

**Civil Service Consultative Committee (CSCC)
November 17, 2016
Minutes of the Meeting**

[These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions, or actions reported in these minutes represent the view of, nor are they binding on the senate, the administration, or the Board of Regents.]

[In these minutes: Reports; Vacancy on the Hearing Office Roster; Discussion with President Kaler; Discussion with Vice President Brown]

PRESENT: Duane Orlovski (Chair), Terry Beseman, Patti Dion, Cynthia Lawson, Bobbie Lundberg, Ray Muno, Becky Nelson, Jean Otto, Kim Schultz, Alan Van den Berghe, Terri Wallace.

ABSENT: Gary Willhite.

GUESTS: Vice President Kathy Brown, Office of Human Resources; Elizabeth Eull, deputy chief of staff, Office of the President; President Kaler; Mary Rohman Kuhl, director of Compensation, Office of Human Resources.

1. CHAIR'S REPORT

Duane Orlovski said that the only update since last week's CS Senate meeting is that CS leadership is working with P&A leadership to plan system campus trips this year, hoping to visit one campus in this semester.

2. SUBCOMMITTEE REPORTS

Rules

Jean Otto said that the subcommittee met just before today's meeting to set priorities for this year's Rules changes: vacation accrual, time for elections, in-range salary adjustments, seniority units/bumping rights, and JEQ. She will be contacting Ken Horstman, Mary Rohman Kuhl, and Patti Dion to set-up a working group.

She said that she was at a training session recently for coaching and heard from a supervisor regarding last year's Rules changes. The supervisor said that a new employee did not appear to be on track, and due to the recent changes she had two coaching sessions with the employee who then passed probation. Jean Otto was very happy to hear that the new Rules are working as intended as hiring is an expensive and long process, and it is a better use of resources to coach an employee to pass probation.

Compensation and Benefits

Terri Wallace said that questions from last week's meeting were sent to Ken Horstman for responses, but she was able to answer a few regarding open enrollment. She asked members to provide OHR feedback on the open enrollment process as that allows for updates the next year.

Members noted that the open enrollment guide should be sent as an email link to all employees, including the smaller mailings. Employees should also be able to identify their department employee benefits contact person and wellness champions, as this information is now hard to find.

Q: Are wellness champions allowed at the system campuses?

A: Yes.

3. FILL ONE VACANT SEAT ON THE OFFICE OF CONFLICT RESOLUTION (OCR) HEARING OFFICER ROSTER

CSCC nominated four individuals. It was decided that the four individuals would be asked if they are willing to be nominated. If yes, then they would be asked to provide a written statement. All statements would be circulated to CSCC for an electronic ranking to determine which two individuals would be forwarded as nominees.

4. DISCUSSION WITH PRESIDENT KALER

President Kaler joined the meeting to have a discussion with the committee. Vice President Kathy Brown was also in attendance at this time. President Kaler began by discussing the upcoming legislative request which will be shaped by the election results at both the federal and state levels. The Minnesota House and Senate are now both under Republican control which presents a different political dynamic than previous years when the Democrats controlled the Senate and the Republicans controlled the House.

President Kaler said that the University will be submitting a robust request for the biennial budget totaling \$147 million, a 12 percent increase over the last biennium. As there was no bonding bill passed last year, there is hope that there might be one this year, especially when the national conversation is focused on infrastructure. The University will submit last year's request with one addition, funds to relocate library collections to create new learning and research spaces.

The biennial budget request has six parts:

- Increased appropriations for student success and affordability – if this request is met, the University will create a U of M Student Success Center with services designed to lower the cost of college by raising undergraduate retention and graduation rates, prepare Minnesota's multicultural high school students for college, and advance STEM education to meet Minnesota's workforce needs
- MnDRIVE 2.0 – the first initiative was funded in 2013 with \$36 million from the state which the University was able to leverage to receive an additional \$76 million in private funds. The second initiative will fund a clinical cancer trial network across the state, research and community engagement to reduce social inequities across the state, expanding water initiatives to include purification and usage, and using big data to understand and predict future challenges
- Support for the core operations
- National Resources Research Institute (NRRI) base funding increase
- Operational funds for the new Bell Museum
- Restoration of funding for health training and services

President Kaler then turned to the topic of campus climate. He was at today's diversity breakfast along with over 500 faculty, staff, and students. There has been reflection on recent events that have raised concerns on campus and what has not been done or achieved. Now is the time to move the conversation forward to ensure our students, faculty and staff feel safe on campus. He noted that this is an especially uncertain time for non-citizen students given the rhetoric around potential immigration law changes. He said that he wants to make sure that all students who are struggling are supported at the University.

He then turned to the questions that were submitted by the committee.

Q: What is the status of the system-wide strategic planning process? How can civil service employees be involved?

A: The charge for this group is on the President's Office website. The focus will be on determining where the system is currently, how the system can be strengthened by working together in some areas, and how individual campus strengths can be accentuated. He met with the two co-chairs this week and he feels that they are moving in the correct direction. He encouraged the committee to be part of the conversations by participating in the listening session for staff on December 1, submitting feedback via the website, and commenting on the draft plans when they are presented.

Q: How can we better ensure that services funded through cost pool allocations are offered equivalently at the system campuses? What do we do if we feel that is not happening?

A: The budget process starts in the fall at which time units describe how they are meeting the needs of the system campuses. If system campus civil service employees feel that needs are not being met, then they should provide feedback to the vice presidents and chancellors so that issues can be resolved during the budget process.

Q: What is the current relationship between the Twin Cities and system campuses? There is some concern that there is a conflict of interest when you are both President of the University system and the chief person in the Twin Cities. Is there a way that this relationship can be changed?

A: There is no intention to create a separate president for the system as this would simply create another administrative layer and he thinks it best that the chancellors report directly to him. He believes that the budget processes are transparent and that the chancellors are free to make the same requests as the vice presidents and deans. No unit will say that they have enough resources, but he feels that there is an equitable distribution.

Q: How will your interactions with senior leaders change with the start of the new Senior Vice President?

A: This relationship will evolve with time but he believes that he will be less involved in the week to week business side of the University, which will free up time for external opportunities, such as fundraising and meeting with legislators. It is important that the vice presidents work together across the operational areas of the University to leverage opportunities.

Q: Would a faculty union change the University's governance structure?

A: The Maintenance of Status Quo (MSQ) order limits his ability to respond to this question, but, as has been said before, the University would prefer to interact directly with its faculty instead of through a third party.

Q: The recently-completed Job Family Study (JFS) has lessened the differences between civil service and P&A job classifications. What are your thoughts on the current job family model?

A: The University created the current job classifications to organize its work and staff. As the work evolves, the University can reassess how the staff are organized.

Vice President Brown said that the final individuals are being finished as part of the JFS. After January 1 OHR can then focus on other issues related to job family work. She realizes that changes to the Fair Labor Standards Act (FLSA) created additional complications which OHR is open to solving.

Q: What is the scope of the impact from the new legislature and Congress?

A: It is hard to know the exact impact. The incoming president has not articulated plans for higher education policy issues so this is unknown.

5. DISCUSSION WITH VICE PRESIDENT BROWN

Vice President Kathy Brown, along with Mary Rohman Kuhl from OHR, then spent time addressing HR issues with the committee. She noted that she met with the CSCC leaders on August 28 to provide updates. Since that time, OHR has finished the final job family classifications, has been involved with the faculty unionization process, and has been looking at the University's planning for compensation.

She then provided more information on the compensation planning component. Historically, the annual budget provided the annual salary increase percentage and employees assumed that that amount would be added to their paychecks. This was not meant to be the case when moving to a merit increase system. However the low percentage increases do not allow for differentiation in many cases for exceptional performers so the system can have a negative impact on morale.

In a compensation plan, The budget would increase the salary pool by a set amount and then units should decide how it will be distributed to employees based on compensation plan guidelines. She said that President Kaler wants merit pay to be the primary method for compensation increases. OHR is structuring a program that is fair and transparent.

She said that the employee value proposition model is shaped like a triangle and provides a holistic view on the value of being a University employee. The bottom of the triangle is salary and benefits which provide the base value to all employees. The middle layer is employee well-being and community, and the top point is the University's mission. This topic will be at the December Regents meeting when the base salary and benefits, and support for employee well-being, will be discussed.

Q: Has OHR considered a compensation plan that provides employee increases as a set amount, instead of a percentage, to promote equity among employees?

A: This proposal can be looked at by OHR. She noted that some salary changes due to outside hires and the Fair Labor Standards Act (FLSA) have worked against Board principles to have compensation be market-driven, transparent, and equitable. The University will need to reset its compensation model but no fix will be implemented quickly.

Q: How can OHR enforce a compensation policy system-wide?

A: This can be hard as there is a decentralized compensation model that provide latitude to units with minimal guidance. There are now salary ranges, with medians, based on market comparisons for each job classification. If an employee is not within the salary range, the unit can ask for a special exception. The issues that continue to exist include civil service versus P&A positions, exempt versus hourly employees, more generalist positions at the system campuses, and the lack of promotional opportunities in some areas.

Q: Has the University considered other ways to reward employees instead of through compensation, such as a one-time vacation increase?

A: A proposal like an increase in vacation has not been considered.

Q: How are exempt and non-exempt civil service distinguished now that both can qualify for overtime due to the FLSA change?

A: V-class is an historic classification which may need to be revisited due to impacts from outside changes.

Q: How can civil service views be included in any future planning?

A: OHR will take the lead on any conversation regarding structure changes and can then determine how best to include employee views. This committee can be one vehicle to express views.

Q: What is OHR's vision for the job classification system in 5 yrs and 10 yrs? Do you envision that the percentage of employees in bargaining unit, CS, and P&A classifications will change? If so, how? How can the CSCC work with OHR to ensure that this transition goes smoothly for employees involved?

A: OHR does not have a vision for the percentage of employees in each job classification. Instead OHR is looking at the challenges facing employees and how to resolve them. The new senior vice president and head budget officer are new variables that may shape priorities for her office moving forward.

Members made the following comments:

- Any change in structure should involve both civil service and P&A
- Many employee see the two job classes as one employee group due to the job ladder system in each job family
- Common terms and conditions of employment should be explored
- Civil service may become a transient group in 10 years due to the job family ladders since, if employees are meant to advance, they will move to the P&A classification

Members noted that for roughly 1000 civil service employees, or one-third of the classification, they are in no new entry positions which means that they are stuck in their current position and unit unless they want to move into a lower civil service classification or move to P&A. For many long-term civil service employees, the changes in retirement, vacation, and sick leave benefits are disincentives to advancement.

In closing Vice President Brown said that benefits earned by an employee should be kept as they advance. She thanked the committee for bringing this issue to her attention so that OHR can look at how it can be addressed.

6. OTHER BUSINESS

For the benefit of new members, the three subcommittees - Rules, Communications, and Benefits and Compensation - reviewed the work done by their subcommittees. Both Rules and Communications are looking for additional members, and Communications would benefit from someone serving as chair as this role is currently being filled by Duane Orlovski.

Members asked if there was an update on the faculty unionization effort. Patti Dion reported that the Bureau of Mediation Services (BMS) determined that four P&A job categories would be added to the pool of eligible tenured and tenure-track faculty for the unionization vote. The University has asked BMS to reconsider this decision. If there is no change in the BMS decision, then the University can file an appeal with the state Court of Appeals.

Q: How many P&A are part of the four categories?

A: There are approximately 1100 P&A in the four categories. However, anyone employed at 35 percent time or less (under 14 hours per week) is not considered a public employee under state law. As many P&A are paid to teach a course, the exact number of eligible employees needs to be determined. OHR is reviewing at P&A from the four categories from fall 2015, spring 2016, and fall 2016 due to the variability in appointments.

With no further business, Duane Orlovski thanked the members for attending and adjourned the meeting.

Becky Hippert
University Senate