UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

at the University of Maine System
March 15, 2010

Human Resources and Labor Relations Committee


Trustee O’Leary, Chair, convened the meeting.

Executive Session
On a motion by Trustee Johnson, which was seconded by Trustee Fournier, the Human Resources and Labor Relations Committee went into Executive Session under the provisions of 1 MRSA Section 405 6A & 6C for the purpose of discussing personnel reassignments and duties, and labor contracts.

On a motion by Trustee Fournier, which was seconded by Trustee Dowe, the Committee concluded the Executive Session.

Appointment of President at UMFK.  On a motion by Trustee Fournier, which was seconded by Trustee Medd, the Committee agreed to forward the recommendation to the consent agenda to appoint Wilson G. Hess as the President of UMFK effective July 19, 2010 through June 30, 2012.

Appointment for Trustee Approval.  Trustee O’Leary presented the appointment at or above the level of Dean or equivalent or with tenure which require approval of the Board of Trustees.  The following appointment was recommended by the Chancellor:

Curt Madison, Director of Distance Education, UMA

On a motion by Trustee Fournier, which was seconded by Trustee Johnson, the Committee agreed to forward the recommendation to the consent agenda for action.

Approval of Collective Bargaining Agreement - PATFA.  On a motion by Trustee Johnson, which was seconded by Trustee Medd, the Committee agreed to forward the authorization for the Chancellor to execute the Collective Bargaining Agreement with The Maine Part-time Faculty Association, American Federation of Teachers, Local #4593 AFT-Maine, AFL-CIO upon notice that the agreement has been ratified by the union.

Report of Retiree Health Plan Task Force.  Ms. Tracy Bigney, Chief Human Resources and Organization Development Officer, reviewed the Retiree Health Plan Task Force III report and recommendations that were submitted in response to the following charge from Chancellor Pattenaude:
To make recommendations for a retiree health plan that will result in a cost for retiree health care (both pay as you go and GASB 45 expense) not exceeding $20 million in FY11 and that will not increase by more than the discount rate in the future.

The Task Force had recommended a phasing out of the “implicit subsidy” provided to retirees who are not yet eligible for Medicare. Under current policy, employees who retire between the ages of 55 and 65 (early retirees) are permitted to remain in the active employee plan if they pay 100% of the group premium the University pays for coverage of all its active employees. Early retirees currently benefit from the implicit subsidy because the average cost of providing health benefits for their age group is approximately twice what it is for the active employee group as a whole. The Task Force recommended a gradual elimination of that subsidy, so that by 2019 the premium they pay will reach the average cost the plan experiences in covering them.

The adjustment would be made as follows: for employees retiring on or after January 1, 2011 the early retiree rate, heretofore approximately 50% of the imputed age-group premium, would move to 63%. On July 1, 2013 the rate would move to 75%, and on July 1, 2016 to 88%. Finally on July 1, 2019 the implicit subsidy would be removed entirely and early retirees would pay 100% of the imputed premium appropriate to their 55-64 age cohort.

At the request of the Task Force, the University has reviewed the actuarial impact of grandfathering all employees who retire before January 1, 2011, rather than the July 1, 2010 date used in the Task Force’s model. All employees who retire prior to January 1, 2011 will be covered by the current policy. This will allow for a longer period for employees to become informed about the policy change and to review their retirement plans.

On a motion by Trustee Fournier, which was seconded by Trustee Medd, the Committee agreed to forward the recommendation to the consent agenda.

**Changes to Policies for Non-Represented Employees.** Ms. Bigney reviewed the proposed changes to the policies regarding notice, severance and terms of appointment for non-represented employees. As part of the New Challenges, New Directions initiative the Board of Trustees requested a review in response to financial constraints in order to determine whether these policies resulted in undue costs for workforce actions.

Ms. Bigney explained that based on recommendations from the November 15, 2009 Board meeting the provisions on notice and severance in the original document were modified to include three levels of notice and severance for layoff. Level A will be for employees hired before July 1, 1995 and these employees will be grandfathered to current policy. Level B will be for employees hired from July 1, 1995 to June 30, 2005 and these employees will be covered by one set of revised policies. Level C will be for employees hired July 1, 2005 or later and these employees will be covered by a second set of revised policies. These three tiers are designed to provide greater protection to long-term employees (15 years of service or more) and to those with moderately long service (5-15 years).

These changes will be different from the policies currently in place for represented employees. The proposed policy changes were communicated to non-represented employees by an email sent out on February 12, 2010 and the employees were asked to review them and
complete a survey with their feedback on the policy changes by February 26, 2010. Ms. Bigney summarized the feedback from the employees.

On a motion by Trustee Johnson, which was seconded by Trustee Medd, the Committee agreed to forward the recommendation to the consent agenda.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk