

**Civil Service Consultative Committee (CSCC)**  
**November 16, 2017**  
**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:** Vacation Donation Program and Fringe Rates; Employment Rules (final approval); JFS Discussion; Chairs Report; Subcommittee Reports]

**PRESENT:** Ray Muno (chair), Terry Beseman, Patti Dion, Colleen Dennie, Missy Juliette, Becky Nelson, Jean Otto, Kim Schultz, Alan Van den Berghe, Terri Wallace, Gary Willhite

**REGRETS:** Kevin Kelley

**ABSENT:** Duane Orlovski

**GUESTS:** Julie Tonneson, associate vice president, Budget and Finance; Ken Horstman, director, Total Compensation, Office of Human Resources

Chair Ray Muno welcomed the committee and the members introduced themselves.

**1. Vacation Donation Program and Fringe Rates**

Muno introduced Julie Tonneson, associate vice president, Budget and Finance, and explained that the committee would like clarification on how money moves from department to department for the vacation donation program. He pointed out that the forms online seem inconsistent with his previous understanding of the program. Tonneson told committee members that the program provides employees with an opportunity to donate time, however, it does not donate compensation. Therefore, Tonneson adds, there is no transfer of money between departments when someone donates time; also there is no component in the fringe rates for vacation donation. She acknowledged that the forms online are not clear. Patti Dion explained that funds were moved across departments at one point, and the forms online reflected that. Terry Beseman asked when that change happened and Dion explained that it was at least ten years ago. Beseman explained that he was denying vacation donation because he didn't want to transfer funds out of his department.

Otto asked if there is a loss when a donor making more money than a receiver donates their time. Dion explained that the program is a dollars to hours conversion, so if a donor makes \$20 a hour and donates 40 hours to a receiver making \$10, then the receiver actually gets 80 hours of donated time.

Muno explained that during his visit to the Morris campus, he spoke to P&A employees that said they would like to participate in the program. Currently, P&A employees are covered differently than Civil Service employees, and their coverage makes receiving donated funds unnecessary,

however, some expressed an interest in being allowed to donate. Muno suggested that perhaps P&A employees were ineligible for the program because they couldn't be receivers, but suggested that they could donate since there is technically no transfer of funds. Muno also asked if employees receiving grants are ineligible for the program as well.

Dion explained that some funding sources are ineligible, according to the policy, and grants are included as ineligible funding sources. Tonneson added that they are ineligible because even when there is no transfer of money, the people working on the grants are concerned with the loss of productivity and the need to backfill in order to complete the grant work in the allotted time. She said that grant funding is appropriated to fit the needs of the project, and there is no money built in to backfill the loss of productivity if a grantee takes leave. That added expense could only fall to the department that the grant is working out of, which is a separate budget.

Given that there is no transfer of funds, Muno asked if grantees could be given vacation donation so that they are not taking unpaid leave when they are out unexpectedly. Dion said that the Office of Human Resources could look at that.

Beseman said that, if OHR would be open to allowing P&A to opt in to the vacation donation program, then the Compensation and Benefits Subcommittee would bring forward a proposal to the CSCC and the Civil Service Senate, and then bring it before PACC for support. Dion requested a few weeks to gather information in OHR.

Becky Nelson asked if OHR is considering going back to transferring money for vacation donation. Dion explained that it is not a consideration at this time.

With no further questions about the vacation donation program, Tonneson provided committee members with an overview of the [FY 2018 Fringe Rate Detail by Fringe Component](#). Tonneson explained that the rates reflect a lagged calculation based on data from FY 2016 actual University expenditures in each category, and an over-under recovery. She said that these two components are combined and then divided by the actual salary base involved in the particular fringe component. Because the rates are set from previous years expenditures, there is either over or under recovery in the fringe categories each year.

Muno asked whether his department incurs his fringe rate or the dollar amount on his paycheck. Tonneson explained that the expenditure that hits the books is the salary plus whatever fringe rate applies to his salary, on top of that. The department is charged both.

Muno asked if the vacation line item applies only to pay for the University's liability incurred when people leave. Tonneson explained that the decision was made by leadership to build a fringe pool for this item because vacation liability became a barrier for people to move throughout the University.

Beseman asked what the Internal Administration line item refers to. Tonneson explained that the University fringe rates are approved on an annual basis by the federal government through the U.S. Department of Health and Human Services, and they must submit their fringe rates with the

calculations and financial statements for approval. Within that process, she said, they allow for the fringe rates to include funding for the administration of fringe benefits, broadly defined. The work that goes into this submission is part of that line item.

## **2. Employment Rules (final approval)**

Jean Otto told committee members that two public hearings were held on October 30, 2017 regarding proposed changes to the Civil Service Employment Rules. One redundant word was removed from page two of the document as a result of feedback received at the public hearing, and the final draft was presented to committee members for a vote. Jean Otto moved for a motion to approve the 2017 Civil Service Employment Rules proposed amendments Terry Beseman seconded the motion. The rules were approved with no committee opposition or abstention. With unanimous approval, Jean Otto explained that the rules would be submitted to the President's Office and Kathy Brown, vice president, OHR, for the admittance on the December Board of Regents docket.

Muno added that system campus rooms should be secured for future public hearings to accommodate employees.

## **3. JFS Discussion**

Ray Muno introduced the [Impact of the Job Family Study on the Civil Service group](#) and committee members reviewed the Job Family Study (JFS) pain points, compiled by CSCC JFS working group members Ray Muno, Becky Nelson, Terry Beseman, and Missy Juliette. Ken Horstman, director, Total Compensation, Office of Human Resources (OHR), and Patti Dion, director, Employee and Labor Relations, OHR provided feedback on behalf of OHR. Muno explained that during the Job Family Study transition, civil service employees were faced with losing their years of service and non-renewal benefits if offered to move to P&A, and this issue was a big reason why some employees chose to stay civil service employees. Patti Dion told the committee that OHR would be open to looking into the rationale behind the rule and clarifying the intent for the committee.

Muno also pointed out that the retirement benefits implications of moving from civil service to P&A were complex and employees were not equipped to make informed decisions about whether to move from the Minnesota State Retirement System (MSRS) to the Faculty Retirement Plan (FRP). Horstman told committee members that OHR could be better at helping people and discussing those options.

Muno said that, as of today, there are 900 civil service employees in no new entry positions. Dion explained that "no new entry" was built to respond to civil service employees who did not want to move to P&A. Beseman pointed out that civil service employees are stuck in their classifications and cannot move up, so any advancement would require employees to move to P&A where there are no bumping rights. Committee members asked that OHR look at a one time exception that would allow civil service employees to advance without moving to P&A.

Muno commented that he feels civil service and P&A have become one job group separated out by benefits offerings. Dion explained that an overarching question that came out of the Job

Family Study is whether it makes sense to continue to have two employee groups. She told committee members that P&A was created to be instructional positions only, and when those classifications were given to individual colleges and units to determine, the job class expanded. Otto told Dion that she has heard in multiple meetings that there is potential for the two job classes to merge and explained that it is important that the discussions start early and involve representation from all job classes. Dion agreed and said that CSCC would likely hear the concerns of the civil service employees and asked that there be a common commitment among all leadership in the University senates to support any future changes to existing job classifications.

Committee members also discussed degree requirements, V-Class concerns and FLSA issues and job equity with Dion and Horstman. Muno thanked Dion and Horstman for attending and told them that he hoped to continue the discussion.

#### **4. Chairs Report**

Muno told committee members that he had asked the Senate Consultative Committee why the Retirement Subcommittee is a subdivision of the Senate Committee on Faculty Affairs and not part of a broader scope of governance, considering it deals with issues related to retirement plans for more than faculty. He said he expects the issue to be raised in future meetings.

#### **5. Subcommittee Reports**

Terri Wallace, co-chair of the Civil Service Compensation and Benefits Subcommittee, provided the following subcommittee updates:

- The subcommittee met with Julie Tonneson to discuss the Vacation Donation Program.
- The subcommittee discussed whether sick leave can be paid out upon retirement, and what the ramifications would be on the departmental fringe rates and retirement. The subcommittee decided not to pursue further due to cost issues.

Missy Juliette, chair of the Civil Service Communications and Outreach Subcommittee, provided the following subcommittee updates:

- The subcommittee has drafted a welcome email to send to new civil service employees at the end of each month.
- The subcommittee is working on a welcome email and operations manual for new civil service senators, and plans to have those documents available for review at the January meeting. Otto explained that she wanted to ask specific questions about the document offline.

With no further business, Muno adjourned the meeting.

Bobbie Erichsen  
University Senate Office