

University of Maine System  
Board of Trustees  
at the University of Maine System

March 11, 2016

**Human Resources & Labor Relations Committee**

**Present: Committee Members:** Marjorie Medd, Chair; Sam Collins, James Erwin (at USM), Norman Fournier, Gregory Johnson, Shawn Moody (at USM), Sarah Newell and Bonnie Newsom. **Chancellor:** James Page. **Staff:** Tracy Bigney, Lynda Dec, Ryan Low, Mark Schmelz, Vendean Vafiades (at USM) and Rebecca Wyke. **Presidents:** Susan Hunter, Stuart Swain, and John Murphy (at UMFK). **Others:** Patti Miles.

**Committee Member Absent:** None.

Trustee Medd called the meeting to order.

**Change to the Handbooks for Non-Represented Hourly, Faculty and Salaried Staff.** Ms. Lynda Dec, Chief Human Resources Officer, explained that exceptions to benefits outlined in the Handbooks for Non-Represented Hourly, Faculty, and Salaried staff have been made at the individual campus level. This approach to benefit exceptions leads to inconsistencies in application and has the potential for increased risk with regard to equal and fair treatment. At the System level, a Benefit Exception Committee has been in place which looks at all requests, evaluates the requests against past decisions, and renders a decision, acting as the Chancellor's designee as appropriate.

The proposal before the Committee would change the Handbooks for Non-Represented Hourly, Faculty, and Salaried staff to include a section titled: Benefit Exception. This section will establish a system-wide Benefit Exception Committee. The Committee will be comprised of the following positions: Director of Labor and Employee Relations, Director of Employee Benefits and Payroll, Director of Equal Opportunity, Chief Human Resource Officer, and the Human Resource Leader from the respective campus. This Committee will be charged with reviewing all benefit exceptions to include, but not limited to, health benefits, leave of absence, tuition waivers, or vacation payout for campuses and University Services.

Addition to both Handbook for Non-Represented Hourly Staff and Handbook for Non-Represented Faculty and Salaried Staff:

***Benefit Exception***

*Any exceptions to Benefit policy must be submitted for review and approval by the Benefit Exception Committee. The Benefit Exception Committee will meet on an as needed basis but not to exceed 10 business days after the request has been submitted to evaluate the request and render a decision, acting as the Chancellor's designee as appropriate.*

On a motion by Trustee Fournier, which was seconded by Trustee Johnson, the Human Resources and Labor Relations Committee agreed to forward this item to the Consent Agenda at the March 13-14, 2016 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees approves the addition of Benefit Exception to the Handbook for Non-Represented Hourly Staff and Handbook for Non-Represented Faculty and Salaried Staff as presented.

**Equal Opportunity Center of Excellence Update.** Ms. Dec stated that as outlined in the Human Resources Administrative Review, Centers of Excellence are being established in support of our seven Universities and University Services. The Equal Opportunity Center of Excellence is currently being developed to address changing regulations, collaborative necessity, legal accountability and System-wide support.

In summary:

- Equal Opportunity Center of Excellence will provide System-wide support
- Will be responsible for consultation and support around ADA/504/IT accessibility
- Handle system-wide neutral EO investigations that involve employees (and sometime students and community members, when they intersect)
- Provide support for Title IX, Affirmative Action and training
- Campus Title IX Officer (large campuses/SME consultant and support for smaller campuses)
- Oversight of System-wide EO Policies and Compliance

**Overview of Proposed FLSA Regulations, Initial Concerns, and Potential Impact on UMS.** Ms. Dec explained that the Fair Labor Standards Act (FLSA) is a federal law that governs whether or not employees receive overtime pay. President Obama tasked the Department of Labor with updating the FLSA regulation in early 2014. Proposed regulations were released in July 2015 with the primary change of raising the salary threshold that generally determines who is eligible for overtime. Other potential changes include the job duties test and the test for highly compensated workers.

The current salary threshold which was established in 2004 is set at \$455/week or \$23,660/year. The proposed threshold is set at \$970/week or \$50,440/year.

**Concerns about the Proposed Changes:**

- Salary threshold of \$50,440 seen as too high and has a significant impact on UMS – 900 employees are currently below the proposed threshold with 600 on UM and USM campuses.
- Unique positions in higher education make it challenging to meet the demands of any changes to the FLSA regulations
- Part-time employment may be affected but at this point it is unclear
- 60 day implementation period is too short – impacts:
  - Budget
  - Benefits
  - Tracking of hours
  - Unfunded overtime
  - Labor contracts
  - Culture – employee engagement and morale
  - Pay plans
  - Salary equity
  - Training
  - Wage Compression
- Specific Functional Area Considerations
  - Research
    - May see a decrease in research positions as limited funds will need to be used to increase employee salaries above threshold or pay overtime
    - Loss of flexibility and autonomy in conducting research which could lead to

- Admissions, Athletics, Advising, Student Life, Financial Aid, IT
  - Positions that require significant travel, irregular hours, or fluctuating seasonal demand
- Academic Positions
  - Positions that spend a portion of their time teaching or instructing students such as adjunct faculty and teaching assistants may be impacted. May need to adjust academic strategy and workload/course load.

Preparing for the Changes:

Identifying employees that earn between \$23,660 and \$50,440 and conducting analysis on:

- Costs to bring employees up to minimum salary threshold - \$14.5m (includes benefits)
- Compression issues
- Actual overtime worked

Develop a compensation plan and structure that supports the proposed changes:

- Compensation Consultant RFP in process
- Identifying potential Labor issues/concerns
- Reviewing job descriptions of employees in the target range

Developing communication and training strategies to ensure compliance:

Assessing time and attendance processes and work flows

**Executive Session**

On a motion by Trustee Fournier, which was seconded by Trustee Johnson, the Human Resources and Labor Relations Committee agreed to go into Executive Session under provisions of 1 MRSA Section 405 6-A to discuss the evaluation of personnel and the consideration and discussion of appointments, evaluations, employment and duties and 1 MRSA Section 405 6-D to discuss planning for negotiations and communications with AFUM, UMPSA, ACSUM, Police, PATFA, and Service and Maintenance Units.

On a motion by Trustee Johnson, which was seconded by Trustee Collins, the Human Resources and Labor Relations Committee concluded the Executive Session.

Adjournment.

Ellen Doughty for  
Tracy B. Bigney, Clerk of the Board