

**MEMORANDUM OF UNDERSTANDING
BETWEEN
STATE OF MINNESOTA
AND
MN AFSCME COUNCIL 5, AFL-CIO
MINNESOTA ASSOCIATION OF PROFESSIONAL EMPLOYEES
MIDDLE MANAGEMENT ASSOCIATION
MINNESOTA NURSES ASSOCIATION**

This Memorandum of Understanding is entered into this ____ day of November, 2013 to address issues related to the potential impact of a 2014 federal government shutdown. The provisions below apply only to the term of a federal shutdown and the positions affected by a federal shutdown and supersede any provisions to the contrary in the respective Collective Bargaining Agreements.

1. The provisions of this Memorandum of Understanding apply only to those employees laid off (including bumped employees) or placed on an involuntary leave of absence as a direct or indirect result of the federal government shutdown.
2. Within the targeted programs¹ where layoffs are necessary, temporary classified, temporary unclassified, emergency and provisional employees will not be retained to perform bargaining unit work as long as regular employees are laid off within the targeted program.
3. Layoffs shall be by inverse order of seniority within the “targeted program” and affected classifications.
4. The layoff procedures/rights of Article 15 (AFSCME); Article 17, Section 3 (MAPE); Article 13 (MMA); Article 13 (MNA) shall not apply to layoffs directly or indirectly stemming from a federal shutdown during the first fourteen (14) calendar days of the initial layoff of any employee. After fourteen (14) calendar days on layoff, the layoff procedures/rights found in Article 15 (AFSCME); Article 17 (MAPE); Article 13 (MMA); Article 13 (MNA) shall apply and be available to any employees laid off as a direct or indirect result of a federal government shutdown. Employees that choose not to exercise their bumping rights shall be returned to their former position, work location, shift, and schedule at the conclusion of the shutdown.
5. The employer shall not pay out any accrued vacation, compensatory time or severance pay to employees laid off as a direct or indirect result of a federal government shutdown. Employees on layoff as the direct or indirect result of a federal government shutdown shall continue to accrue vacation, sick leave and holiday benefits.
6. All employees who are laid off (including bumped employees) or placed on an involuntary leave of absence as a direct or indirect result of a shutdown and who at the time are eligible to participate in insurance coverage offered through the State Employee Group Insurance Program (SEGIP) will remain eligible. This includes eligible employees with less than three (3) continuous years of service and unclassified employees.

¹ Targeted programs are those federally funded programs where layoffs are necessary due to loss of funding caused by a federal government shutdown.

- a. The Employer agrees to maintain an employer contribution to insurance coverage offered through SEGIP at the contribution rate in effect immediately prior to the layoff for all eligible employees laid off for the duration of the federal shutdown (period of layoff). Employer contributions may change in a manner consistent with changes in coverage due to life events. Employees whose 35 day waiting period is effective while the employee is in layoff status shall have the following provision waived “...must be actively at work on the initial effective date of coverage...” and coverage will be in effect on the 36th day following hire.
 - b. The premium deductions for eligible employees’ share of the premiums shall be taken in accordance with the regularly scheduled premium deduction amounts and frequency including paychecks issued during a shutdown period. If there is not sufficient money in in paychecks issued during a shutdown to cover the employee share, it will be billed pursuant to item c below.
 - c. Eligible employees who are enrolled in basic and/or optional coverage shall not be required to pay their share of the premium until they return to work after recall from layoff or return to work due to the federal shutdown. Amounts owed shall be paid through payroll deduction out of the paycheck reflecting hours worked in the second and third full payroll periods following return of the employee to payroll status. Employees whose paychecks are insufficient to collect the premiums or separate from state service prior to full collection of premiums owed to the state or in the case of plan insolvency will be billed any premium in arrears and be provided 60 days in which to pay before retroactive cancellations would be applied. Any pretax contribution allowed under law must be collected within the calendar year in which the pretax election is in effect. This section (item 6c) will remain in effect on the condition that SEGIP plans remain solvent.
7. At the conclusion of a federal shutdown, all employees receiving an initial layoff (this excludes bumped employees) except those who later exercised their bumping or claiming rights shall be recalled to work from layoff and will be returned to their prior position/assignment, work location, shift and schedule held immediately prior to the shutdown.
- a. Employees shall make every effort to report to work on the date indicated in the recall notice, oral, written or electronic. In any event, employees shall report no later than three (3) working days after that date or at another date as mutually agreed to by the employee and the supervisor/designee.
 - b. Subsequent to the shutdown, if any permanent layoff occurs such layoff shall occur only after the employee is recalled to work after the shutdown; such layoff shall be subject to the provisions of the applicable Collective Bargaining Agreement.
 - c. Contract provisions requiring advance schedule posting for recalled employees shall be waived for one full payroll period following recall.
8. All time on layoff as a result of a shutdown shall be considered as continuous service for purposes of determining length of service for vacation accruals, seniority, severance pay eligibility, eligibility for insurance for part-time employees (“quarterly look back” language) and DNR seasonal employees who would have worked during a shutdown, and for length of service requirement for the employee contribution to the Health Care Savings Plan provided in the Collective Bargaining Agreement.

9. If the Federal Government reimburses the Employer for State employee back pay and/or benefits, the Employer will provide back pay to those employees who were laid off and did not work during the shutdown.
10. At the conclusion of a federal shutdown, laid off employees may cash out vacation or compensatory time in an amount up to the period of layoff but not to exceed a cap established by the Appointing Authority.
11. No grievances shall arise pertaining to the form of the layoff notices sent prior to October 14, 2013. All other disputes arising from this agreement shall be subject to the grievance and arbitration provisions of the applicable Collective Bargaining Agreement.

Copies of layoff notices shall be sent to the designated labor representatives of the bargaining units affected (see Attachment A). Notification of bumping rights, including bumping rights to previously held classifications, will be included in layoff notices.

12. The provisions in this Memorandum represent the complete and total understanding of the parties related to the federal government shutdown and shall not set a precedent.
13. The end of a federal shutdown is understood by the parties to mean the date on which the last employee laid off due to the shutdown has been recalled to work.
14. Except for provisions in 1, 4, 6, 7, 8, 9, 10 and 11 of this Memorandum shall expire at the end of the federal shutdown or on May 1, 2014, whichever occurs first.
15. This Memorandum of Understanding is intended to be in conformity with all applicable and valid federal and state laws and rules and regulations promulgated thereunder having the force and effect of law. In the event that any provision of this MOU is found to be inconsistent with such statutes, rules, or regulations, the provisions of the latter shall prevail. If any provision of this MOU is found to be invalid or unenforceable by a court or other competent authority having jurisdiction, then such provisions shall be considered void, but all other valid provisions shall remain in full force and effect.

FOR THE STATE:

FOR THE UNION:

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