

**P&A CONSULTATIVE COMMITTEE MEETING
APRIL 23, 2013**

[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.]

Present: Ann Hagen (Chair), Marilyn Becker, Stephanie Bettermann, Katherine Cramer, Jodi Carlson Grebinoski, Stacy Doepner-Hove, Bill Hellriegel, Scott Marsalis, Cynthia Murdoch, Steven Pearthree, Christine Peper, Cathy Schulz, Susanne Vandergon.

Regrets: Matt Sumera.

Guests: Brad Cohen, Bernie Gulachek, Richard Pfutzenreuter, Susan Rafferty, Julie Tonneson, Mike Volna.

1. DISCUSSION OF 27 PAY PERIOD PLAN

Vice President Richard Pfutzenreuter and Julie Tonneson from Budget and Finance, and Mike Volna from the Controller's Office joined the meeting to discuss the 27 pay period proposal. Vice President Pfutzenreuter said that the plan is moving forward with implementation beginning on July 1 for hourly employees in preparation for the next 27 pay period year in 2021.

The proposal, which charges departments for 1-3 additional days for hourly employees each year leading up to 2021 to pay for the 27th pay period and in 2021 divides the yearly salary by 27 instead of 26 for salaried employees, has been reviewed by faculty governance and the President.

Julie Tonneson noted that they met with Human Resources last week to discuss changes that will be required in policies, standards, and contracts.

Q: Will there be a 30-day comment period for policy changes?

A: Yes.

Q: What will happen with other paycheck deductions?

A: They will also be split across the 27 pay periods.

Q: Why does the University not operate a bi-monthly payroll system instead of biweekly?

A: Until the late 1990s, the University had both bi-monthly and bi-weekly payroll systems, but it was reduced to one to save resources. Bi-weekly was chosen as this system is more equitable for hourly employees, otherwise their bi-monthly check can vary to include more or less days than the 15 days paid to salaried employees.

Q: Is this an issue at other places?

A: Yes.

Q: Could everyone become an hourly employee?

A: No as laws regulate who must be paid hourly and who must be paid on salary.

Members made the following comments regarding the 27 pay period discussion:

- It is important to educate employees why this is happening as some were still surprised the last time this occurred
- One question that will require an answer is why some employees are seeing a per-paycheck decrease and others are not
- 12 month faculty will also be affected by this move
- This change will affect the lowest-paid P&A the most as many already use their entire paycheck

Q: What is the status of the University's legislative budget request?

A: The University's request is doing well. The Senate's initial amount funded most of the University's request, including \$18 million towards MnDRIVE and \$1.2 million for the loan forgiveness program. The House amount was only 66 percent of the University's request and only included \$9 million for MnDRIVE. Both included \$42.6 million for a tuition freeze.

However, the University has not fared as well on the other issues that have been seized upon by the legislature, such as the Wall Street Journal article. The University has tried to explain this issue as a problem with Human Resources data reporting for IPEDS. The legislature is viewing this as financial mismanagement by the University and some see the article as an embarrassing incident for the state and the legislature, not just the University. The legislative tone has not changed during the session, even though the University has testified on numerous occasions in both bodies.

Provisions are now being proposed for both bills. These include no state funds being used for coach buyouts and meeting three of five performance metrics to avoid a five percent funding cut in the second year of the biennium. However the University actually needs to achieve four of five since one of the measures is a cut in administrative expenses. The University cannot go back next year without reaching this target, even though there is no agreement on defining administrative expenses.

The legislature is rightfully concerned about past tuition increases but as most legislators are new, they have no ownership for the past cuts that have been made to the University. Everyone is in agreement that tuition cannot double again as it has done for the last five decades.

Q: What percent of the University's budget will be funded by the state in 2014?

A: 18 percent of \$600 million which is the most flexible source of funding that the University receives.

Q: One of the metrics to reach is a \$15 million cut in administrative costs. How can this be achieved if it is not defined?

A: The only information provided is the bill references two categories that the University provided, facilities and support. The University could decrease its base by \$15 million, but the base amount was not set last year. If the University were to argue this point, the legislative response is to have all University salaries cut to an amount less than that of the Governor. The University has already identified \$9.8 million that can be cut from the two categories and it will make sure to find the remainder.

The final determination will be made in the conference committees. The Senate bill asks that cuts be made consistent with the spans and layers approach and that the University submit a report every 30 days. The House bill asks that the Regents certify that a tuition freeze has occurred and has not been offset by increases in other fees.

Q: Will P&A employees be cut to reach the legislative targets?

A: P&A employees will not be targeted but some employees will be cut while other savings are reached through not filling open seats. The biggest challenge is for the University as a whole to capture cost savings occurring in all units.

Q: Will departmental carry-forwards be a target?

A: The University has \$957 million in individual carry-forward accounts which has been explained to the legislature. They encouraged that the University take a second look at this total amount but did not encourage that it all be spent.

Q: How has sequestration affected the University?

A: Extension has been hit the hardest but federal agencies are squeezing areas as renewal deadlines approach. Estimated growth in sponsored funds has slowed or stopped in some cases which then affects ICR revenues. Salaries paid by sponsored funds will be the biggest issue this year.

Q: What is the University's response to former Governor Carlson's article that spoke of University mismanagement of funds?

A: The Regents Chair and Vice President Pfutzenreuter met with former Governor Carlson twice last August to discuss the University's budget so they were surprised by the article.

Q: What can P&A do to improve relations with the state?

A: They can write to legislators to support the University's request to counteract what is being printed in the news.

2. DISCUSSION OF A CHANGE TO THE ADMINISTRATIVE POLICY ON APPOINTMENTS OF ACADEMIC PROFESSIONAL AND ADMINISTRATIVE EMPLOYEES

Susan Rafferty from Human Resources noted that she is talking over the policy work as Nan Wilhelmson is retiring. She then presented a proposed change to the Administrative Policy on Appointments of Academic Professional and Administrative Employees which would eliminate the requirement that all P&A have a bachelor's degree in favor of experience. Education would then be added to the list of advanced preparation options included in the policy. This change is being proposed as state law does not require a degree to hold this type of position. The amendment is scheduled to be presented to the Policy Advisory Committee (PAC) on May 16 and the President's Policy Committee (PPC) on June 5.

Ann Hagen stated that a degree prepares a person for their role as an employee by providing skills in decision-making and exercising independent judgment.

Susan Rafferty noted that the current bachelor degree requirement does not provide flexibility for hiring P&A employees when different skills might be required in different positions. The proposed language would list of combination of skills that would be appropriate, but not required, for P&A positions.

Q: The current policy already allows for exemptions. How often is this done?

A: She was not sure how many exemptions have been granted.

Q: Is the cause for this change being made now that civil service employees in the IT job family are being moved to P&A but do not have the required bachelor's degree?

A: As job classifications are changing, HR is reviewing all its policies and decided that this requirement should be eliminated as it is not required by law and creates a false barrier to advancement. Education is still a valued component of a P&A employee and can be achieved without the awarding of a degree.

Members then made the following comments:

- This change undercuts the value that is placed on a bachelor's degree and how it is marketed to all students. Why should they complete their degrees if the University does not require it for their administrators?
- Policy already states that P&A positions shall meet 'all or most of these core criteria'
- Librarians are P&A employees and the University requires them to have degrees, however many smaller libraries do not have this requirement which would allow someone to move from that position to the University
- A degree signifies that criteria have been met to earn the degree. How can the University validate and confirm experiences and their quality when they vary so greatly if this change is made?
- A person learns things over the course of completing a degree that cannot be gained through other experiences
- Employees need to help themselves advance and sometimes this means working to complete a degree

3. CHAIR'S REPORT

No report.

4. SUBCOMMITTEE UPDATES

Benefits and Compensation (B&C)

No report.

Communications

Cathy Schulz asked members to review the strategic communications plan before it is discussed in May.

Outreach

No report.

Professional Development and Recognition (PD&R)

No report.

5. APPROVAL OF MAY 3 P&A SENATE AGENDA

The agenda was approved as amended.

6. IT GOVERNANCE UPDATE – BERNIE GULACHEK AND BRAD COHEN

Brad Cohen and Bernie Gulachek from the Office of Information Technology (OIT) joined the meeting to discuss IT priorities at the University. Bernie Gulachek noted that OIT wants to be transparent in and inclusive when making decisions that support the University and its goals.

Without input and this governance process, OIT makes its own decisions which are not always to the benefit of the University. Also, much of the University's technology is distributed, so input needs to be gathered from a variety of sources.

Brad Cohen stated that notes are being taken during these sessions so that there is a visible synthesis of ideas and changes can be seen through the compact process. They would like to know what should be better, what should OIT do that it does not do currently, and what can be stopped or decreased to pay for other increases.

Members then made the following comments:

- Most meeting rooms are renovated to include technology to utilize Google Hangout, not just phone connections (this concern has been raised by other Senate committees)
- Changes are good but not all local solutions should be eliminated. Instead they should be coordinated when they should be centralized
- OIT cannot operate in isolation
- Uniform technology needs to be available in classrooms otherwise instructors have to readjust each time they teach in a new location
- Bandwidth and wireless access are issues, especially at Duluth, as there are more small, wireless devices being used
- Rewiring in Alderman Hall; is it needed if wireless will be improved?
- Who stores data, how much, and what is the cost?
- Interdisciplinary collaborations and the data it produces
- VPN connection issues and the long wait to connect at night
- What are the current and emergent technology solutions for professional school use, such as web streaming for candidate interviews and with the rest of the globe?
- Solutions for video taping course content
- Any new technologies need to be widely available and easy to use
- OIT should develop a list of best practices that can be shared across the University
- Online application system has breakdowns which gives a poor impression of the University

7. OTHER BUSINESS

Members agreed to respond in writing to Vice President Brown regarding the proposed policy change to eliminate the degree requirement for P&A positions. With no further business, Ann Hagen thanked the members for attending and adjourned the meeting.

Becky Hippert
University Senate