



MAGE

Michigan Association of Governmental Employees
OPEIU Local 2002

THE QUARTERLY REPORT

July 2023

Message from the President

It has been a busy and hectic spring for MAGE and our members.

MAGE is continuing the fight for our corrections supervisors to receive the \$3,000 retention bonus that the rank and file received as well as a special pay increase. This issue will be addressed at the Coordinated Compensation Proceedings this fall. Our MAGE lobbyist also continues to make progress on advocating for a return to a defined benefit retirement plan for specific positions within the department. While progress is being made it is important to remember that this will be a long process.

We have also been made aware of the new reclassification system that will be occurring within the Department of Health and Human Services. These reclassifications will be causing an even greater pay compression issue between supervisors and subordinates. MAGE staff are working diligently on this and will be advocating not only for a special pay increase but overtime pay as well at the Coordinated Compensation Proceedings.

Peter Neu attended the Joint Healthcare Committee meeting with the Office of State Employer in May. Updates were provided on Delta Dental coverages for the January 1, 2023 through December 1, 2023 year for both the Delta preferred option and the State Preventative Plan. Head over to the MAGE webpage to see more details from the committee meeting.

Three MAGE delegates attended the OPEIU Triennial Convention that took place in Philadelphia, Pennsylvania where important topics were discussed and voted on. Our very own Peter Neu, Labor Representative and Legal Counsel was voted in as Region 7 Vice President! For more information on the 29th Triennial Convention, visit www.OPEIU.org.

Don't forget that the MAGE membership drive is still going though the end of September! This is your chance to win cash prizes for recruiting your colleagues for MAGE membership! Visit the MAGE webpage for more details.

The MAGE Scholarship and Student Debt Reduction application period is also still open! All applications are due to the MAGE office no later than August 31, 2023. Make sure you have your applications turned in for a chance to win!

I hope you all have a wonderful summer season and can take some time to enjoy the beautiful state of Michigan.

Labor Representatives in Action

This quarter, John DeTizio and Peter Neu have attended 5 MAGE informational meetings for both the Department of Corrections and Health and Human Services. These meetings are always open to both members and potential members. We hope that these meetings will help us raise awareness that Supervisors with the State of Michigan have representation available to them!

In addition to these informational meetings, MAGE Labor Representatives have been hard at work with hearings for grievances, investigations, disciplinaries, and more. Over the past quarter we have had multiple cases resolved in favor of the member.

Benefit Spotlight

Don't forget! MAGE members have access to numerous benefits! This quarter we want to highlight two of our benefits available.

Fist being the identity theft protection available to members through IdentityIQ (IDIQ)! This protection is available at no cost. The plan includes U.S. Based Identity Theft restoration assistance, lost wallet assistance, internet monitoring, checking account report, and more!

Visit www.OPEIUidprotect.com to sign up today!

We would also like to highlight the towing service benefit available. MAGE members have access to two free tow or service calls per year up to \$100 (\$80 tow + \$20 service fee). To utilize the benefit, when a member needs a tow or service call, they must call 1-800-617-2677, you will provide the customer service representative with your first and last name as well as noting that you are a member of MAGE-OPEIU Local 2002. Once they find you in the system, they will contact the nearest participating towing company and have a service vehicle sent to you.

**If you run into any issues at all while utilizing the towing benefit, please contact the MAGE office. **

LEGISLATIVE UPDATE

HIGHLIGHTS

(Provided by MAGE Lobbyist Todd Tennis)

This week the Michigan Legislature completed work on the Fiscal Year 2023-4 state budget. This process began in February when Governor Whitmer issued her budget proposal, and ended on June 28 when the House and Senate sent their final budget bills to the Governor for her approval. The Governor has two weeks to issue line-item vetoes if there is funding that she opposes. However, because this year the House and Senate are led by Governor's political party, it is not expected that many line-item vetoes will occur – if any.

This week, the House and Senate also passed a series of bills undoing several anti-public worker bills enacted a decade ago under former Governor Snyder. Among these is House Bill 4044 which will repeal a law that greatly hampers public employee collective bargaining rights. These bills are expected to be signed by the Governor and will take effect in early 2024.

After completing the budget, the Legislature plans to recess for July and August and return to full session in September. See below for more details on the final budget and other issues impacting state workers.

FY 23-4 Budget Includes Funding Increases for Most State Departments

With a large budget surplus going into the next fiscal year, it was no surprise that the Michigan Legislature increased state funding for state and local governments in several areas. While some funds were sent to the Rainy Day Fund to prepare for possible future budget shortfalls (\$100 million); and additional funds were also used to pay down pension debts in state operated retirement systems (nearly \$1 billion), the bulk of the state budget surplus and remaining federal funds from the American Rescue Project Act were allocated to support state programs and local programs.

Much of the new funding comes via new one-time grants for specific projects or programs. In addition, the overall numbers are skewed due to the elimination of several one-time appropriations from the current budget year. However, most departments will see an increase in their operating budgets which is best reflected not in their overall appropriation, but rather in their increase or decrease in FTEs.

Legislature Votes to Repeal Anti-Worker Laws

In 2012, in addition to passing a law-making Michigan a Right to Work state, several amendments were also passed to the Public Employee Relations Act designed at reducing wages and benefits for public employees. While state workers are governed by the Civil Service Commission and Civil Service Rules, and supervisory personnel do not have collective bargaining rights, MAGE members are nonetheless indirectly impacted by efforts to reduce collective bargaining power of public employees.

On June 28, the Legislature completed work on reversing a portion of these anti-public employee laws.

Discussions Underway to Address State Employee Retirement Options

In 1996, the Michigan Legislature voted to close the Michigan State Employees Retirement System for future state workers. MSERS was a Defined Benefit pension system that provided a guaranteed income to state retirees based on their years of service and final compensation. Starting in March of 1997, newly hired state workers were placed into a Defined Contribution system that provides more flexibility but does not guarantee any retirement income.

Over the last 26 years since MSERS was closed, nearly all active employees in the old system have retired. During that time, the system went from being over 100% funded in 1997 to being approximately 65% funded today. The state is not only paying a higher percentage of payroll to members of the Defined Contribution plan than they had been to MSERS members in 1996, the state also has to pay for the unfunded liabilities that have accumulated since MSERS was closed. Moreover, the retirement benefit for those in the defined contribution plan is significantly poorer on average than the benefit received under MSERS.

Due to all of these factors, various state employee unions have been exploring options to reopen MSERS to current and future state employees. Studies show that not only is MSERS a more robust retirement benefit for members, it is also less expensive to the state provided the unfunded liability is addressed.

Visit the MAGE website for the full legislative report.

Announcements:

- The MAGE scholarship and student debt reduction application period is now open. Make sure to submit yours by the August 31, 2023 for a chance to win!
- Would you like a MAGE informational meeting to be held at your office? If you would like to set up a lunch meeting for members and potential members to speak with MAGE Labor Representatives, call the MAGE Office today! 1-800-477-6243.