



**THE ORGANIZATION OF NYS  
MANAGEMENT CONFIDENTIAL EMPLOYEES**

An Affiliate of OPEIU Local 153, AFL-CIO

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**Joint Legislative Budget Hearing on Workforce Development**

**February 4, 2019**

**OMCE Testimony**

OMCE testimony this year focuses on gaining support for our Retiree Parity bill A2462 S899 and discussion of those items in the Governor's Executive Budget that we find most objectionable.

Last year M/C employees still on the payroll received the last 1% of the 7% salary increases withheld in 2009 & 2010. Legislative support of providing some measure of fairness to M/C employees is much appreciated. While M/C employees who are still working received the 7% payment, M/C's who retired between 2009 and 2017 have received none or only a portion of the 7% salary increase that was withheld in 2009 and 2010, depending on the timing of their retirement.

We believe these retirees have been treated unfairly and over the years we have presented a number of different proposals to provide them some relief. Last year our parity proposal was well on its way to passage in both houses when it was stopped at the last minute.

**This year we resubmit our proposal:**

- 1) Each M/C retiree whose 2009 & 2010 salary increase was withheld shall receive a \$70 dollar per month rebate for every month of withholdings from April 1, 2009 until the date of retirement or 3/31/2015, not to exceed \$5000 – OR –
- 2) Any M/C retiree who retired between April 1, 2015 & June 30, 2017 whose salary increase for 2009 & 2010 was withheld shall receive \$5000 less any parity salary increases received during the specified time period.

The Comptroller shall certify to the NYS DOB a listing of all such retirees deemed eligible.

We estimate less than a \$8 million cost by which retirees would get only a small portion of the dollar amount they lost. It is The Right Thing To Do –and – would provide them some recognition of their forced sacrifice.

This year we submitted our proposal to GOER & DOB for inclusion in the Executive Budget – but it was not included. The bills have been introduced A2462, S00899.

We have begun discussions with the fiscal and Government Employees & Civil Service & Pensions committees on this proposal and look for your support. We hope that the Senate & Assembly will include this proposal in your one house budgets.

**Retiree Health Insurance**

This year again the governor is proposing several measures that would negatively impact M/C retirees along with other state retirees. These proposals are:

- Implement Differential Health Care Premium Contributions for new civilian hires at retirement based on years of service (PPGG Part A).
- Eliminate Taxpayer Subsidy for the Medicare Part B Income Related Monthly Adjustment amounts (IRMAA) for High Income State Retirees (PPGG Part B).
- Maintain Reimbursement of the Medicare Part B Standard Premium for State Retirees at Current Levels (PPGG Part C).

We opposed these proposals last year and the Legislature rejected them. We oppose the proposals this year and urge you to again reject them.

**\*Over 37 Years of Outstanding Management Committed to Excellence\***

### The Executive Budget Proposals on Retiree Health Insurance and Reimbursements

State Retiree Health Insurance Reforms. The Executive Budget includes three proposals (Article VII Part PPGG (Public Protection and General Government) Sections A, B, and C) to help restrain the growth in State retiree health care costs.

#### Medicare Part B Reimbursement Cap (Section C – PPGG)

Under current law, the State provides full reimbursement of the Medicare Part B standard premium up to \$135.50 per month to all eligible retirees. The Governor's proposal seeks to cap state reimbursement to eligible retirees and their dependents effective April 1, 2019 at that \$135.50 rate.

In future years any increases in premiums would not be automatically reimbursed but would be subject to budget negotiations which would put reimbursement of the increases in jeopardy. The Governor's proposal estimates that the Medicare Part B Cap would reduce the State's Other Postemployment Benefits (OPEB) liability by \$10.2 billion through the next 30 years GASB period.

#### Income Related Medicare Adjustment Amounts (IRMAA) Reimbursement (Section B – PPGG)

The Governor's proposal would amend Section 167-a of the Civil Service Law to cease reimbursement of additional Income Related Medicare Adjustment Amount premiums paid by higher-income retirees retroactive to January 1, 2019. To minimize employee health benefit costs, the State requires all retirees participating in the NYSHIP to enroll in Medicare Part B upon turning age 65. After enrolling in Medicare Part B, the federal government requires enrollees to pay a monthly premium (\$135.50 – 2019 maximum). State retirees pay this monthly premium to the federal government (typically taken as a Social Security check deduction) but are later reimbursed the full amount by the state as a credit in their monthly pension allowance.

In 2007, the federal government implemented an additional income-related Part B premium requiring higher income enrollees to pay higher monthly premiums. These higher monthly premiums are called Income Related Medicare Adjustment Amounts (IRMAA).

Under the current law, the State also fully reimburses affected retirees if they are required to pay the additional IRMAA premiums. Under the Governor's proposal, state reimbursement of IRMAA would be eliminated effective January 2, 2019 and retirees paying the IRMAA would no longer be reimbursed. (Appellate Court ruled against this in 2006 when non-payment of the surcharge was administratively attempted).

The Governor's proposal estimates that elimination of IRMAA reimbursement would reduce the State's OPEB (Other than Payroll Employee Benefits) liability by \$450 million again over the next 30 years.

#### NYSHIP Retiree Health Insurance Premium Differential – Section A – PPGG

Under current law, the state reimburses retirees for their NYSHIP Health Insurance costs after 10 years of service and NYSHIP participation. For state retirees with at least 10 years of service at grade 10 or higher, the state pays 84% of the cost of Individual Coverage and 69% of the cost of Dependent Coverage – the retiree pays 16% and 31% respectively. For state retirees with at least 10 years of service at grade 9 or lower, the state pays 88% of the cost of Individual Coverage and 73% of the cost of Dependent Coverage – the retiree pays 12% and 27% respectively.

The Governor's proposal seeks to establish a graduated health insurance reimbursement system for civilian state employees hired on/after 4/1/2019 whereby retirees would contribute a greater share toward health insurance costs. The Governor's proposal does not apply to members of the NYS Local Police and Fire Retirement System, members of the uniformed personnel in the Department of Corrections and Community Supervision, and/or a state employee who is determined to have retired with an ordinary, accidental, or performance of duty disability retirement.

The Governor's proposal seeks to enact the following contribution levels:

Years of Service	Grade 9 or Lower		Grade 10 or Higher	
	NYS Individual Contribution	NYS Dependent Contribution	NYS Individual Contribution	NYS Dependent Contribution
10	54%	39%	50%	35%
11	56%	41%	52%	37%
12	58%	43%	54%	39%
13	60%	45%	56%	41%
14	62%	47%	58%	43%
15	64%	49%	60%	45%
16	66%	51%	62%	47%
17	68%	53%	64%	49%
18	70%	55%	66%	51%
19	72%	57%	68%	53%
20	78%	63%	74%	59%
21	79%	64%	75%	69%
22	80%	65%	76%	61%
23	81%	66%	77%	62%
24	82%	67%	78%	63%
25	83%	68%	79%	64%
26	84%	69%	80%	65%
27	85%	70%	81%	66%
28	86%	71%	82%	67%
29	87%	72%	83%	68%
30	88%	73%	84%	69%

The Governor's proposal estimates the graduated reimbursement system will reduce the state's OPEB liability by roughly \$17.6 billion. (over next 30 year GASB period).

(The current formula used to convert accumulated sick leave into an employee retirement health insurance fund already addresses this issue of parity and equity. The fewer years worked means fewer years you have to accrue unused sick days. Additional adverse impact is felt by those designated MC since they only earn 8 sick days per year and are further disadvantaged since it takes them 38% longer to accrue unused sick days).

**Civil Service & Workforce Issues**

The Governor's discussion of the state workforce is spare and touts what he sees as success, a focus on performance management using Lean processes, and improving government efficiency – the state workforce under Executive control has declined since Governor Cuomo took office as agencies streamline operations and enhance efficiencies. Improving productivity and efficiency is positive but no mention is made of caring for employees and providing those employees with the resources and support services they need. While clearly the workforce has been reduced and we hear about it from our members who are required to manage with insufficient resources, the composition of the workforce – specifically the M/C workforce has changed.

The numbers show that there is a clear trend -- at least for M/C positions -- away from competitive class positions -- the foundation of our civil service merit system, toward exempt and non-competitive

		Management Confidential Class Trends 1998 - 2018																		
		1998*	2000*	2001**	2002**	2003**	2005**	2006**	2007*	2008*	2009*	2010*	2011*	2012*	2013*	2014*	2015**	2016**	2017**	2018**
Competitive	6,874	7,391	7,400	7,269	6,798	7,097	7,047	6,979	6,824	6,786	6,759	5,416	5,293	5,250	5,167	5,303	5,331	5,317	5,294	
	65.9%	65.7%	66.0%	65.8%	65.2%	65.4%	64.2%	65.1%	63.6%		62.9%	62.9%	61.7%	60.9%	58.6%	56.9%	56.9%	55.3%	54.2%	53.0%
Non-Competitive	1,352	1,479	1,420	1,412	1,318	1,314	1,446	1,424	1,403	1,382	1,390	1,081	1,053	1,174	1,160	1,288	1,450	1,512	1,643	
	12.8%	13.1%	12.7%	12.8%	12.6%	12.1%	13.2%	13.3%	13.1%		12.7%	12.9%	12.1%	13.10%	12.78%	13.83%	15.05%	15.41%	16.4%	
Exempt	2,227	2,387	2,395	2,360	2,317	2,441	2,486	2,314	2,507	2,615	2,603	2,287	2,339	2,537	2,747	2,723	2,851	2,985	3,056	
	21.3%	21.2%	21.4%	21.4%	22.2%	22.5%	22.6%	21.6%	23.4%	24.0%	24.2%	26.0%	26.9%	28.3%	30.27%	29.24%	29.60%	30.42%	30.6%	
Sub-Total	10,433	11,257	11,215	11,041	10,433	10,852	10,979	10,717	10,734	10,783	10,752	8,784	8,685	8,961	9,074	9,314	9,632	9,814	9,993	
Other	0	0	275	226	259	0	56	246	123	282	153			170	225	343	259	203	143	
Total	10,433	11,257	11,490	11,267	10,692	11,106	10,979	10,773	10,980	10,906	11,034	8,937	8,865	9,131	9,299	9,657	9,891	10,017	10,136	
percentages based on subtotals																				
KEY																				

\* - OMCE Database  
 \*\* - Source CS FOIL and CS/OSC ad hoc reports  
 \*\*\* - Incl 129 Pending Exempt, 94 of them Empire State Fellows  
 % - Percentage of Sub-Total  
 Other - Pending Exempt, Pending Non-Competitive, etc

P3-1

The Department of Civil Service is charged with carrying out and ensuring compliance with the constitutional and statutory requirements for a civil service system. Unfortunately, the department is so under resourced and compliant with Executive Agency requests that the constitutional requirements seem to go by the wayside or are considered optional. The Department needs to be staffed to carry out its responsibilities. The administration of the Merit System needs to be bolstered and needs closer oversight.

This trend of diminishing the competitive class management group bodes ill for the future of the state workforce and ensuring that the public is well served. Adherence to professional and ethical standards, continuity of service, training, competence and institutional knowledge, and loyalty to the public service rather than to the elected official of the day is the right prescription for how to effectively manage.

Agencies justify exempt classification by using phrases such as:

- "Exempt jurisdictional classification is needed for the Special Assistant due to the fact that the incumbent will report to the Executive Deputy Commissioner or designee and must maintain a high degree of diplomacy and discretion to guarantee the confidentiality of sensitive information". This describes why the position should be M/C but does not justify exempt classification.
- "Placement of the requested position in the exempt jurisdictional class is appropriate due to the confidential and sensitive nature of the duties associated with investigations of violations and enforcement proceedings" – this again justifies placement in the M/C category but not justification for no examination.
- "Placement of the position outside of the competitive class will assist the department in considering candidates from diverse backgrounds who could be able to successfully perform the duties". Are we to believe that diverse candidates would not be identified through the competitive class route?
- "We believe it is impractical to test for the requirements necessary for successful performance in this position. The incumbents must have strong technical, (testable), effective communication skills, (testable) the character and personality traits necessary to properly handle the tasks and information, and they must be supportive of the overall goals, objectives and policies of the Commissioner of our agency. In view of this, it is essential that the Commissioner have the flexibility necessary to appoint candidates in whom he can have full faith and confidence".

What a sad commentary that state agencies and the civil service department actively engage in avoiding the constitutional requirements for employee selection and use the "diversify our workforce" and "need for flexibility" as "legitimate" criteria for avoiding competitive selection processes.

Rarely do these kinds of requests get rejected by the Civil Service Department and the CSD itself has used the same reasoning for staffing that agency. Another indication of the civil service department's inability to do its job because of understaffing is the volume of calls we get from M/C employees who have tried to get the information they need from Civil Service but either can't get through on the phone or are told by the person they eventually talk to "call OMCE, we can't help you". As a matter of fact, program and control agencies, such as Civil Service frequently refer the employees to OMCE to answer their questions. We do that, but employees are ill-served by the system which is not functioning efficiently or effectively.

While the Governor and his administration tout the reorganization and centralization of human resources, finance and ITS functions into the Business Service Center so agencies can focus on their program missions, we get many questions from employees on issues that the Business Services Center should be able to answer but doesn't. Further, human resources staff in many agencies are poorly or untrained and employees do not trust that the information they receive from their agency HR offices or the Business Service Center is correct.

### Succession Planning

In most state agencies there is no real succession planning underway for the training and replacement of those in critical M/C positions. Couple that with a reticence by union represented employees to ascend to M/C positions given the history of compensation woes and we have a "Pipeline" to M/C positions that is broken. This is complicated by the

demographic fact that those union represented employees eligible for advancement are nearly the same age as those in the M/C positions.

Our review of the Civil Service Department workforce management report provides the following breakdown of the state workforce as of January 2017 (Latest Available).

Number of Employees	Total	Percent	Total M/C	M/C Percent
	148,884	100%	10,017	6.1
Competitive Class	120,077	80.7%	5317	54.2
Noncompetitive Class	20,373	13.7%	1512	15.4
Exempt	3149	2.1%	2985	30.42
Labor	5046	3.4%		
Other	239	0.2%	203	

This comparison clearly shows that the M/C class is being populated by employees whose fitness has not been determined by competitive examination and/or where no minimum training and experience requirements are established. The determination that it is not practicable to determine merit & fitness of applicants by competitive examination appears to be based on understaffing and a lack of interest in developing and/or implementing effective screening and evaluation tools coupled with an attitude that, despite what the governor says about protecting public employees, is particularly uncaring about treating career public servants with dignity, respect and acknowledging their value in serving the public.

As indicated in the 2017 CS Workforce Management Report (P 11) there remains little incentive to give up bargaining unit security and raises to accept a M/C position where increased responsibilities have been coupled with an artificially diminished pay schedule. It is repetitive but bears repeating-the system is broken....broken....broken. We have discussed succession planning proposals with Governor's staff and hope to make progress this year. We note that \$500,000 is included in the Civil Service Department budget to achieve efficiencies in recruitment testing and retention in up to 5 agencies through development of competitive tests, skills development, knowledge transfer and succession planning activities.

#### IPP-Income Protection Plan

The M/C Income Protection Plan (IPP), begun in January of 1986 is mandated by the New York State Department of Civil Service to eligible management confidential-designated executive branch New York State employees working on at least a half time basis. This benefit program offers both short (< 6 months @ 50% of salary) and long term (> 6 months at 60% of salary) disability at no cost to the employee. This taxable coverage is underwritten through MetLife. M/C employees earn 8 days of sick leave per year rather than the 13 sick days of most State employees. The IPP is also the carrier of the M/C Family Leave coverage. Our issue is that the State's investment in this program needs increased scrutiny and oversight.

Recently we have seen an unprecedented array of claims being bungled (carrier claiming that the agencies are at fault and vice versa), rejected claims involving differing medical opinions and untimely handled appeals. The result is that another promise made to M/C's – short- and long-term limited salary protection during disability – is being broken. Too many M/C employees are waiting for weeks to months to have their claims approved and the limited IPP payments to begin.

We work with our members, the agencies, and the carrier to assist in resolving these disputes but are concerned about an unprecedented increase in bungled and rejected claims. Now that the Family Leave for M/C's has been added to the IPP portfolio, we are even more skeptical of the carrier's ability to perform in a fair and adequate fashion.

There is a need for improved oversight of this IPP program in both its timeliness in handling claims and the rejection rationale which ultimately gets reversed on appeal.

We have urged before and urge again that M/C's be allowed to "opt-out" of IPP coverage and be restored to full 13 days of annual sick leave. There are M/C's who feel the IPP works for them and those who want out. To be ill and trying to survive on the IPP income that comes late or not at all is NOT a promise kept. The IPP is not fulfilling the promise made to the M/C employees.

**Expand State IG Authority and Strengthen Procurement Rules and Oversight**

The Governor proposes expanding the authority of the State Inspector General to include oversight of nonprofit organizations and foundations that are created for the benefit of or controlled by SUNY or CUNY. The governor also proposes broadening the IG's authority to include all state – related procurement and the implementation and enforcement of financial controls at SUNY and CUNY. This is similar to proposals we objected to last year. The governor is also advancing new measures that will grant authority to the State Comptroller and the Inspector General to approve certain SUNY and CUNY Construction Fund contracts, SUNY Research Foundation contracts and OGS centralized contracts.

We agree that the State Comptroller should have the authority to audit and approve these contracts – However, we question why the IG should be duplicating the Comptroller's work. If the IG's responsibility is to investigate complaints of corruption, fraud, criminal activity, conflicts of interest or abuse and to refer criminal findings for prosecution, the IG should not be reviewing and auditing the same materials that the Comptroller is at the same time. The IG should "investigate" complaints referred by the Comptroller or another agency and the contract should not be approved if there is a referral to the IG. Further the IG should not have the power to approve such contracts – but should report the results of the IG investigation to the Comptroller. If wrongdoing is found, the contract would be given final disapproval by the Comptroller.

It is also imperative that decisions be made on objective criteria without any political persuasion, pressure, or influence.

## STATE OF NEW YORK

2462

2019-2020 Regular Sessions

## IN ASSEMBLY

January 22, 2019

Introduced by M. of A. FAHY -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the civil service law, in relation to establishing a retiree parity payment for certain employees who served in a position or positions in the classified service of the state designated managerial or confidential

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- 1 Section 1. The civil service law is amended by adding a new section  
 2 137 to read as follows:  
 3 § 137. Management/confidential retiree parity payment. 1. Notwith-  
 4 standing any provision of law, rule or regulation to the contrary, any  
 5 retiree who served in a position or positions in the classified service  
 6 of the state designated managerial or confidential pursuant to article  
 7 fourteen of this chapter and who retired between April first, two thou-  
 8 sand nine and March thirty-first, two thousand fifteen, and had a salary  
 9 increase authorized under chapter ten of the laws of two thousand eight  
 10 which was withheld for state fiscal years two thousand nine and/or two  
 11 thousand ten shall receive a seventy dollar rebate payment for every  
 12 month of withholding from April first, two thousand nine until such  
 13 retiree's date of retirement or March thirty-first, two thousand  
 14 fifteen, whichever is earlier, not to exceed a total of five thousand  
 15 dollars. The comptroller shall certify to the division of the budget a  
 16 listing of all such retirees deemed eligible pursuant to this subdivi-  
 17 sion.  
 18 2. Notwithstanding any provision of law, rule or regulation to the  
 19 contrary, any retiree who served in a position or positions in the clas-  
 20 sified service of the state designated managerial or confidential pursu-  
 21 ant to article fourteen of this chapter and who retired between April  
 22 first, two thousand fifteen and June thirtieth, two thousand seventeen  
 23 and had a salary increase authorized under chapter ten of the laws of

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets  
 [-] is old law to be omitted.

LBD02310-01-9



A. 2462

2

Attachment A Cont'd

1 two thousand eight which was withheld for state fiscal years two thou-  
2 sand nine and/or two thousand ten shall receive five thousand dollars  
3 less the parity salary increases received during the specified time  
4 period. The comptroller shall certify to the division of the budget a  
5 listing of all such retirees deemed eligible pursuant to this subdivi-  
6 sion.  
7 § 2. This act shall take effect immediately.

A02462 Memo:

NEW YORK STATE ASSEMBLY  
MEMORANDUM IN SUPPORT OF LEGISLATION  
submitted in accordance with Assembly Rule III, Sec 1(f)

Attachment-A-Cont'dBILL NUMBER: A2462SPONSOR: Fahy

TITLE OF BILL: An act to amend the civil service law, in relation to establishing a retiree parity payment for certain employees who served in a position or positions in the classified service of the state designated managerial or confidential

PURPOSE OR GENERAL IDEA OF BILL:

This bill provides certain employees designated managerial or confidential to receive a rebate payment for salary increases that were authorized, yet ultimately withheld by New York State.

SUMMARY OF PROVISIONS:

This bill amends the civil service law by adding a new section 137 to provide a rebate payment to certain employees designated managerial or confidential and retired between April 1, 2009 and March 31, 2017.

For those employees that retired between April 1, 2009 and March 31, 2015 and had an authorized salary increase that was withheld, the employee shall receive a monthly rebate of \$70 for each month such increase was withheld, which shall not exceed \$5,000 per employee.

For those employees that retired between April 1, 2015 and March 31, 2017 and had an authorized salary increase that was withheld, the employee shall receive a rebate of \$5,000 less any salary increases received during that time period.

JUSTIFICATION:

During the 2008 recession, management confidential employees (M/Cs) had their authorized salary increases withheld by the state in an effort to reduce expenditures.

While many M/Cs ultimately received their withheld pay raises, thousands of M/Cs retired during the withheld period and thus were denied this rightful benefit. This measure provides a rebate to those management confidential employees that retired after having salary increases withheld for 2009 and/or 2010. New York saved over \$450,000 million in salaries and fringe benefits from the withholding of salary increases for 2019 and 2010. No more than 4,000 eligible retirees are expected to take advantage of this rebate.

While this measure does not wholly recover those lost wages, it is only fair to restore some of the lost value of the withheld salaries.

PRIOR LEGISLATIVE HISTORY:

New Bill

FISCAL IMPLICATIONS:

For the 4/1/2009-3/31/2015 period the NYS Division of the Budget utilized an average M/C annual salary of \$72,000. Using data and service records from New York State and Local Employees Retirement System there were 2688 M/C retirees whose salary restoration through this proposal

would cost approximately \$6.5 million. The total cost for this proposal is estimated at \$9 million.

EFFECTIVE DATE:

Immediately





**THE ORGANIZATION OF NYS  
MANAGEMENT CONFIDENTIAL EMPLOYEES**

An Affiliate of OPEIU Local 153, AFL-CIO

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July 6, 2018

Mr. Michael Volforte  
Director  
Governor's Office of Employee Relations  
Building 2, Empire State Plaza  
Albany, NY 12223

Mr. Robert Mujica  
Director  
NYS Division of the Budget  
254 Washington Avenue  
Albany, NY 12210

Gentlemen:

As you prepare the agency call letter for the 2019-2020 budget we wish to share those issues pertinent to the State's MC employees that we feel need addressing in the upcoming executive budget submission.

1. **General Salary Increase— 2% for 2019-20, 2020-21, 2021-2022.**  
In keeping with the current cost of living as well as other settlements with state wide collective bargaining agents a 2% annual across-the-board increase will keep the Management Confidential workforce at a proper level avoiding salary compression with those that they supervise.  
This percentage increase is well-established in both private and public sector settlements across the United States and we are happy to provide additional documentation to support our contention if necessary.
2. **Reestablish Vacation Exchange Program.**  
One of the states most successful programs offered has been the Vacation Exchange Program. We propose that the program be reinstated allowing MC personnel the opportunity to cash in up to 10 days of accumulated annual leave. Participation would be limited to those individuals that have at least 30 vacation days or more accrued days at the time of application.  
We estimate that this could cost approximately \$9M (3000 eligible x 10 days x \$300 avg MC per diem).  
We believe this could be considered a productivity bonus as well. Since yielding these vacation days the MC workforce would be on the job for those additional days. Let's not kid ourselves. It is a well-known fact that some upon separating from state service will "burn" their time prior to separation. This is counterproductive for both productivity and morale since not all are given that opportunity. We believe that the states financial condition can certainly allow the reinstatement of this program.
3. **The Creation of Longevity Steps for grades 18 and above in the MC unit.**  
Every year we read the Civil Service Work Force Report that clearly demonstrates the salary compression between the MC employees and their subordinates. One way of alleviating this compression without resorting to a complete restructuring of the salary grades would be to allow longevity increases for MC's grade 18 and above once they reach 5, 10, or 15 years at the top step for their graded or NS/equated to grade position. As the civil service reports indicate there is little financial advantage for someone to leave their union position to become a MC.

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We propose that a \$1500 performance award be granted at the 5<sup>th</sup>, 10<sup>th</sup>, and 15<sup>th</sup> year thresholds after one has achieved job rate for all MC's at grade 18 and above including "M" grades.

4. **Creating an "Opt Out" for the Income Protection Plan (IPP).**

The income protection plan works for some MC's and for others it does little. We propose that a time period be created every 5<sup>th</sup> year allowing those in the program to "Opt Out" of participation in this program. Those that choose to opt out would go back to the full accruals of 13 sick days per year and the use of half paid sick leave as defined in the attendance rules. Once somebody opts out they cannot return.

It takes an IPP participant almost 40% longer to accrue sick days to be used as part of the formula for retiree health insurance benefits. In some cases this has resulted in ill individuals forcing themselves to come to work when they should've stayed home. Creating an option where individuals get the opportunity to opt out would be fair to both the State and the employees. Employees would be able to sooner maximize their sick time for use in computing both their own and the State's cost for their retiree health insurance.

There is no financial increase to the State since the State's share of retiree health insurance coming sooner is offset by not paying salary, retirement and other salary based expenses as one hangs on to maximize accruals. IPP has become counter productive in practice and it is long overdue for attention and modification.

5. **Succession Planning.**

We propose a Succession Planning Initiative similar to that used by the federal government the last five years. We've attached the document that we have shared in the past that explains how we think a program of planning and mentorship can benefit both the state and the retirees. We believe that the limited succession planning done by the state is woefully inadequate. We believe a succession planning initiative will drive a new era in planning for future needs.

6. **Retiree Parity Award.**

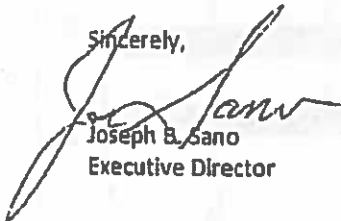
We are grateful that we have worked together to restore the 2009 and 2010 withheld 7% general salary increases.

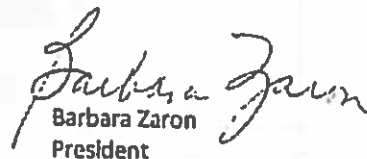
Yet there are MC's, now retired who were unable to receive any or minimal restoration of that pay.

We had 2018 legislation introduced that provides a minimum restitution of \$70 per each month the retiree worked without receipt of the 2009-10 7% monies with a maximum \$5,000 award (A-10909, S 7771A). We've attached the 2018 legislation and urge the Governor to adopt the concept into his budget to finally end this chapter of employee financial disparity.

Thank you for your attention to these matters and we remain available to discuss the issues we've raised in this letter.

Sincerely,

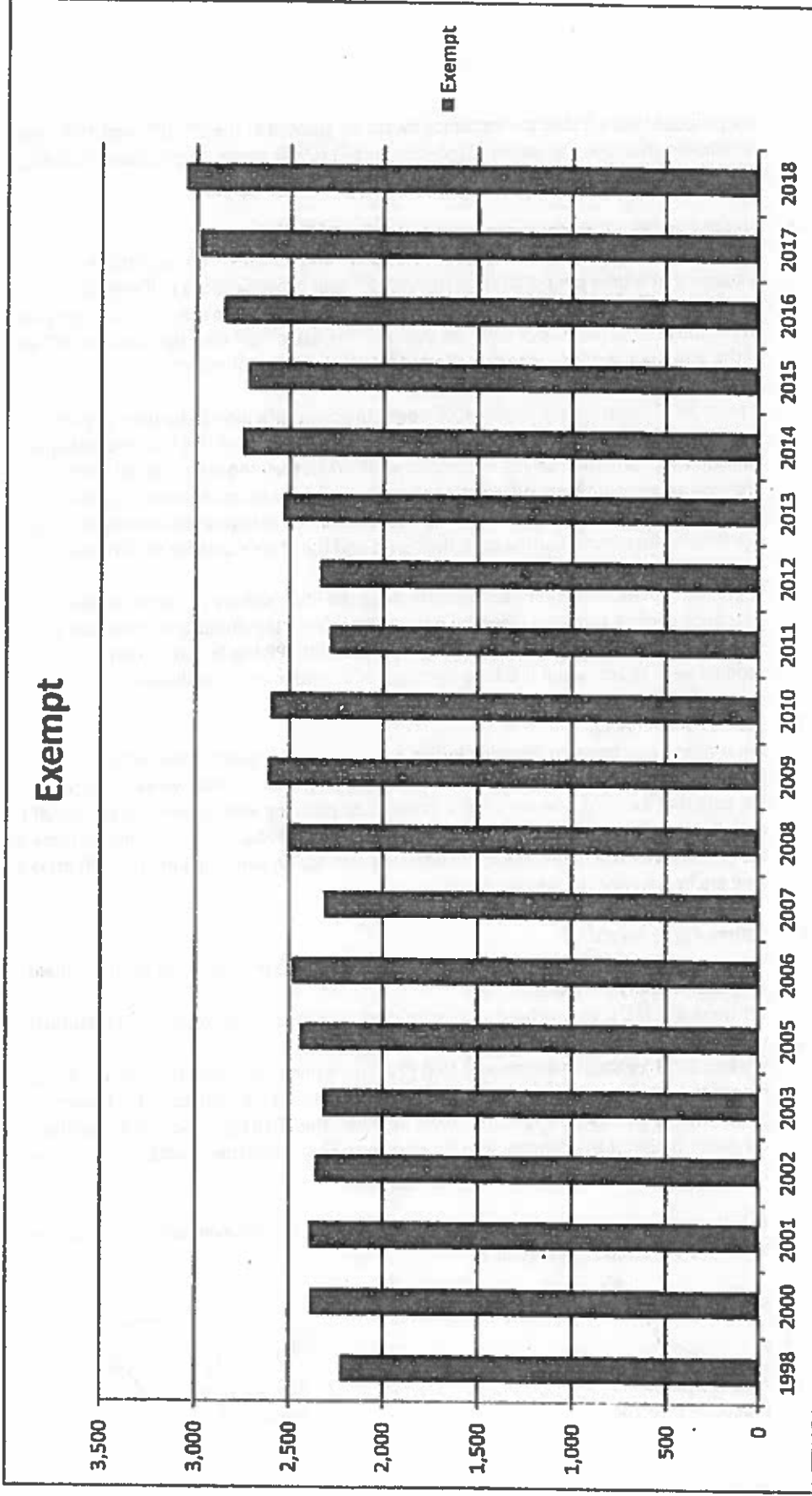
  
Joseph B. Sano  
Executive Director

  
Barbara Zaron  
President

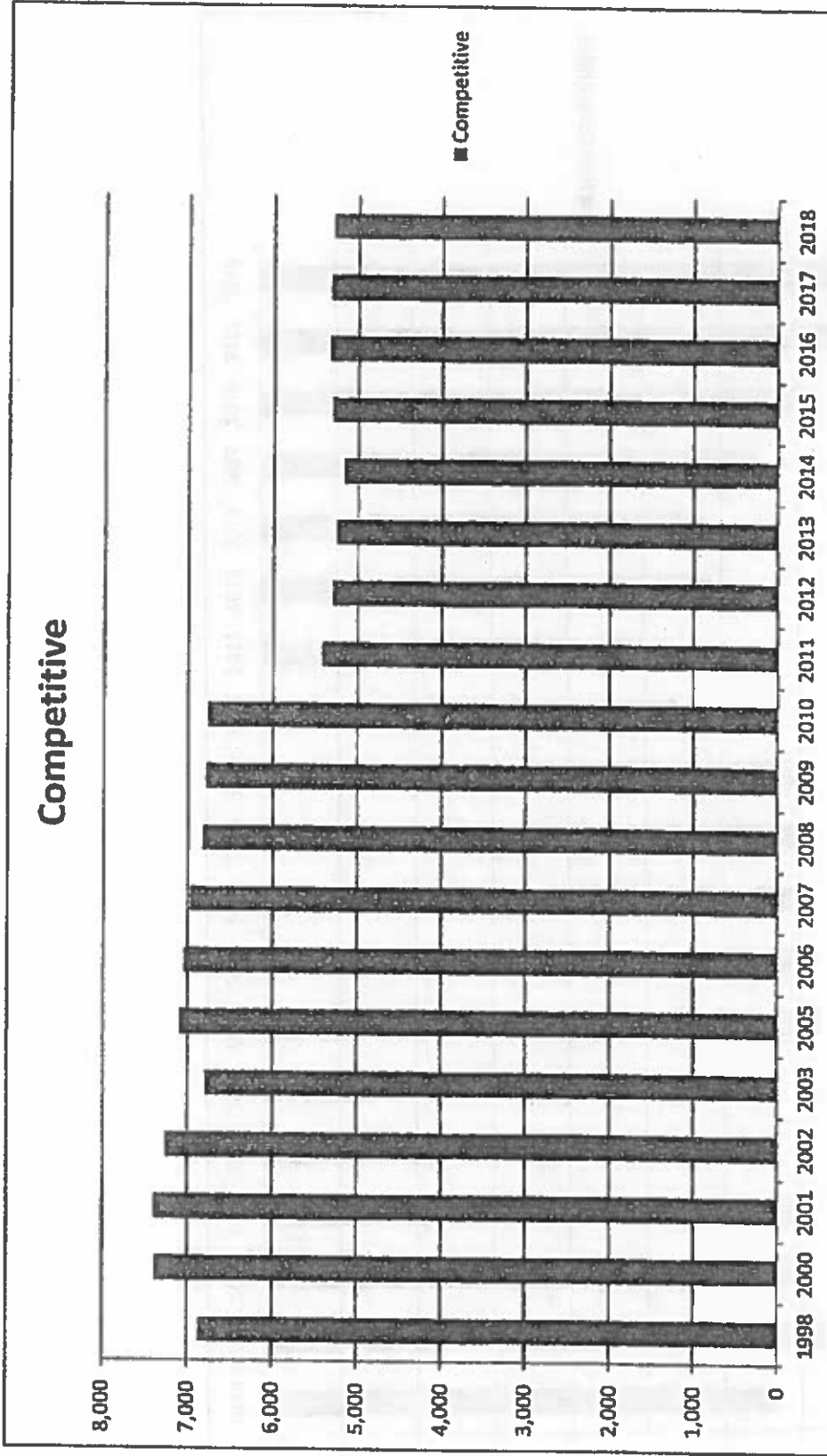
JBS/BZ/eg

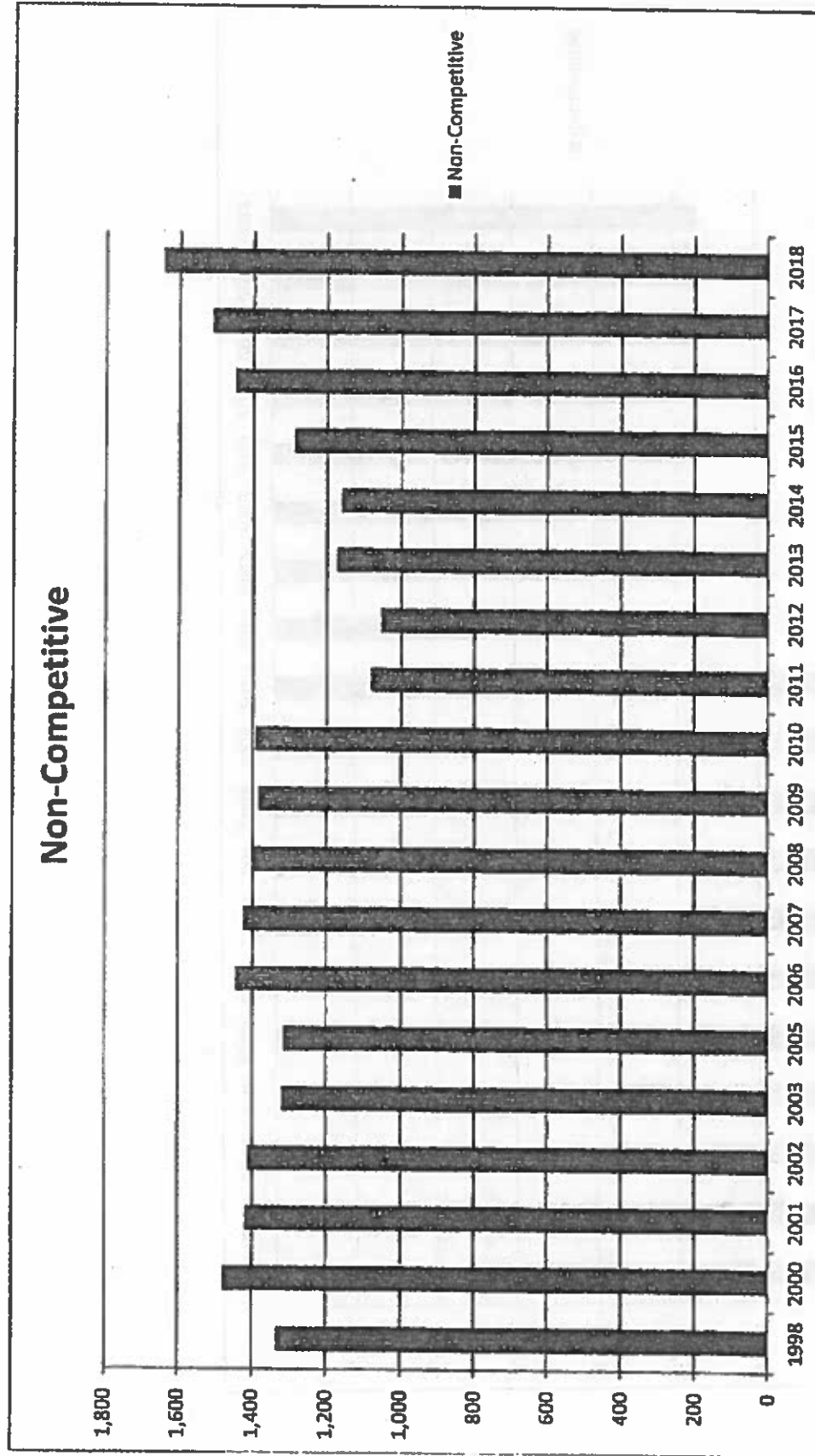
Attachment-D-3

MC Jurisdictional Class Trends  
1998 to Present 2018 Charted



MC Jurisdictional Class Trends  
1998 to Present 2018 Charted





CONFIDENTIAL

2018 MC Jurisdictional Class Trends  
MC Jurisdictional Class Trends

Attachment-D-2-