

**Civil Service Consultative Committee (CSCC)**  
**April 19, 2018**  
**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:** President Kaler; Retirement Plan Updates; Chairs Report; Subcommittee Reports; Vote on Parental Leave language in Employment Rules]

**PRESENT:** Raymond Muno (chair), Terry Beseman, Colleen Dennie, Patti Dion, Missy Juliette, Becky Nelson, AJ Van den Berghe, Terri Wallace

**REGRETS:** Jean Otto

**ABSENT:** Kevin Kelley, Gary Willhite

**GUESTS:** President Eric Kaler; Kathy Brown, vice president, Office of Human Resources; Ken Horstman, director, Total Compensation, Office of Human Resources

**OTHERS:** Ann Hagen, Lyle Peterson, Nan Thurston

Ray Muno welcomed the committee and the members introduced themselves.

**1. President Kaler**

Muno introduced President Kaler, who commented on the following pre-submitted questions:

Do you think it's likely the legislature will approve the additional funding ask in order to keep tuition flat? What's your sense of the possibility of a one-time funding boost vs ongoing?

Kaler told the committee that Governor Dayton has been very supportive of the University; he backed the institution's Higher Education Asset Preservation and Replacement (HEAPR) request, and the bonding bill request. Kaler explained that Dayton fully funded the Greater Minnesota Initiative to allow the University to repurpose space on the system campuses, and he supported the request for Glensheen funding, and the Pillsbury renovation. Dayton also added \$10 million dollars to his budget for a medical research building request, Kaler pointed out.

Dayton's bonding bill is roughly 1.5 billion dollars, Kaler told members, which is a significant amount. He explained that republicans in the House of Representatives have had preliminary discussions about support for a \$800-\$825 million bonding bill, which would be roughly half of the funding requested by the governor. Should the bonding bill be cut in half, Kaler explained that the University could get roughly \$125 million. That amount remains uncertain, he said, because there are some components of the bonding bill that can not be cut. Kaler said that his sense is that it could be a good year for HEAPR money and he stressed that it is very important

that the Pillsbury renovation gets done. He told members that bonding bills typically happen at the last minute, so everything is to be determined.

Kaler also addressed some of the political issues adding to the session's climate, including the vacant Board of Regent's position; the house members facing re-election; and the lawsuits filed compelling Michelle Fischbach, president of the Minnesota Senate, to accept the lieutenant governor position.

With the push from MNSCU to make it easier to transfer credits between all of their campuses, is there interest from legislature/administration to make a similar push at UMN, considering the complexities of doing so?

Kaler told members that there is an interest, and he explained that all University of Minnesota courses, regardless of what campus they are taken at, are listed on a campus-wide transcript. The issue then, Kaler said, is not of transferability of credit for the course, but of transferability of the weighted equivalence of the course. To address this, Academic Support Resources (ASR) has built a [Transfer Evaluation System](#) that helps determine equivalences between courses, Kaler explained.

Kaler said the biggest challenge in transferring courses is that prerequisite courses are sometimes built differently on each campus, and when a student takes a prerequisite course on one campus and then the subsequent course on another campus, there can be a gap in material. The institution addresses these gaps where they can, Kaler explained, but it is not always captured. He said the Transfer Evaluation System will hopefully help navigate those issues so the students are fully informed.

Becky Nelson asked if the evaluation system is in place for students transferring to the Duluth campus. Kaler and Lyle Peterson, policy coordinator, Office of the President, said they are not sure about other campuses, but know that the Transfer Evaluation System is in place for students transferring to the Twin Cities campus. Lyle Peterson said she would follow-up with Becky offline.

What are the institutions' prospects in terms of supplementary funding and bonding?

President Kaler told members that the University's supplemental request was for \$10 million in recurring dollars. One-time money, President Kaler explained, is difficult to budget because the supplemental funding was requested to keep tuition flat on the Twin Cities campus, and tuition is an ongoing issue. Kaler said that he thinks the chances of getting supplemental budget money to use against a tuition increase is low.

What has the reception been like for the University's bonding request, particularly with the focus on HEAPR and exiting infrastructure versus funding new buildings?

Kaler said the projects in the HEAPR request focus on maintaining existing buildings rather than building new, and that was strategic. The bill is about taking care of what we have, and he he told members that strategy seems to have been well-received by the legislature.

Muno asked where the Minnesota State's bonding request sits in relation to the University request. Kaler explained that MnSCU has many more campuses and more diverse needs; and as a result, their requests are larger and more complex.

In what ways do you see the University changing in the next 5-10 years?

Kaler predicted that continued development for online education will need to be a major focus for the institution. It connects all of the campuses, he explained; and as information technology continues to innovate and integrate into the education system, he expects that the University will need to adapt at a fast rate. He pointed out that current students were born into a different set of norms and have a different set of expectations, and explained that the internet is going to play a large and important role in how universities meet the new generation of traditional students where they are, and guide them from late adolescence into young adulthood.

What he doesn't see changing, Kaler explained, is the traditional bricks and mortar environment that we are in. He said there are two large structured organizations in our society that guide the transition from teenage years to young adulthood: colleges and universities, and the military. Kaler said he doesn't think either of those are going to go away in the next five to ten years.

Kaler told committee members that he thinks the most existential threat to higher education is the political environment in our country. Higher education institutions used to be much more highly regarded by the public; that's worrisome, he opined, and it reflects a polarization in society that is profoundly troubling and should worry all of us, not just people in higher education. He said the wealth disparity, in part, has contributed to a frustration that is reflected in a lack of trust in large institutions to function well; and higher education, he said, is unfortunately in that category. He told members that there needs to be a change in that narrative, or we are going to see a continual pushdown on what the state is able or willing to give higher ed institutions.

In conclusion, he added that a distrust in facts and science will also threaten funding for institutions like the National Institutes of Health (NIH) and the National Science Foundation (NSF), if the narrative doesn't change.

## **2. Retirement Plan Updates**

Kathy Brown, vice president, Office of Human Resources (OHR); and Ken Horstman, director, Total Compensation, OHR, began by explaining that the updates they were providing relate to the optional retirement plan only, not the MSRS pension plan that covers all civil service employees. They said the University is looking at moving to a single plan administrator to make the program more accessible for employees, to offer better transparency for available investment options, to help focus on building a stronger education component, and to ensure better compliance through less administrative work. Horstman explained that as part of the bid to the University, vendors are being asked to commit to a strong on-site presence for all campuses, which is not currently offered to employees.

Horstman explained that a public Request for Proposal (RFP) was issued in early March, and vendors will be considered through June 2018. He told members that OHR will consult with governance about recommendations and then conduct interviews with the finalists. The

Retirement Subcommittee has requested an information session with each bidder, Horstman said, and those sessions will be scheduled for the same day as the interviews. Horstman anticipated that the plan will be in place by spring 2018. Horstman told committee members that a concurrent review is being done of the core offerings in the Faculty Retirement Plan.

Horstman told members that once a record keeper is chosen, there will be a transfer period for employees to move their funds, and when that period ends, the 403b and 457 plans will be dormant.

Brown commented that if an employee has a particular fund with the 403b or 457 plan(s) that they've used for years and want to continue with, they will be able to access those investments through the open brokerage option. The only difference, Brown added, is that the money will be managed through the new administrator.

Muno asked if the fees will change, or be passed onto employees. Horstman clarified that employees are already paying the fees. He said that hopefully with the new bookkeeper, fees will be reduced. He explained that there will likely be variance with the open brokerage window because it is a retail market, but that is something that employees should look at when deciding where to invest.

AJ Van den Berghe asked if there will be ongoing consultation so that employees have a say in how this decision is made. Horstman explained that vendors will be vetted through a rating system and then recommendations for finalists will be presented to the Retirement Subcommittee. Prior to the recommendations, Horstman said, there won't be much transparency, but there will be more information in the fall, and that will be presented to the senate committees. The Retirement Plan Governance Committee (RPGC), chaired by Brian Burnett, senior vice president, Office of the Senior Vice President for Finance and Operations, is handling the project, and will be the final decision maker on the recordkeeper.

### **3. Chairs Report**

Muno told members that he joined P&A Senate leadership and Becky Nelson for a visit to Crookston in April and met with campus leadership and civil service constituents. He said the concerns they heard were similar to other campuses and they focused mainly on the Job Family Study, merit pay, and employee evaluations.

Muno provided members an update on the pension bill and the impact to MSRS.

Muno announced that Terri Wallace was awarded the Outstanding Service to University Senate Governance Recognition and he thanked her for her contribution to shared governance.

### **4. Subcommittee Reports**

Terri Wallace provided the following updates on behalf of the Compensation and Benefits Subcommittee:

- Horstman recommended that OHR teach supervisors what constitutes PTO vs. sick leave or vacation time.

- Committee members discussed coverage in expenses to ship breast milk home when a mother is traveling for work. Members emailed Beth Tapp, Travel/PCard manager, Purchasing Services, requesting that this be included in the policy review for travel expenses.

Missy Juliette provided the following updates from the Communications and Outreach Subcommittee:

- The welcome email for new senators is complete. Members discussed distributing it to newly appointed senators in April.
- The subcommittee is working on scheduling a brown bag to discuss employee leaves of absence.
- A Google form will be added to the next newsletter asking employees to provide questions for the May Civil Service Senate meeting.

### **5. Vote on Parental Leave language in Employment Rules**

In Jean Otto's absence, Van den Berghe brought to motion the vote on the proposed amendments to the Civil Service Employment Rules to include the new parental leave policy language. Committee members voted unanimously to approve the changes.

With no further business, Muno adjourned the meeting.

Bobbie Erichsen  
University Senate Office