Human Resources & Labor Relations Committee

Present: Committee Members: Marjorie Medd, Chair; Samuel Collins (by phone), James Erwin (at USM), Norman Fournier (by phone), Gregory Johnson, Shawn Moody (at USM) and Bonnie Newsom (by phone). Chancellor: James Page. Staff: Tracy Bigney, Lynda Dec, Susan Hunter (at USM) and Rebecca Wyke (at UMA).

Committee Member Absent: Victoria Murphy.

Trustee Medd called the meeting to order.

Human Resources Update. Ms. Lynda Dec, Chief Human Resources Officer, provided an update of the major work completed, in progress or upcoming for the Human Resources Department. Human Resources was asked to explore ways in which savings and efficiencies could be realized across the System. In our efforts to identify early wins, we have found multiple opportunities to increase service levels, support the University System, and gain efficiencies. We have also identified areas needing further analysis and review. To date our completed work has given the System a year over year savings of $230 thousand starting in FY2015. The Human Resource work in process has identified and will realize an ongoing savings of $815 thousand per year starting in FY2015. There are opportunities we are scoping or exploring (some of which are outlined below) that have the potential of a combined ongoing savings of between $1 and $3 million per year. Some of these savings could be captured starting in FY2015 and FY2016.

Work Completed
- The Employee Assistance Program (EAP) onsite at UM has been moved to Cigna. Cigna EAP is the EAP provider for the rest of the System. This action resulted in the reduction of three positions and a savings of approximately $230 thousand.
- Implementation of an employee benefits call center telephony system has created greater efficiencies and decreased the workload of existing staff. Allows for greater tracking, reporting, and analysis. Will also expand the capacity of the Employee Benefit Center thus reducing headcount needs. Estimated savings is to be determined. Expense for this was under $1 thousand per year.
- Sole record keeper on the UMS pension plan to TIAA CREF for the 403(b) plan. It will improve the investment menu, strengthen fiduciary oversight and generate savings of about $650,000 per year for the employees through lower investment fees.
- All Collective Bargaining Agreements have been settled and implementation has started.

Work in Process
Ms. Dec explained that some of the work currently being conducted is exploratory in nature. Areas for potential savings have been identified; however, this does not mean that all identified savings will be pursued.

- Implementation of a labor database. This will allow for better tracking, reporting, analytics, and visibility across the system. Allows for the collaboration of labor resources across the campuses.
• Implementation of Case Management Software. UMS went with in-house solution saving $125 thousand from what was budgeted for in the Human Resources Administrative Review.

• Development of a wellness strategy. Reduce spend in this budget by $500 thousand for FY2015.

• Review of Long Term Disability benefit plan. UMS is currently modeling different plan design changes to determine potential cost savings. Initial work identifies the opportunity for significant savings. Some components may require bargaining.

• Benefit Budget review. UMS is identifying areas in administration and professional services for savings. Based on initial review, certain budget lines will be eliminated or reduced. Savings from this review for FY2015 is estimated at $300 thousand.

• Online combined charitable campaign. UMS is moving from a labor intensive paper based process to an automated online campaign. There will be savings derived from the reduced need for printing, mailing, and manual input. Savings is to be determined and will be documented by the project team.

• Online W-2s. UMS will be implementing online W-2s for 2014. Savings is estimated at $15 thousand per year.

• Optimization of retirement processing. Currently a team is scoping this project to determine the solution for optimizing this process. We anticipate a reduction in work at the campuses as well as potential headcount reductions; cost savings will be determined by project team.

• Design of a low cost, high deductible health plan to meet the affordability requirement of the Accountable Care Act. This will be implemented in a calendar year 2015 as an option.

• Human Resources Strategy draft has been completed and is being reviewed for feedback by Human Resources Leadership and executive teams.

• Exploring potential options for retiree health benefits. This will allow for a comprehensive proposal on addressing the growing liability in this area.

• Assessing and redefining Employee Health Plan Task Force to ensure the group is operating in a manner that allows for a solutions oriented approach to the rising cost of healthcare.

• Changes to the personnel and structure of the System Office Human Resource Department to better position the group for the changes and initiatives required in the Human Resource Strategy. The first step in this initiative is the addition of a dedicated Project Manager to the Human Resources team.

Upcoming Projects

• Dependent audit will be conducted for our benefit plans. An audit has not been completed on the UMS plans and this could provide a substantial savings by identifying people who should not be covered. Dollar savings will be determined.

• Further utilization of the PeopleSoft payroll module. By establishing workflows in the system the need for on-campus payroll staff will be minimal to non-existent. Savings and headcount reductions will be determined during the scoping phase of the project.

• Leave of Absence will be scoped to determine the best course of action. The solution may be outsourcing, consolidating, and/or automating. Savings and headcount reduction will be determined by the project team.

Executive Session

On a motion by Trustee Johnson, which was seconded by Trustee Fournier, the Human Resources and Labor Relations Committee agreed to go into Executive Session under the provisions of 1 MRSA
Section 405D for the purpose of discussing the Service and Maintenance Collective Bargaining Agreement.

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

**Collective Bargaining Agreement: Service and Maintenance, Teamsters Local #340.**

On a motion by Trustee Johnson, which was seconded by Trustee Fournier, the Human Resources & Labor Relations Committee agreed to forward the authorization for the Chancellor to execute the collective bargaining agreement with the Service and Maintenance Unit, Teamsters Local #340 upon notice that the agreement has been ratified by the union to the Consent Agenda at the May 18-19, 2014 Board of Trustees meeting or to a meeting of the Executive Committee prior to the May Board meeting for approval.

Adjournment.

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