation behind closed doors about what we're really trying to achieve and where we're trying to go. Even the question came up by the Office of State Employer, you know, what good does this do if you're paying people this incentive or this retention but they're not at work and they're off.

We backed up and said that's not our goal. Our goal is to put bodies next to bodies inside our prisons.

We're open to those ideas. We're open to recruitment bonuses. In fact, I've had several discussions with MAGE's executive director who I know has talked to us about recruitment bonuses. As of my conversation with him yesterday, that's not going over so well with the employer even though there was a regulation that I understood to be wrote that allowed for us to do that, but the employer is not acting upon that. That's just a conversation that I've had. We're open to it. We're open to anything.

Our purpose here today, we resolved 99.9 percent of our issues right up until -- in fact, I'm ashamed to tell you that -- but if you read the brief right now, there's a section in the brief that talks about insurances and something else that I didn't have time to scratch out because we were negotiating right up to the day that we submitted our briefs. But you can be assured that as I indicated to you before, this is not -- we are not



1	interested in a shrewd attempt to gain something or more
2	compensation. This is a direct attempt to get bodies and
3	maintain bodies in the prisons to assist our membership in a
4	very, very crisis mode.
5	MS. ZURVALEC: Thank you. Any other questions,
6	Judge?
7	JUDGE WHITBECK: It wouldn't be a difficult
8	calculation, would it, to say at current levels to reach
9	below 11 percent turnover, we need X number of bodies? That
10	wouldn't be hard to qualify exactly how many people you'd
11	need?
12	MR. FOLDIE: It seems to me that it wouldn't be,
13	Judge. I don't think that would be problematic.
14	JUDGE WHITBECK: We'll as the employer the same
15	question.
16	MR. FOLDIE: There you go, Cheryl. Lucky.
17	MS. ZURVALEC: I think we're those are all our
18	questions for now. You'll have five minutes for rebuttal
19	since we took a lot more of your time.
20	MR. FOLDIE: Thank you. I appreciate it.
21	MS. ZURVALEC: With that, we'll hear from the
22	Office of State Employer.
23	MS. SCHMITTDIEL: Good afternoon. I'm Cheryl
24	Schmittdiel, director of the Office of the State Employer.
25	With me today we have Jonathan Patterson who is the human
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resource director of the Michigan Department of Corrections.
We also have Shannon Pike who is the budget and projections
division administrator should you have questions that are
best for the Department to answer. It sounds like maybe you
will. MCO comes before you today requesting the panel
recommend imposing a three year retention and
professionalism pilot program on the Michigan Department of
Corrections and the Department of Health and Human Services.
A small portion of the MCO membership was in the
HHS. We respectfully request the panel's consideration of
the Department of Corrections chosen direction to address
staffing levels and permit the Department the opportunity to
continue to focus on recruitment and hiring in Fiscal Year
2020 as well as retention at all levels and allow time to
see if MDOC's adjustments in assignment of staff are
successful.
One of the differences between the parties on this
particular issues is although the MCO is saying this is
outside of the one-year re-opener one year agreement on

particular issues is although the MCO is saying this is outside of the one-year re-opener -- one year agreement on wages and group insurances that they did sign off with a re-opener for Fiscal Years 21 and 22 even though they say their proposal is outside of it because they wanted to go for three years. From our perspective it's wages and we have a one year. So we're looking at it in terms of one year, not waiting three years necessarily to see what will happen or



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what won't happen with the strategies that the Department has been implementing for hiring, which also addressed retention.

The differences between the MCO proposal for the retention pilot and our proposed 2 percent lump sum increase for Fiscal Year 2020 because, again, the employer is looking at the one year for wages, is worthy of note. The MCO proposal provides more retention payment to any new employee who is not new status. Status is generally after one year of successful employment, satisfactory service to be extended but generally after one year. Their program starts at the one year level and then goes forward in three tiers. The OSE proposal for the 2 percent lump sum, and granted it is one year, is for everybody.

Now, if you are a new employee and you have less than a full year, then you get a prorated amount, but you get something. The MCO proposal gives \$750 to each employee in that first tier which starts at one year seniority and goes to five years. The OSE lump sum of 2 percent would give each of these employees more than the \$750 designated for that first tier. It depends on where people are on the steps. And because the Department is in hiring mode, it could be more than the several hundred that it looks like right now, but it would be more for a good number of MCO represented employees.



Their proposal is for three years. Our proposal is for the one. But this proposal from MCO, if it is to go three years, then as the Department continues to hire, there's nothing for the new employee in the second year or the third year of their proposal if you're a new employee in the second year or the third year. Granted, we have no wages right now agreed to for Fiscal Year 2021 and 2022, but we will be back at the bargaining table in a few short months looking at wages for those two years as a result of the agreed upon re-opener with MCO.

Our offer of the 2 percent lump sum to the MCO for the one year, Fiscal Year 2020, remains open if they're

Our offer of the 2 percent lump sum to the MCO for the one year, Fiscal Year 2020, remains open if they're willing to accept it. Our goal is to recognize all employees and acknowledge their contribution to the Departments ability to meet its operational needs and keeping the facilities running. The Civil Service rule change that is cited by MCO in their brief for the large and important portions of the contract loss actually gives flexibility back to the agencies, the departments to best determine how to assign staff. That rule becomes effective January 1st, 2019.

And yes, it did lead to interesting times at the bargaining table this time around. The flexibility that is going to be given back to the departments and the agencies is to provide a more equitable access to prime vacation



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time, for time off around prime holidays and for more even distribution of overtime assignments because those fall under the assignment of staff which becomes a prohibited subject of bargaining under the Civil Service rule change effective in 2019. The rule change is seen as an positive step towards addressing recruitment and retention of the new employees.

There is a new vacation book process that is going to be implemented January 1st which will allow prime vacation time to not necessarily be taken by the most senior as it happens for the most part now. There's also a change, I believe, coming for overtime distribution. Currently there is the 50 percent rule and I'm not very familiar with it, but it does mandate overtime for up to 50 percent of the lower senior if mandated overtime is occurring. MCO's proposal for their three year retention plan reinforces the idea that if you wait long enough, then things will get better.

Because if you look past the five years to the second tier, well, then it's \$1200 and if you make it past that second tier, then it's 1750. So you wait and you get more. That's not a novel concept, but it reinforces some of the challenge with new employees; hiring them and retaining them. Also, this is not as proposed a program that there's any discretion. All facilities don't experience the same



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pressures. All facilities don't have the same staffing challenges and, yet, all bargaining employees would receive this proposal. It came from MCO late in the bargaining process.

There wasn't much, if any discussion and I wasn't there at the bargaining table about alternatives in large part because it came across as three years and our focus was one year on wages and group insurances. We had much discussion afterward. Behind closed doors we had numerous discussions with MCO. We were unable to reach agreement on this particular issue, although we did manage to reach agreement on everything else. The Department of Corrections' budget is 97.3 percent General Fund. We have information about how the revenues are coming in for the fiscal year and they're looking really great.

Well, we're talking about a pilot that starts in Fiscal Year 2020 and goes forward two more fiscal years after that. We don't know that the revenues will continue. We all hope that that long economic expansion continues to expand, but what we also don't know is what policy decisions may be made come 2019 and we also do know some budget pressures, but we don't know all of them because ther are going to be policy changes come 2019. So MCO faults us for not bargaining creatively and that we could have and should have come back at them with a counterproposal.



1 Their premise was not what we were willing to agree to for three years. We did offer for discussion about 3 if you want to take the 2 percent lump sum and look at it differently, but they wanted the three year. That's pretty much where it fell apart. We cited a concern about all 6 employees, all employees receiving their retention bonus even regardless of whether they were still at work or if 8 they were on a leave or anything else, but that didn't 9 obligate us to pass a counterproposal because, again, we 10 were back to we might be able to work around something in 11 the one year but not in the three year under these 12 circumstances. 13 The Department of Corrections has chosen to focus 14 on recruitment and hiring and they implemented many 15 strategies for increasing applicants and retaining staff. 16 So I have a listing of them here. They had a focus group to 17 -- I'm sorry. Not a focus group. It's a process, an 18 improvement committee that focused on training and 19 recruitment of officers. They have targeting recruiting and 20 that focuses recruiting in areas of need to make it easier 21 for applicants to come in, attend interviews, to attend the 22 academies. They have regional interviews. They've had 2.3 interviews throughout the state including in the Upper 24 Peninsula. 25 They hold academies in places closer to where Page 71



1	people are to make it easier to attend. They've seen
2	increased participation as a result of these strategies.
3	They've hired an advertising agency to improve advertising
4	to attract applicants. They're having more employees
5	involved in actively recruiting new employees. They have
6	wardens who campaigned at local community events to recruit
7	officers. They've gone to community college to recruit and
8	high schools to recruit. They have facilities who are
9	utilizing mentoring programs to give new staff someone to
10	talk to.
11	There's also a program, Effective Process
12	Improvement and Communication. I'm sorry. A team,
13	Effective Process Improvement and Communication that's
14	starting to focus on official mentoring program for staff.
15	They have a veterans' liaison that focuses on recruiting
16	veterans. It's resulted in the increase of veteran hiring.
17	The last few academies, about 25 percent of the new officers
18	were former military. They accept now the military members
19	joint services transcript towards the educational
20	requirements.
21	We've had some discussion this morning about the
22	change through Civil Service with the college deferral
23	program that allows the officers to be employed and then
24	still have the ability to finish obtaining their college
25	credit. MCO was part of that decision making. As of
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1	October 26 the Department had 2,391 applicants for
2	corrections officers in 2018 so the interest is rising.
3	They have pool right now of about 500 and that's a higher
4	number in their pool than they've had for a long time. In
5	Fiscal Year 18 we hired 360 officers.
6	They're planning to hire 730 officers in Fiscal
7	Year 19 with the first class being approximately 140 to 145
8	officers and that's a higher number of officers in a class
9	than they had all last year, in any class last year. We
10	don't support the concept of the mandatory payment over a
11	three year program. We respectfully request the time to
12	monitor the effectiveness of these strategies. Again, we
13	will be back at the bargaining table in 2019.
14	MS. ZURVALEC: Questions?
15	JUDGE WHITBECK: Yeah, two or three. Could you
16	turn to Page 8 of your last brief? That is the brief dated
17	October 12.
18	MS. SCHMITTDIEL: Yes.
19	JUDGE WHITBECK: Page 8. In the alternative the
20	employer would not object with redistribution of the dollars
21	that would otherwise be spent for the 2 percent lump sum
22	payment in any matter the MCO may decide. That's caught my
23	eye. Suppose the MCO decides to get into the shopping
24	center business? Are you saying it will be perfectly okay?
25	MS. SCHMITTDIEL: No, sir. I apologize for the
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1	inartful drafting in any manner amongst its bargaining unit
2	employees.
3	JUDGE WHITBECK: Say again?
4	MS. SCHMITTDIEL: In any manner amongst its
5	bargaining unit employees as we had discussed away from the
6	bargaining table with MCO. If they wanted to do
7	JUDGE WHITBECK: You're essentially saying we'll
8	give you X lump sum and you can spend it any way you want
9	to. I mean, that's no way to run a railroad, is it? You
10	don't want the union determining what expenditures the
11	Department is going to make. I really don't understand that
12	at all.
13	MS. SCHMITTDIEL: Having been part of the
14	conversations with MCO about what alternatives there may be
15	available for that same amount of money of the 2 percent
16	lump sum, which is if they thought a tiered system such as
17	what they were proposing might work better than the 2
18	percent lump sum, that's what we had discussed with them as
19	a possibility, but it was only on a one year basis and,
20	again, it was go to the employees if they wanted to handle
21	it as similar to what they did with their retention
22	proposal.
23	JUDGE WHITBECK: Look, I used to be in the Federal
24	government. There was something called the Baker Act. The
25	Baker Act said you had to extend money along the lines
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1	amidst appropriation. If you didn't, that was a crime. It
2	seems to me there's no limit, at least according to that
3	sentence, in what the union could decide what to use this
4	money for, including any limits that might be contained in
5	the appropriation legislation. I suggest without belaboring
6	the point that you may wish to check with your counsel on
7	this one. Because I really don't see how you could do it
8	the way it's written here, so not to belabor the point.
9	You mentioned and I think in good faith and
10	accurately the Department is increasingly targeting its
11	targeted its recruitment efforts to recruit more
12	corrections officers. It seems to me that your employees
13	are raising a different question. I don't think they put it
14	as broadly as I'm about to, but they are saying in essence
15	that they didn't speak to recruitment very much. You can
16	recruit all you want, but if in three years following hiring
17	a correction officer you're losing a third of them,
18	essentially you're spinning your wheels unless you're
19	willing to take a 33 percent turnover within three years of
20	hiring which seems to be what the union is saying.
21	It strikes me that the union raised a legitimate
22	problem and that is during that three years, if I understand
23	what they're saying, you lose a third of the people you just
24	hired. Am I accurate in that?
25	MS. SCHMITTDIEL: We have various sets of numbers,
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sir, and part of what MCO brought forward are numbers that we shared with them. I don't have that right in front of me and I will look for it, but sometimes what happens is people are not the right fit for the job or the job is not the right fit for them, and so the retention information that MCO shared with you, Mr. Foldie shared about those who retire, those who resign, those who depart in any given year goes to that, but we do have some information about departures within the newly or more newly hired employees.

Some of them -- I'll have to double check the number, but it was in the first ten days. So the determination was made I'm sure that this was not the job for them. And no, that's not the way we want to be handling our hiring, but there's also the recruitment element of once you get into the program. You go through the academy. You start working at the facility. And so when we say hiring and recruitment and retention, we're looking at it from Day One going forward on the retention part of it.

JUDGE WHITBECK: I understand that, but taking the problem that you raised which is someone is hired on Day One and by ten days he or she has figured out this job is not for me. Okay. I suggest that's a commonplace occurrence across job categories. Maybe accentuated somewhat once a person gets inside the prison and realizes just how tough this job is and it's very, very tough. I doubt that



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accounts for a significant piece of that 33 percent turnover. It seems to me what your employees are saying is we're losing a third of the people that come in the door within three years of their hiring and there's something wrong here.

We're at a point, it seems to me they're saying, where you got 11 percent turnover ratio or vacancy rate, however you define it, which is below or rather above a set of national standards. Now, under those circumstances it strikes me that while their proposal may not be perfect or even acceptable to OSE or to the Board, they are at least legitimately identifying a problem that the employer, not so much the Office of State Employer, but the Department of Corrections needs to pay a considerable amount of attention to. I know on the positive side that -- on the previous page you say the MCO asked the panel to order the parties back to the bargaining table and to create a pilot for the same purpose of the CORPP.

I don't know what that means so I'm just going to skip over that. Implying that they would be agreeable to injecting eligibility requirements and limitations into the pilot. Let's assume that implication is correct. The employer asserts that the MCO has had ample opportunity to revise and propose a pilot more aligned with the economic limitations discussed at the table. Two sentences seem to





1	me to be in conflict. I'm thinking maybe they're willing to
2	accept eligibility requirements and limitations which I
3	think would be perfectly appropriate.
4	But on the other hand, we've already had ample
5	opportunity to bargain. Which is it?
6	MS. SCHMITTDIEL: We did not receive any other
7	variation, any variation of MCO's proposal. It came to us
8	late. There was limited discussion at the table that was
9	focused around the fact that we were offering a one year on
10	wages. They were offering three year pilot program that
11	looked like wages to us. So there was
12	JUDGE WHITBECK: Well, it was. I don't think
13	there's any question about that. It put dollar in
14	employees' pockets.
15	MS. SCHMITTDIEL: Yes. And the ample oppor
16	JUDGE WHITBECK: No question about it. It's a
17	pilot, but it's still wages.
18	MS. SCHMITTDIEL: Yes. And our concern is, in
19	part, we have a re-opener in 2019. The wages we did have
20	agreement with MCO on is the 2 percent increase in the base
21	rate for Fiscal Year 2020 is a one-year agreement. We will
22	be back at the table.
23	JUDGE WHITBECK: So you're saying we should just
24	wait a year? Suppose they suggest to us that at least
25	within this period and I think the period is open to
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1	discussion, they're saying from 2012 to today's date, that
2	the Department of Corrections has never achieved a turnover
3	ratio or vacancy rate which is at or above national
4	standards. If that's so, do you really want to wait a year?
5	MR. PATTERSON: Well, as far as the vacancy rate
6	and the turnover rate, I'm going to have to get that
7	information. Those numbers that were indicated by Mr.
8	Foldie, I don't know if are 100 percent accurate. The one
9	thing I will say
10	JUDGE WHITBECK: They are or they aren't. I mean,
11	you need to be prepared to say no, that's not right. You
12	keep track of these things, don't you?
13	MR. PATTERSON: The turnover rate? Do we keep
14	track of the turnover rate? We keep track of our vacancy
15	rate which is about
16	JUDGE WHITBECK: Well, either.
17	MR. PATTERSON: It's a little over 10 percent.
18	JUDGE WHITBECK: Either that vacancy rate is at or
19	below I'm sorry at or above 11 percent or it isn't.
20	MR. PATTERSON: The vacancy rate is slightly over
21	10 percent right now. However, as Mr. Foldie
22	JUDGE WHITBECK: How long has it been at that
23	status?
24	MR. PATTERSON: It started probably around 2014,
25	2013, and it started with the college program that Mr.
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1	Foldie indicated. But it is coming down.
2	JUDGE WHITBECK: We're now talking going back from
3	2018 to 2013?
4	MR. PATTERSON: About yeah, 2013.
5	JUDGE WHITBECK: He said 2012. You're almost in
6	agreement as to when the situation began and that it has
7	continued for at least five and perhaps six years.
8	MR. PATTERSON: There was some issues with the
9	college program that started back under the previous
10	administration where employees were required to obtain their
11	college education and their training at about 4,000 to
12	\$5,000 cost before they could start with the department. We
13	have since changed that back and we have seen growth.
14	JUDGE WHITBECK: When did you change it?
15	MR. PATTERSON: We changed that back in 2015, but
16	it's taken some time through recruitment to build up those
17	numbers. Like we said, our academies are now getting
18	bigger. Our numbers in the applicant pool are larger than
19	they have been in past years and some of that
20	JUDGE WHITBECK: It's an unqualified success, but
21	if you lose one person of it within three years of their
22	coming into employment, you're almost at a wash, aren't you?
23	MR. PATTERSON: Yeah, but we're losing some of
24	that is they're coming into employment a lot of what
25	we're losing is due to the large prison expansion back about
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1 25 to 30 years ago. We're losing a decent amount of officers through retirements as well as promotions. 3 other categories beyond just corrections officers that are part of their bargaining unit, we don't experience any type of retention or recruitment problem. JUDGE WHITBECK: Okay. I accept that. 6 I thought listening to the testimony that going from 2012 to 2018 8 might be too short a period and because simply you'd like a 9 longer longitudinal line, if that's the correct term, But it 10 strikes me that you have the data in hand that would, I 11 hope, with a little tweaking, you can take these numbers 12 back as far as you want to and see if there's a correlation 13 between economic conditions which I suggest -- I don't know 14 if it would be determinative but certainly would probably be 15 at least in part a factor. 16 My point, though, as I keep hammering at it, MCO 17 has offered a solution in -- a procedural solution in that this Board could order the parties back to the table. 18 19 don't think a proposal to MCO that they just take the amount 20 of the second year bonus and spend it any way they want 21 to -- I doubt that this Board or the Civil Service 22 Commission or its lawyers would view that with any great 23 approval. Frankly I think maybe I would just let that one 24 go as a fig leaf that got thrown in and probably shouldn't 25 have been. But listen, these folks have outlined a serious Page 81



1 problem for you and they propose a solution. Then they said they were agreeable to 3 modifications of that solutions, particularly with respect to eligibility requirements and limitations. Now, the piece they don't mention and the piece that you all to your credit have mentioned and which I fully agree is it is without an evaluation mechanism, without a defend, without a definition 8 what consists a failure or what failure consists of and what 9 success consists of. You're simply spending money premised 10 on speculation, speculation being that if you increase pay 11 by this amount over these three years, you're going to get a 12 reduction in turnover. 13 At the very least, there ought to be a mechanism 14 built in that measures accurately whether or not that 15 happens. If it doesn't happen, well, this is being pointed 16 out. This won't break the pocket. Nobody likes to waste 17 money. At least you'll know that you tried something. it didn't work according to agreed upon measurements. 18 19 does work, well, you have that whole spectrum go from. 20 doubt, though, that one of those spectrums is, and the point 21 is well taken -- I mean, a modern correctional facility is a 22 much better place to work than one of these -- than 2.3 Marquette. You have to take Marquette out. It's an old structure. It's cold. 24 25 Clearly the working conditions in the two Page 82



1	institutions are different. I don't know, though, how you
2	could adopt a plan that pays employees inferentially based
3	on the location of their work place. There's been some
4	variation on that theme over the years, but as a basic
5	principle, I think the Civil Service Commission has taken
6	the position that you can't across the board make pay
7	decisions based on work locations, that you just get into a
8	host of problems there.
9	I'm not asking you to respond immediately. That
10	would be unfair. I am suggesting that you may want to take
11	another look at the MCO's proposal to go back to bargaining
12	on this particular issue. Those are my questions.
13	MS. ZURVALEC: Thank you.
14	MR. WESAW: Just a couple easy ones. How many
15	vacancies do you currently have? What's your number?
16	MR. PATTERSON: As of September, at the end of
17	September so we look at October numbers, it was I think
18	it was 730, somewhere in there.
19	MR. WESAW: I can appreciate the changes to
20	vacation picks and all that kind of stuff, but when you've
21	already got an overworked staff, how do you does that
22	really make any sense? Because if you let more people off
23	in good times, you've still got a backbone. It appears
24	you've already got an over-stressed crew. How does that
25	MR. PATTERSON: I think what Cheryl was trying to
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say and what the Office of State Employer is trying to say is that we believe that we have -- we're enacting some strategies that will help with not only recruitment but also retention. It's not letting more staff off. It's making it more equitable. What we kind of experience in some of our exit interviews and talking to staff, especially new staff that are coming into the workforce now, is that they're big into work life balance. Some of the things is being able to have time off during what is considered prime vacation time during holidays, during the summer months, spring break.

With the changes in the rules where vacation

With the changes in the rules where vacation scheduling has come out of the collective bargaining agreement, we're able to spread out that time. So it's not that we're letting more off. It's that we're spreading across the bargaining unit membership more. And so that some of those newer employees that have left historically in the last few years, some because maybe the economy -- it has been mentioned earlier that the economy is better so there is more options for them to go to, but also, too, I can't get off any time during the summer until I'm working as a corrections officers five, six, seven years.

I can't spend any time with my kids during
Christmas, Thanksgiving until five, six, seven years when my
seniority has increased. So we're enacting a vacation
scheduling pick process now that we have the ability to do



1	that, as the employer, that we'll spread that equity amongst
2	it still recognizes seniority, but the most senior
3	employees can't just, for lack of a better word, snatch up
4	all of the good time and leave hardly anything for the less
5	senior employees. The same thing that was mentioned for
6	overtime previously.
7	The process was there was negotiated language that
8	the mandatory overtime was the lower 50 percent of seniority
9	was subject to all of the mandatory overtime. If you were
10	in the upper 50 percent, you were exempt. So those are the
11	things we believe with some of these changes will help not
12	only recruit, bring people in, but also retain those who we
13	have. So we're asking for that opportunity to see if our
14	recruitment efforts we were set back by that. It was a
15	failed proposal for lack I'll just say it was a failed
16	process by the previous administration to have employees pay
17	for their training and schooling before they actually came
18	to us.
19	We're now oh, you want to wait until the judge
20	comes back.
21	MS. ZURVALEC: It says "Do Not Disturb."
22	(Off the record interruption)
23	MR. WESAW: Jon, were you done?
24	MR. PATTERSON: Well, I think what I was saying
25	is, just kind of finishing up saying is so I think one of
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1	the things that Mr. Foldie indicated was one fifth of our
2	facilities are at critical staffing levels. So four fifths
3	of our facilities, we have I would say sufficient staffing.
4	I mean, we have facilities like Muskegon Correctional
5	Facilities have no vacancies and there are several
6	facilities that are in single digits of vacancies so they're
7	not doing bad as far as like staffing.
8	There are several hundred members in other
9	classifications, like the corrections transportation
10	officers and the corrections security resident reps that are
11	part of their membership that we don't experience any type
12	of retention or recruitment problems in. Just to say that,
13	I think we are employing some other strategies that will
14	assist in both. They had testimonials from Women's Huron
15	Valley and it's one of the facilities and I think it's the
16	only facility that's usually singled out in their brief as
17	to having a staffing problem.
18	Well, just as they had testimonials to the
19	negative, we just recently received an email from an officer
20	because we have decreased our vacancies at Women's Huron
21	Valley significantly over the past few months from that
22	targeted recruiting, from that targeted academies. Well, we
23	hold the academies right down in Washtenaw County where they
24	used to always be here in Lansing so it would require
25	employees to travel back and forth on a daily basis or stay
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here in Lansing.

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Well, now we do the academies right there and the vacancies have decreased greatly where one of the employees sent to our director unsolicited of how happy she was that the warden had brought in new staff, decreased vacancies — I mean decreased the mandates and that now she hardly works any mandatory overtime. I mean, so I think there are things that we are doing, like I said, not only to increase recruitment, but those recruitment strategies will then lead to more retention. Employees do leave because they may get burned out. If we can bring in more, then we believe we'll have less going out the door.

MR. WESAW: Sticking with that facility, you heard my -- and I don't know who wants to tackle this, the Fair Labor Standards question. How is that working with what appears in the surveys answered by the corrections officers there, they're working possibly well over 16 hours in a 24 hour period and sometimes day after day? Is there an exception for MCOs to go outside that, those numbers?

MS. SCHMITTDIEL: There is language in the collective bargaining agreement. My understanding is it's a function of collective bargaining. If there is a limitation, we will research that under the FLSA. I'm not aware, but it doesn't mean it's not there, that the Fair Labor Standards Act addresses the number of hours as opposed



1	to when the overtime pay kicks in for those who are eligible
2	for the overtime.
3	MR. WESAW: It wasn't so much a factor of the
4	overtime. It was the number of hours in a 24 hour period.
5	MS. SCHMITTDIEL: Correct.
6	MR. WESAW: That really becomes a safety issue.
7	MR. PATTERSON: Yeah. We will research that.
8	Same thing. I'm not aware of that being a violation, but we
9	can look into it.
10	MR. WESAW: I don't know if there's an exception
11	for corrections. I know in the State Police, 16 hours was
12	capped. You couldn't go over that.
13	MS. ZURVALEC: I think most of my questions have
14	been covered. I just want to clarify something. It's
15	between two exhibits from the State Employer. You have
16	Exhibit Number 2 is the cost of the union's proposal for the
17	pilot. Do you have that in front of you?
18	MS. SCHMITTDIEL: Yes.
19	MS. ZURVALEC: So the question is, before we get
20	to the three years, the total cost 12 million per year
21	essentially; right? Is that what that says?
22	MS. SCHMITTDIEL: Approximately.
23	MS. ZURVALEC: Approximately. Then the total cost
24	of your lump sum is 10.4 million; is that correct?
25	MS. SCHMITTDIEL: Correct.
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1 MS. ZURVALEC: I have no further questions. have five minutes for a response from MCO that they reserved 3 and then we'll break for lunch. Mr. Foldie, if you're ready. MR. FOLDIE: Thank you. I appreciate this. Ι just want to make three quick points within one minute and then round this off with the last few minutes that I have. 8 First and foremost, the State Employer made mention that 9 they thought these rule changes that have come out are seen 10 as a positive step towards the employees. The rule changes 11 that have taken effect -- and I mean this as no disrespect. 12 I mean it as just a matter of fact. The rule changes that 13 have taken place have stripped 50 years of bargaining rights 14 from our contract. I hope you will trust me that this is 15 not a positive step in the eyes of our members. 16 Secondly, the employer again pointed out that the 17 retention offer that we had made, a proposal that we had 18 made, that they did not receive any other proposal and that 19 it came late in the game. We would have bargained until 20 yesterday. We received nothing on paper from the employer 21 on that. MCO never received any counteroffer in any aspect 22 whatsoever. So I just wanted to make those two points. 23 Finally, the only thing I would say is this or wrap up is 24 this. I woke up on the morning of October 27th, which was a 25 Saturday, and I was thinking desperately what I wanted to Page 89



1	say to this panel.
2	I was lost for words to be quite frank because it
3	seems to me that this is all boiled down to about dollars
4	and cents. There's money out there. We have a problem and
5	the people that are holding the purse strings do not want to
6	give it to us to help us resolve that for their reasons. I
7	appreciate that. I flipped on the telephone as I normally
8	do first thing in the morning and I went to that dreaded
9	Facebook and there was a post from a Lieutenant Brian Hughes
10	on October 27th, 2018. I read that. I immediately
11	contacted Mr. Hughes and I asked him if he would consider
12	allowing me to read this into the record. He said sure.
13	And I'd like to take the opportunity to do that
14	just to paint a picture from a supervisor, somebody that is
15	outside of our bargaining unit and paint another picture.
16	If I may approach, I have copies for you and I also have a
17	copy for the employer as well.
18	MR. WESAW: Is he within the department?
19	MR. FOLDIE: Pardon me?
20	MR. WESAW: Is the supervisor within the
21	department?
22	MR. FOLDIE: He is. Judge, I apologize. I didn't
23	fax one down to you, but I'll try and speak clearly. "This
24	will be a long post, but I'm going to do something most
25	correctional staff don't do enough and that's open up. I
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broke down today. I cried. I don't break often. I never talk about it or do it in front of anyone else. At first I couldn't comprehend another coworker's suicide. Then I got to thinking about our lives. We as correctional staff suffer in silence. Some of us deal with the daily stress better than others. Some of us can't cope at all. Some of us have seen horrendous things that people should never witness and things we will never forget.

Some of us have even had to do things that haunt the shit out of us daily and are the things nightmares are made of. These demons are very real and the more I think about them, the more they scare me. When we are working in the moment, it just becomes our daily grind. It sadly becomes our normal, but when we retire or let those things creep in our minds, things change. When we go from working every day to retired, we have to face those demons that we spent 20, 25 or 30 years burying daily. I can say the last four to five suicides have been great officers and amazing people that no one would imagine in a hundred years that they would ever do this.

That is the thought that haunts me. Demons are real and we can't escape them. These last several suicides were people that would have never taken their own lives. That tells me these demons are stronger than we realize and it can take us over on any given day. I used to say I would



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never commit suicide. Now I wonder if those demons will catch me one day. I have many correctional demons that haunt me and bring me to tears when I even give them a second thought. I guarantee that these men never thought that they would succumb to suicide either. We suffer in silence and don't share these things with our families because we never want to expose our loved ones to the things that torture us.

We work in such a negative atmosphere. We work in the only profession where our own coworkers will talk shit about us if we save a prisoner's life. They will literally talk shit because you did your job and saved another human life. I can say I'm guilty of that myself and I have been on the receiving side. I guarantee some of my coworkers will talk about shit about me for making this post, but I don't care. I'm speaking the truth. I'm speaking the raw truth. Many of us will take things to the grave without ever speaking of them again. Stress also lowers our immune system causing many premature physical illnesses that take so many lives of correctional staff.

I used to wonder why these great, amazing people never reached out to anyone, even one of us that understand the struggle, but again, I totally understand. We are trained to be non-human and emotionless. We are weak if we show any emotion so we compartmentalize these demons. We



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stay silent and fight the demons in our head. I have a love and respect for the people I've worked with past and present. I hope this is the last suicide we have knowing damn well there will be more. I have been doing this job for 23 years and every day my wife will ask me how my day was.

Every day for almost 23 years my response is, quote, "Just another day." I say this to my wife rather than it was just another day or I just seen a prisoner stabbed in the neck on Second Gallery of 12 Block and die choking on his own blood or while doing CPR on a probationary officer that just fell out because of a heart attack with prisoners around screaming, quote, "Die, motherfucker. Die, bitch," knowing these were the last words this officer heard as he died. The demons are real and although I'm here right now, I'm asking you to reach out for help if you're battling these demons.

I know that I would probably never ask for help either. That's why I say we suffer in silence. That's what we do. We just deal with it. I'm here for anyone that ever needs to vent or talk about their demons, corrections or not. To hell with religious beliefs, to hell with sports rivalries and to hell with political differences. I'm here for you. For those of you that continue to suffer in silence, just know you are never alone in your bed. I know



1	it feels lonely, but we're all dealing with our own battles
2	right with you. Rest easy, Scotty Warner." Scotty Warner
3	killed himself a couple days before this post.
4	"Sorry for such a long post. Thank you," he says
5	to his wife, "for always being here with me, whether I
6	shared my demons or you just hugged me while I struggled in
7	my own head." Madam Chairperson, Judge Whitbeck, Mr. Wesaw,
8	the time is now. Not five minutes from now, not five hours
9	from now, not five days, certainly not five months and
10	certainly not a year. The time is now. We're asking for
11	your help. Thank you.
12	MS. ZURVALEC: Thank you very much. We will take
13	a break.
14	(Off the record)
15	(Volume II concluded at 12:57 p.m.)
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