April 22, 2014

TO: Members of the Human Resources & Labor Relations Committee
FR: Tracy B. Bigney, Clerk of the Board
RE: April 30, 2014 Human Resources & Labor Relations Committee Meeting

The Human Resources & Labor Relations Committee will meet from **9:00 am to 11:00 am on Wednesday, April 30, 2014.** The meeting will be held in the Rudman Board Room on the 3rd floor of the System Office in Bangor.

In addition to the meeting location at the System Office, the following Polycom sites and a conference call connection will be available:

**Polycom:**
USM – Room 327, Wishcamper Center, Portland
UMFK – Room 124, Powell Hall

**Phone**
1-800-605-5167 and passcode: 743544#

The agenda and background material are enclosed. These materials will be posted on the Board of Trustees website (http://www.maine.edu/about-the-system/board-of-trustees/meeting-agendas/human-resources-labor-relations/) by April 23rd. If you have questions about the meeting materials please call me at 973-3234.

If you have any questions or desire additional information about the agenda items, please call Lynda Dec at 973-3202.

Encl.
cc: James Page, Chancellor
    Presidents
    Rebecca Wyke
    Susan Hunter
    Lynda Dec
    Mark Schmelz
    Peggy Leonard
Board of Trustees

Human Resources & Labor Relations Committee

April 30, 2014
9:00 – 11:00 am

University of Maine System
16 Central St, Bangor
Rudman Board Room

AGENDA

- Human Resources Update.................................................................Tab 1

  Executive Session

- Collective Bargaining Agreement –
  Service and Maintenance, Teamsters Local #340 ...............................Tab 2
AGENDA ITEM SUMMARY

1. NAME OF ITEM: Human Resources Update
2. INITIATED BY: Trustee Marjorie Murray Medd
3. BOARD INFORMATION: X BOARD ACTION:
4. BACKGROUND:

Ms. Lynda Dec, Chief Human Resources Officer, will present an update of major work completed, in progress, or upcoming. An outline is attached.

April 22, 2014
Human Resources

Work Completed

1. Move of the onsite EAP at UM Orono 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 $250k.
2. Implementation of a call center telephony system. 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 TBD. Expense for this was under $1k per year.
3. Sole record keeper to TIAA CREF.

Savings on completed work: $250k

Work in Process

1. Implementation of a labor database. This will allow for better tracking, reporting, analytics, and visibility across the system. Allows for the consolidation of labor resources across the campuses.
2. Implementation of Case Management Software. Went with in-house solution saving $125k from what was budgeted for in the HR Admin Review.
3. Development of a wellness strategy – Reduce spend in this budget by $500k for FY’15
4. Review of Long Term Disability benefit plan. Modeling different plan design changes to determine potential cost savings. Initial work identifies the opportunity for significant savings. Some components may require bargaining.
5. Benefit Budget review – 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 FY’15 is estimated at $300K.
6. Online combined charitable campaign. 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 TBD and will be documented by the project team.
7. Online W-2s. This will be implemented for the 2014 W-2s. Savings is estimated at $15k/year.
8. Optimization of retirement processing. Currently a team is scoping this project to determine the solution for optimizing this process. Anticipate a reduction in work at the campuses. Potential headcount reductions and cost saving TBD by project team.
9. Design of a low cost, high deductible health plan to meet the affordability requirement of the Accountable Care Act. Will be a calendar year ’15 option.
10. HR Strategy Draft completed and being reviewed for feedback by HR Leadership and executive teams.
11. Exploring potential options for retiree health benefits. This will allow for a comprehensive proposal on addressing the growing liability in this area.
12. 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.

13. Changes to the personnel and structure of the Systems Office Human Resource Department to better position the group for the changes and initiatives required in the Human Resource Strategy.

Savings identified: $940k

Future savings: TBD

Upcoming Projects

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

2. 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 TBD during the scoping phase of the project.

3. 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.

Savings: TBD

Prepared for the Board of Trustees Human Resources/Labor Relation Committee Meeting
By Lynda Dec
Chief Human Resources Officer
April 22, 2014
AGENDA ITEM SUMMARY

1. NAME OF ITEM: Collective Bargaining Agreement: Service and Maintenance, Teamsters Local #340

2. INITIATED BY: Trustee Marjorie Murray Medd

3. BOARD INFORMATION: BOARD ACTION: X

4. BACKGROUND:

The Board of Trustees delegates responsibility for negotiating collective bargaining agreements to the Chancellor. The Chancellor reports tentative agreements to the Board for approval prior to executing the agreements.

The University has reached a tentative agreement with the Service and Maintenance Unit, Teamsters Local #340.

5. TEXT OF PROPOSED RESOLUTION:

That the Human Resources & Labor Relations Committee forward this item 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 of the following resolution:

That the Board of Trustees authorizes the Chancellor to execute the collective bargaining agreement with the Service and Maintenance Unit, Teamsters Local #340, upon notice that the agreements have been ratified by the union.

April 22, 2014