



[In these minutes: Discussion of Proposed Amendments to the Non-Renewal Policy, Procedures, and Appendix, Discussion with President Bruininks]

CAPA MEETING
Friday, February 18, 2011

PRESENT

Representatives: Sarah Waldemar (chair), Neil Anderson, Dean Carlson, Brenda Carriere, Benjamin Clasen, Christine DeZelar-Tiedman, Stephanie Dilworth, Pamela Enrici, Scott Gilbert, Cynthia Hagley, Scott Madill, William Patrek, Steven Pearthree, Kristine Piescher, Amy Renne, Caroline Rosen, Cathy Schulz, Laura Seifert, Lori Smith, Danny Sussman, Travis Trautman, Anne Vande Berg, Roger Wareham, Sheryl Weber-Paxton, Patrice Webster.

Alternates: Stacey Grimes, Stephen Hearn, Diane Kampa, Michelle Koker, Jean Kucera, Cynthia Murdoch, Carol Rachac, Thomas Schenk, Lisa Schulte, Kimberly Simon.

Senators: Tatyana Shamliyan.

Guests: President Bruininks, Meredith Poppele, Kate Stuckert, Nan Wilhelmson.

ABSENT/REGRETS

Regrets: Ann Hagen, Kirsten Jamsen, Meg Stephenson, Andrew Swain.

Absent: Sarah Corrigan, Frank Douma, Amber Fox, Shawn Haag, Rand Rasmussen, Pamela Wilson.

1. COMMITTEE REPORTS

Benefits and Compensation (B&C)

Christine DeZelar-Tiedman and Sheryl Weber-Paxton stated that the Benefits & Compensation Committee met on February 2 to discuss options to resolve the 27 pay period issue and the non-renewal policy proposed changes.

Communications

Travis Trautman noted that the next newsletter will be sent on March 8 so any items need to be submitted by March 1. Members of his committee have been meeting with members of R&G to discuss ways to reach P&A serving on other committees.

Professional Development and Recognition (PD&R)

Ann Hagen said the PD&R committee proposal to include P&A in consideration for teaching awards was discussed by the Educational Policy Committee (SCEP). That committee needs to determine if there are any restrictions on using the funds to award P&A versus faculty. Outstanding Unit Award (OUA) applications are due March 4.

Representation and Governance (R&G)

Neil Anderson reviewed the positions to be elected in this year's CAPA elections and noted that the forms are now available on the web. Unit elections will also be held this spring. R&G has been interacting with P&A in units that do not have representation to provide information and assistance to hold an election.

2. EXECUTIVE COMMITTEE REPORT

Chair Waldemar said that the Executive Committee looked at the non-renewal policy at its last meeting and it will be discussed at today's meeting. As CAPA changes to a Senate, the policy on Senate committee involvement in administrative searches will be updated to include the P&A Senate.

3. DISCUSSION OF PROPOSED AMENDMENTS TO THE NON-RENEWAL POLICY, PROCEDURES, AND APPENDIX

Nan Wilhelmson, from Human Resources, joined the meeting along with her committee members to discuss the changes being proposed to the Non-Renewal Policy, Procedures, and Appendix. She would like CAPA to be involved in the discussion and recommendations that are finalized, knowing that today's version is still a work in process. The version to be presented today has only been shown to one administrator, Vice President Carol Carrier.

Nan Wilhelmson said that the University has an initiative to review all its administrative policies. Issues with this policy have surfaced many times but no revisions were proposed as there was not a defined purpose or process. Her group started last April by looking at other policies and has consulted with Human Resource leads in units as well as the B&C Committee. The objective was to make policy changes that were fair to the employee but make sense for how the University needs to operate.

Her committee benchmarked the University against the Big Ten and other large research institutions. Input was sought from CAPA in June and then her committee met two times per month to discuss what is and is not working from both the employee and administrative sides. The committee also met with Vice President Carrier.

In the materials distributed are guiding principles for the process and a list of key issues, some of which are from meeting with CAPA in June. She then noted that the offerings in the non-renewal package were noted by her committee but were not part of the scope of their charge. They did, however, spend time discussing the condition when employees receive an appointment letter and a non-renewal letter at the same time.

She is at the meeting today to discuss the proposed changes with CAPA for the first time. There will then be consultation with other groups. Her committee members are here to listen as this is still a work in progress. She then walked the group through numerous sections of the policy and procedures, asking comments on each.

Length of notice period required

Nan Wilhelmson noted that the main change here is that the notice period has been cut from 12 months to six months. She pointed out that the current policy as well as the proposed policy allows for an employee to be provided with a longer notice period based on unit conditions. She also said that written notice is required and must include mention of the non-renewal program as the employee only has 60 days from receiving notice to sign-up for this program. Verbal notice can be provided earlier but does not satisfy the requirements of the policy.

Her committee members noted that tension is created when an employee is non-renewed and the University is finding that more reassignments are needed. They did agree that it is not a sound business practice to deliver two letters to the employee at the same time each year since the employee never knows when the action might actually be instituted. By reducing the notice period, P&A will have an opportunity to look for other employment or sign-up for the program.

A six month period will allow units to achieve administrative and fiscal balance while working within the policy. There are changing needs for research and teaching based on uncertain funding that will be better able to be addressed by the notice period being reduced. This policy change was an attempt to find a balance between employees and administration.

Q: Will current P&A employees be grandfathered in under the current policy?

A: No.

Q: Will years spent in the 'P' appointment and 'A' appointment be kept separate?

A: No, these years of service will be combined.

Q: Will timing of the non-renewal letter be the same?

A: Yes.

Q: Does this policy change affect continuous appointments?

A: No

Q: Did the committee consider a nine month notice period?

A: The periods at other institutions served as benchmarks but there is no one 'right' answer. The committee felt that six months was a reasonable and appropriate length in comparison to other institutions and the private sector.

Q: What institutions were used in the benchmarking and what were their notice periods?

A: Big Ten institutions, MnSCU institutions, University of Arizona, Florida University, University of Florida, Cornell University, Duke, Harvard, Vanderbilt, and the University of Washington were the institutions and the lowest notice period was 30 days.

Q: Did the committee ask institutions about allowing P&A employees to bank their vacation days between years?

A: This condition was not part of the information requested for this review. At a previous time that information was requested from the Big Ten schools and 22 days was not unusual. Therefore the University made a decision not to increase the number of P&A vacation days per year.

Q: Did the committee consider the paying of a severance package as related to the meaningful work that P&A do?

A: The University already has the non-renewal program and the committee discussed that there will be more incentive to use it if the notice period is reduced to six months.

CAPA members made the following comments:

- Unless Human Resources prohibits units from delivering two letters together, the practice will continue as there will be budget concerns each year
- Two letters at the same time is standard practice in some units which provides no real notice to the employee
- Human Resources needs to be better at communicating best practices
- This change removes a benefit from employees who have provided dedicated service to the University
- If the University wants to discuss a sound business practice, it should allow more continuous appointments
- Non-renewal program needs to provide a better incentive for P&A to leave
- P&A are considered to be more expendable
- The P&A classification was started as faculty-like but it is being pushed closer to civil service employees
- Longer notice period counters P&A employees who earn less at the University but remain loyal for years
- This policy should protect employees
- P&A will be cut loose into a tough market with specialized skills that do not fit into many positions outside the University

Years of service for determining notice period

Nan Wilhelmson noted that in the feedback received, there was frustration with the difference in counting years of service between 'P' and 'A' appointments as well as a desire to include years as a civil service employee if the University's emphasis is for employees to progress from that classification into a P&A job. The proposed changes allows for all P&A and civil service years to count towards the notice period.

The committee members noted that there was an analysis of each variable and its fiscal implications with the proposed changes. For some of the changes that were considered, only 11 employees were affected. While the reduction in the notice period might be a shortcoming, the addition of civil service years has a significant impact that almost counters the reduction.

Committee members made the following comments:

- These changes are logical given the results of the classification study

Reasons for non-renewal

Nan Wilhelmson noted that reason for non-renewal was a big issue noted by the focus groups therefore the policy was revised to remove the language that no reason was required. The need for a reason puts this policy in line with the language in the conflict resolution process. There will be a change to the template letter to allow for an explanation. A best practice will also be to have a meeting with the employee to discuss the reasons.

Appointment at time of notice

Nan Wilhelmson noted that the current policy does not reference the employee's current percent time of appointment or length of service. Her committee looked at the thresholds for all benefits and saw that 75 percent time is used in most cases so it has been the percent put into this policy. Nan Wilhelmson noted that mutual agreement between the employee and employer is needed to modify an appointment, or a non-renewal notice must be provided.

Q: What is the current requirement?

A: 25 percent time and any length of service.

Q: If an employee does not meet these requirements, what will be their notice period?

A: It will be defined as a reasonable amount with a two week minimum to allow departments to provide a longer period if required.

Q: How many current P&A have less than a 75 percent appointment?

A: Approximately 300 of over 4300 employees.

Q: What other benefits are lost if an employee drops below a 75 percent time appointment?

A: The Regents Scholarship, eligibility for the non-renewal program, and professional development are lost when less than 75 percent time. An employee on the RECESS program or leave of absence is not affected as the employee's original appointment percentage is maintained.

Q: How did the committee determine that 75 percent time should be used instead of 67 percent time?

A: When all benefits with percent time limits were reviewed, there were more using the 75 percent time limit. Critical benefits also used this limit.

CAPA members made the following comments:

- It is draconian to lose the notice period an employee has obtained when their appointment level drops below 75 percent time
- This change goes against the logic to create flexible workload arrangements in times of budget crisis

Calculating completed years of service

Nan Wilhelmson noted that these changes stemmed from the CAPA discussion last spring. The goal was to make this calculation transparent for both the employee and the administration. The way it works is that an employee starts at today's date and counts back to their last termination, non-qualified position due to job or percent time, or hiring date. This provides the completed years of service. With the changes to the policy, an employee will only need to count back seven years to reach the longest notice of appointment period versus the current 11 years.

Q: Which date is used, hire date or contract date?

A: Completed contract years.

Q: Will the University develop a report that the unit can run?

A: No as the calculation is meant to be transparent by using UM Reports and PeopleSoft. An administrative guide will be developed.

Nan Wilhelmson said that feedback can continue to be sent to her and the committee members to inform any further changes. She will come back to CAPA with the final version.

4. DISCUSSION WITH PRESIDENT BRUININKS

President Bruininks then joined the meeting. He stated that he would prefer a different situation for the state and University than it has currently, but he is extremely proud of the University's incredible workforce. There have been state politics at play for over 30 years, but he has never seen anything like this year. Things will move fast and he is not able to sense what the outcome might be. There are divisions within caucuses but they will need to agree at some point for resolutions to the state situation. Past years have just kept pushing these problems into the future and using one-time money to fund long-term problems.

He knows that higher education will be cut but Governor Dayton provided the best situation – a \$12 million modest increase over two years. This plan, however, still has a disproportionate cut for higher education. The state needs to make a decision to protect the long-term quality and productivity of the University.

President Bruininks then distributed a sheet on the budget challenge and strategies for FY2012. Part 1 shows the \$90 million per year of increased costs for the University. 65 percent of this total goes towards salary and fringe benefits. Other costs include capital investments, energy, and technology and \$18-20 million in modest investments.

He is positing a \$48.4 million cutback next year, mostly through a wage and salary freeze and the decommissioning of three buildings. A two percent salary increase would cost \$40 million. He does not want to do this, but if he does not, other efforts at the state will not be credible. Fringe benefits will also be lowered from the current 38 percent, but this will be done in a way to protect low-income employees from large health care cost increases. The University does not want anyone to stop using health care due to cost. The Benefits Advisory Committee is great and he trusts them to find solutions that work within the new health care guidelines. He has asked them to save \$12-15 million through their process. He is also looking to reduce the University contribution to retirement for new employees.

The second part of his handout details a \$102.2 million loss from the base budget although Governor Dayton's budget retains part of this figure. The University is planning on losing this amount as well as another 15 percent. Next year tuition, with a slight increase, will provide \$750 million versus a projected \$591 million from the state. 80 percent of any state cut will hit in the first year so the University needs to address it by June.

The assumptions being modeled by the University include a 15 percent cut (\$71 million) and University needs (\$41 million) for a total challenge of \$112.5 million. To put this amount in comparison, it is the total amount in state funding for the Medical School each year and it is more than the state funding for all four coordinate campuses combined.

His solution is a five percent internal cut and a five percent tuition increase. As has always been his process, reductions are achieved two-thirds from internal reallocation and one-third from tuition increases. There will be no stimulus funding for student scholarships this year so he is nervous about tuition increases. The net cost increase is less than four percent over the last nine years compared to \$340 million raised in scholarship funding in the last six years.

He wants to protect employee jobs in this economy. Employees have made education better and have brought in more funding. The University also needs to retain its reputation as a good place to work. He wants to thank employees as they continue to work on solutions. He is asking everyone to contact their representatives and senators. The University will also be releasing its economic return study on February 28.

Q: What personal initiatives has he been most proud of during his tenure?

A: He is proud of the stand that he took for Northrop. Its renovation will provide 40,000 square feet for academics, double student study space for the campus, and be a home for the Honors Program and other research centers. The auditorium size will go from 4600 to 2800 seats. He is also proud of keeping higher education affordable, making wise budget decisions, and the Biomedical Discovery District. He loves talking about the value of the University. When he leaves the presidency he will teach and write before retiring.

Q: CAPA has appreciated his support of P&A employees and University governance during his tenure. However, there is no representative from the President's Office on CAPA. Can he find someone to serve before July?

A: CAPA should work with his office on this issue as he would like his office represented.

Q: What is the state and University outlook for 2014?

A: The University is trying to drive down costs without affecting employees. The goal is to have the decreases add up. Proposals are to take 1 million square feet of owned or leased space off-line, reduce technology costs by \$25 million, raise revenue through UMore Park, grants, contracts, and commercial intellectual property. He wants employees to be part of the solution.

Q: Is another salary cut or furlough being planned for next year?

A: The University will keep its voluntary furlough program but no mandatory furlough or cut to base salaries is being planned in conjunction with a salary freeze.

Q: What is the future of outreach and extension with respect to the University's academic mission?

A: He is passionate about the University's public mission but further cuts might be needed. The University changed its model to provide better service but more regionalization might be needed in the future. The University needs to deepen its relationship between extension and non-traditional parts of the University.

Q: What impact is expected from the retirement incentive option (RIO)?

A: It has been four years since the University offered a RIO and it was quite successful as only 45 percent were hired back.

5. OTHER BUSINESS

With no further business, Chair Waldemar thanked the members for attending and adjourned the meeting.

Becky Hippert
University Senate Office