September 1, 2015

TO: Members of the Human Resources & Labor Relations Committee

FR: Tracy B. Bigney, Clerk of the Board

RE: September 11, 2015 Human Resources/Labor Relations Committee Meeting

The Human Resources & Labor Relations Committee will meet from **10:00 am to 12:30 pm on September 11, 2015.** The meeting will be held at the University Maine System, 3rd Floor, Rudman Board Room. In addition to the meeting location at the System Office, the following Polycom sites will be available:

**Polycom:**
- UMFK – Alumni Conference Room
- UMPI – Executive Conference Room, Preble Hall
- USM – 703 Law Building, Portland

The meeting materials are posted to the Diligent Board portal under the Human Resources & Labor Relations Committee section. Also the materials are posted to the Board of Trustees website at: http://www.maine.edu/about-the-system/board-of-trustees/meeting-agendas/human-resources-labor-relations/. If you have questions about the meeting arrangements or accessing 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.

cc: James Page, Chancellor
    Presidents
    Vendean Vafiades
    Lynda Dec
    Tracy Bigney
    Mark Schmelz
Human Resources & Labor Relations Committee

September 11, 2015
10:00 AM – 12:30 PM

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

AGENDA

Tab 1 – Human Resources Update

Tab 2 – HR/LR Committee FY16 Work Plan & Duties

Executive Session

Tab 3 – Contract Negotiations Update

Tab 4 – FY16 & FY17 Compensation and Benefit Changes for Non-Represented Employees

Action items are noted in red.

Note: Times are estimated based upon the anticipated length for presentation or discussion of a particular topic. An item may be brought up earlier or the order of items changed for effective deliberation of matters before the Committee.
AGENDA ITEM SUMMARY

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

Human Resources has been working towards a unified and strategic support model since January 2014. Although there is considerable work that still needs to be accomplished, the Human Resources group has been able to realize significant savings, establish efficiencies, initiate the move to a new support model and drive major culture change. This report covers the accomplishments of the team and outlines the next phase in moving towards a strategic model.

Savings

2016

MEDICARE ELIGIBLE RETIREE MEDICAL PROGRAM - Comprehensive review of fully-insured Aetna retiree medical program. UMS made modest changes to the plan, which resulted in avoidance of approximately $506k/annually in increased costs. UMS also negotiated certain rate guarantee limits for the future.

DENTAL PROGRAM - Comprehensive Competitive Bidding of Dental Program, resulting in UMS remaining with CIGNA. UMS will change the dental plan to self-insured, resulting in anticipated savings of approximately $300k/annually.

EMPLOYEE ASSISTANCE PLAN (EAP) - Comprehensive Competitive Bidding of Employee Assistance Plan (EAP), resulting in UMS remaining with CIGNA. The competitive bid process will result in anticipated savings of approximately $25k/annually.

VISION PLAN - Comprehensive Competitive Bidding of Vision Plan. Vision is a voluntary benefit entirely paid by UMS employees. The bidding process will result in a change from CIGNA to EyeMed. In addition to enhanced services for this voluntary employee-paid plan, employees will see a decrease of approximately 10% in their premiums, or approximately $50k/annually for all insured.

LONG TERM DISABILITY (LTD) PLAN - Changes to the LTD plan resulting from collective bargaining will be implemented that impact not only LTD plan premiums, but also supplemental benefits provided by UMS to employees who are approved for LTD benefits.
Direct Impact on LTD Plan Premiums:
- Mental/Nervous Provision limited to 36 months
- Non-Verifiable Conditions limited to 36 months
- COLA - elimination of COLA after 24 months

By implementing these collective LTD plan changes, effective 1/1/16, UMS will realize savings of approximately $167k/annually in premium.

SICK LEAVE RESTORATION - UMS will no longer restore sick leave used during the LTD elimination period - results in reduction in UMS liability of approximately $745k/annually.

SALARY PAYMENT - UMS will no longer pay six (6) month's employee salary if approved for LTD benefits - results in savings to UMS of approximately $391k/annually.

403(b) PENSION PLAN CONTRIBUTIONS - UMS will no longer contribute the full employee/UMS contribution to the 403(b) pension plan if approved for LTD benefits - results in savings to UMS of approximately $208k/annually.

LIFE INSURANCE COVERAGE - UMS will limit continued life insurance coverage if approved for LTD benefits to 36 months - results in savings to UMS of approximately $21k/annually.

HEALTH INSURANCE COVERAGE - UMS will limit continued health coverage if approved for LTD benefits to 24 months - results in savings to UMS of approximately $100k/annually.

MEDICAL PROGRAM – Extend TPA agreement with a reduction in PEPM cost. – results in savings to UMS of approximately $60k/annually.

2015

DEPENDENT ELIGIBILITY AUDIT - Comprehensive dependent eligibility audit performed. Each ineligible dependent that is removed from the plan reduces UMS' potential exposure by approximately $3,500 per dependent. As of the audit close, approximately 44 UMS employees had voluntarily removed ineligible dependents, resulting in savings to UMS of approximately $154k. The final audit report from the vendor shows 160 UMS employees who partially responded or did not respond to the audit, representing 417 dependents. UMS is notifying all employees and providing an extended deadline to September 30, 2015 to provide appropriate verification information. The potential savings to UMS for all 417 dependents is $1,459,500 – It is not anticipated that we will see UMS realizing that entire amount; however, I think there will be additional savings realized above the $154k noted above.

BENEFIT CONSULTING AND ACTUARIAL SERVICES - Comprehensive Competitive Bidding of Benefit Consulting and Actuarial services. UMS awarded the contract to Willis for benefit consulting and KMS Actuaries for actuarial services. As a result of the bidding process, benefit consulting services have been enhanced, savings to UMS of approximately $50k/annually, and a rate guarantee for five (5) years with an option for two (2) more. Actuarial services provide for a full valuation one year and a roll-forward valuation in "off" years. Actuarial savings to UMS will be approximately $17k/annually for full valuation years and $13k/annually for roll-forward years.

REVIEW OF BENEFIT SERVICES – Comprehensive review of services such as Wellness, Data Services, and Consultants resulted in the change or termination of these services. These changes resulted in a savings of approximately $300k.

HEADCOUNT REDUCTIONS – At the start of the Administrative Review there were 79.5 employees. We are currently at 62 employees with 8 open positions. These reductions in headcount have resulted in approximately $570k of savings.
2014

LIFE/DISABILITY PROGRAMS - Comprehensive Competitive Bidding of Life / Disability Program, resulting in the selection of Liberty Mutual. The change resulted in avoidance of $750K/annually in increased costs and also has a 4 year Rate Guarantee. We also crafted a Menu of Program Options that could be considered by the University System to help improve underlying claims trends; these changes are being considered by Leadership.

MEDICARE ELIGIBLE RETIREE MEDICAL PROGRAM - Market Analysis of Retiree Medical Program resulting in movement to Aetna and avoidance in $1.5M in CY 2014 premiums. This proposal also had a 3 year pricing guarantee which has mitigated the 1/1/2015 renewal and should also benefit the University System with their 1/1/2016 pricing.

MEDICARE ELIGIBLE RETIRE MEDICAL PROGRAM - Comprehensive review of fully-insured Aetna retiree medical program. UMS made modest changes to the plan, which resulted in avoidance of $611k/annually in increased costs.

MEDICAL PROGRAM – For 2012 Comprehensive Competitive Bidding and Re-Design of the Medical Program, resulting in Administrative Fee reductions of over $1.1M annually (guaranteed for a 5 Year term 2012 - 2017), coupled with the introduction of Quality/Cost Metrics for High Performing Providers.

Efficiencies

LIFE INSURANCE - the EBC has implemented automated processes regarding reduction of life insurance upon attainment of age 65 and cessation of supplemental and spousal/domestic partner life insurance upon attainment of age 70.

PENSION PLAN PAPERWORK - the EBC is using ImageNow to eliminate the need for paperwork when a former employee wishes to access 403(b) or 457(b) pension monies, as well as for active employees applying for a loan. Forms are now imaged and processed with an electronic signature.

RETIREMENT TOOL - the EBC has automated the retirement process with a new retirement tool. This tool eliminates the need for face-to-face meetings with prospective retirees as well as completion of retiree paperwork. Estimated savings are from 1 to 3 hours of campus and EBC time per UMS retiree. On average, there are approximately 75 retirements per calendar year - 2014/15 has seen approximately 150 retirees due to the special incentives. The tool will also allow for the submission of electronic eligibility files to retiree vendors.

BENEFITS BILLING - the EBC has automated the benefits billing process, which will greatly enhance our ability to provide clear, consistent, accurate information to employees, as well as automate a process that is time consuming and cumbersome to administer. It will eliminate the need for completion of employee benefit related leave paperwork.

LABOR DATABASE – the Labor COE has created a database to track grievances, arbitrations, legal decisions, etc. This tool allows each campus HRBP to access data aiding them in decision making. It also provides information to the Labor COE in preparation of negotiations, arbitrations, and grievances.

EMPLOYEE BENEFITS CENTER – the EBC has gone paperless utilizing technology such as call center telephony equipment, incident management, process database, imaging software, etc. These efficiencies have allowed the EBC to bring in additional work without the necessity to hire additional employees.

APPLICANT TRACKING - HireTouch was implemented at all campuses and University Services. This software allows for paperless recruiting processes as well as the ability to ensure greater accuracy in our Affirmative Action reporting requirements.

EMPLOYMENT VERIFICATION – It is estimated that Human Resources processes 50 - 75 employment verifications per week. The cost to support this internally is estimated at $10,000 - $15,000/year. Human Resources has signed a contract with Equifax to outsource employment verifications at no cost to the University System. Implementation date for this active project is 1/1/16.
CONSOLIDATION OF PAYROLL – Payrolls have been consolidated at several campuses: UMPI/UMFK and USM/UMA. The use of imaging software has allowed greater efficiencies and the sharing of payroll forms. Electronic forms are now in development which will allow for greater efficiencies and improved opportunities.

ELECTRONIC W2’S – An option has been made available for all employees to access W2’s electronically. This saves both money in the processing of the forms as well as the postage required for mailing.

CCAUE – The annual charitable campaign was moved from a paper based campaign requiring forms, data input, and mailings to an online process.

Structure

UNIVERSITY SERVICES – Human Resources employees from each of the campuses transferred to University Services effective 7/1/15.

COE – Centers of Excellence have been established in the following areas:

Labor – The Labor Group has worked proactively with union leadership to improve relationships and understand issues and concerns prior to entering bargaining. This approach was instrumental in getting on time TA’s with some of our bargaining units. This COE will proactively train management of the new contracts and the requirements.

Compensation – The Compensation group is looking at updating many of our pay plans and standardizing the implementation of the plans. RFPs are currently being developed for a compensation system and consulting services to assist with pay plan design.

Benefits & Payroll – The Benefits and Payroll groups have found substantial savings and efficiencies. Continued work in this area will result in greater cost savings and a further reduction in headcount.

Communications – The Communications COE has provided valuable assistance in moving the culture in HR as well as provided support on University initiatives.

Project Management – The Project Management COE is currently managing 15 active projects and has successfully closed out two projects.

The remaining COEs: EO, L&OD, and Talent Acquisition will be established in FY16.

CAMPUS BUSINESS PARTNER MODEL – The HRBP model is in its initial stages. We are currently in active searches for the HR leaders at: USM, UM, UMPI/UMFK, UMA and University Services. Interim leaders are currently supporting UM and UMPI/UMFK.

Culture Change

COMMUNICATOR CONFERENCE/COLLABORATION WITH LIFT360 – Aggressive move toward connecting with consultant tasked with the delivery of communications surrounding the One University initiative to ensure support, but more importantly to guide the ongoing development of the University Services and Human Resources brands and identities in sync with the vision of the Chancellor and Board of Trustees. Symbolic of this partnership was a recent Communicators Conference at UMA-Bangor at which the Chancellor was able to engage and inform campus communicators from across the System’s seven campuses. In follow-up to the meeting, messaging for the open of the fall semester was developed enabling individual campus leadership to present a united approach to sharing the summer progress of the One University effort. Just as important was the commitment of these communicators to assist in moving forward communications in synchronization with the implementation of campus forums in the fall designed to engage and inform a wide range of audiences including students, faculty, staff, and special constituencies such as Boards of Visitors, etc.
E-MAIL SIGNATURE INITIATIVE/TALKING POINTS – While the generation of a comprehensive communications approach for both HR and US remains a goal, occasion-driven opportunities to advance the brand(s) are not to be overlooked or minimized. Using momentum from the open of the Fall Semester and shared interest in taking a simple step toward branding and standard identity, a modest e-mail signature standardization project was launched in late August designed to bring all HR and IT employees into compliance with the US Standards Guide. Upon completion, the project will be extended to all members of the US organization. Recognizing also that the resuming of classes will undoubtedly result in questions about the new HR organization, standardized talking points dealing with the FAQ were generated and delivered to colleagues across the system.

“NAVIGATING THE TRIPLE TRANSITION”/DRAFTING A THREE-TIERED COMMUNICATIONS PLAN – While ambitious in the extreme, some platforms for shared marketing and communications within the HR, US, and UMS are absolutely necessary to help guide efforts at branding and messaging in the formative stages of the service organizations and their unifying structure. To that end, a draft of a plan has been prepared for review by the leadership of University Services. Calling for such steps as the unification of mission and values, launch of a single, internal US Google Site, opening steps to the development of a unified web presence, etc. are outlined even as the University System continues its progress towards a window for revisiting of its brand as well.

ALL HR STAFF MEETING -- On June 17, 2015 an all HR staff meeting was held at the UMA Bangor campus. This meeting was instrumental in setting the stage for the July 1st move to the One HR model. The group engaged in culture change workshops, learned about new opportunities, gained greater understanding of the COE structure, and began the work of working as a unified team.
Addendum

The work that has been completed in Human Resources has produced savings in a number of ways.

1. Cost Avoidance – When a program is increasing in costs, changes are made to the program or contract to avoid the increase.
2. Direct Savings – Savings in this area have a direct impact on current and projected expenditures.
3. Potential Savings – Savings in this area will have a direct impact on current and projected expenditures. There are certain factors that need to be completed in order to move this to direct savings. An example of this is contract ratification.
4. Savings to employees – These are direct saving that will provide an impact to the employees and not directly to UMS.
5. Potential reduction in liability – This provides a reduction in liability to UMS but does not provide a direct savings. There are certain factors that need to be completed in order to move this to a reduction in liability. An example of this is contract ratification.

**Cost Avoidance - $3,367,000**

<table>
<thead>
<tr>
<th>Program</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td>Life/Disability Programs</td>
<td>$750,000</td>
<td></td>
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<tr>
<td>Medicare Eligible Retiree</td>
<td></td>
<td></td>
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<tr>
<td>Medical Program</td>
<td>$1,500,000</td>
<td>$611,000</td>
<td>$506,000</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>$2,250,000</td>
<td>$611,000</td>
<td>$506,000</td>
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**Direct Savings - $2,512,000* **

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<tr>
<th>Program</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td>Dental Program</td>
<td></td>
<td></td>
<td>$300,000</td>
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<tr>
<td>EAP</td>
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<tr>
<td>Dependent Audit</td>
<td></td>
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<td>$154,000</td>
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<tr>
<td>Benefit Consulting</td>
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<td>$50,000</td>
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<td>Actuarial Services</td>
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<td>$13,000</td>
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<td>Review of Benefit Svecs</td>
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<td>$300,000</td>
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<tr>
<td>Reduction in headcount</td>
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<td>$570,000</td>
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<tr>
<td>Medical Program</td>
<td>$1,100,000</td>
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<tr>
<td><strong>Totals</strong></td>
<td>$1,100,000</td>
<td>$1,087,000</td>
<td>$325,000</td>
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*Annual savings that will be achieved year over year
**Potential Savings - $2,346,500**

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<tr>
<th>Program</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td>LTD Plan Changes**</td>
<td></td>
<td></td>
<td>$167,000</td>
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<tr>
<td>LTD - Salary Payment***</td>
<td></td>
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<td>$391,000</td>
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<tr>
<td>LTD – 403(b) Pension Plan Contributions***</td>
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<td>$208,000</td>
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<tr>
<td>LTD – Life Insurance Coverage***</td>
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<td>$21,000</td>
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<tr>
<td>LTD – Health Insurance Coverage***</td>
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<td>$100,000</td>
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<tr>
<td>Dependent Audit****</td>
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<td>$1,459,500</td>
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<td>Totals</td>
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<td><strong>$2,346,500</strong></td>
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*Annual savings that will be achieved year over year

** Savings was determined by Liberty Mutual based on negotiated plan changes and current rates in effect with Liberty Mutual and our obligations to them based on contract terms and conditions.

*** The estimates were developed using a five-year window of the number of employees on LTD and the average salary which included both salaried and hourly employees.

**** The dependent audit closed on 8/11. Based on the number of non-verified dependents at the end of the audit, this translates to the savings indicated above. This savings will not be realized until 10/1 and additional verifications may reduce the savings.

**Savings to Employees - $50,000**

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<tr>
<th>Program</th>
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<th>2016</th>
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<tbody>
<tr>
<td>Vision Plan</td>
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<td>$50,000</td>
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<td>Totals:</td>
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<td><strong>$50,000</strong></td>
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**Potential Reduction in Liability - $745,000**

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<th>Program</th>
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<tr>
<td>Sick Leave Restoration</td>
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<td>$745,000</td>
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<td>Totals:</td>
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<td><strong>$745,000</strong></td>
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AGENDA ITEM SUMMARY

1. NAME OF ITEM: HR/LR Committee FY16 Work Plan & Duties
2. INITIATED BY: Marjorie Murray Medd, Chair
3. BOARD INFORMATION: X  BOARD ACTION:
4. BACKGROUND:
   FY16 Work Plan for LR/HR Committee submitted for the September BOT meeting. (See attached documents)

09/01/2015
Standing Agenda:

1. Collective Bargaining Update (may occur in HR/LR Committee or in executive session of the Board of Trustees) Chief of Human Resources Officer and Director of Labor Relations
2. Updates and discussion on the Human Resources Strategic Plan and the move to a unified and strategic HR function
3. Human Resources and Labor Relations items requiring Committee and/or Board approval

Ad Hoc Agenda:  Note: Items in red require a vote of the committee
- Approval of Collective Bargaining Agreements (as tentative agreements are reached)
- Collective bargaining goals and relationship for FY 16 and FY 17 (Review as needed)
- Review progress of adoption and implementation of recommendations of the Employee Health Plan Task Force (January)
- Evaluation of Board chair (March)
- Comprehensive Presidential Review results (May)
- Review progress of Human Resources Strategic Plan (November, January, March, May)
- Policy and compensation changes for non-represented employees for FY 16 (September)

Informational Reports:
- Named Chairs and Professorships Annual Report (July)
- Report of Management Group appointments (July, November, March)
- Workforce Profile and Turnover reports (January or March)
- Compensation Report (to be determined)

Meeting Schedule:
Meetings are scheduled prior to Board of Trustees meeting as needed depending on agenda items.

8-31-2015
University of Maine System
Board of Trustees

Human Resources/Labor Relations Committee
Duties and Responsibilities

Committee established: 1975
Approved by the Board of Trustees: 5/23/2011; 9/23/2013, 9/21/2014

The Human Resources and Labor Relations Committee shall be responsible for monitoring, evaluating, and making decisions with respect to policies and strategic matters related to the University of Maine System’s (System) human resources, personnel issues, and collective bargaining agreements.

Committee Authority

Bylaws – Section 3
Board of Trustee Policy Manual
   Section 200 – Governance & Legal Affairs (evaluation & appointment of Chancellor and Presidents)
   Section 400 – Human Resources

The primary duties and responsibilities of the Committee shall be to:

1. Have oversight of and recommend for approval the framework governing the System’s human resource policies.
2. Review and recommend for approval the System policies for non-represented employees and policies for human resources areas not subject to collective bargaining.
3. Periodically assess the framework governing employee benefit plans.
4. Review and recommend for approval the strategies and goals for the negotiation of collective bargaining agreements.
5. Recommend for approval the appointment of Presidents.
6. Review and recommend for approval collective bargaining agreements.
7. Review and recommend for approval general wage and salary adjustment for non-represented employee groups.
8. Review and advise the Chancellor or Board Chair regarding sensitive, complex personnel issues.
9. The Chair of the committee serves as a member of the Chancellor Review Group in accordance with Board policy 203.1.
10. The Chair of the committee conducts the annual evaluation of the Board Chair.
Membership of the Committee

The Human Resources and Labor Relations Committee shall be made up of at least three voting members of the Board of Trustees. The Chair and Vice-Chair of the Board and the Chancellor shall be ex-officio members, but the Chancellor shall have no vote. The Human Resources and Labor Relations Committee can only include persons who are members of the Board.

Meetings

The meeting of the Committee ordinarily shall be called by the Committee Chair, but may be called by the Chair of the Board or a majority of the Committee.

Staff to the Committee

The Human Resources and Labor Relations Committee shall be staffed by the Chief Human Resources and Organization Development Officer.
AGENDA ITEM SUMMARY

1. NAME OF ITEM: Contract Negotiations Update

2. INITIATED BY: Marjorie Murray Medd, Chair

3. BOARD INFORMATION: X BOARD ACTION:

4. BACKGROUND:

   The University System negotiates with six bargaining units. Tentative agreements were previously reached with four bargaining units. The Labor Group is in active bargaining with two labor unions and will provide an update on the status of negotiations.

09/01/2015
AGENDA ITEM SUMMARY

1. NAME OF ITEM: FY16 & FY17 Compensation and Benefit Changes for Non-Represented Employees

2. INITIATED BY: Marjorie Murray Medd, Chair

3. BOARD INFORMATION: BOARD ACTION: X

4. BACKGROUND:

Non-represented employees are in positions which are not covered by collective bargaining agreements. Compensation and employment policies for these employees are recommended by the Chancellor and approved by the Board of Trustees.

Non-represented employees are comprised of five different groups:

a. Non-Represented Hourly Employees, approximately 114 University Supervisors and 52 confidential employees;
b. Non-Represented Salaried Employees, approximately 361 employees;
c. Management Group, positions at or above the level of dean, approximately 67 employees;
d. Non-Represented Faculty, including Law Faculty, full-time and part-time non-represented faculty, approximately 147 employees; and
e. Presidents and Chancellor, 8 employees
The Chancellor recommends wage, salary and benefit adjustments for non-represented employees for FY15 and FY16 as follows:

**Salaries and Wages**

The following describes pay increases available to eligible employees in each category. Non-represented employees may also be eligible for individual pay increases under existing policies such as promotion, reclassification, the addition of significant increased responsibilities, retention, and correction of inequities.

To be eligible for an increase described below an employee must be actively employed and receiving pay in the pay period in which the increase is processed. To be eligible for a one-time increase in FY16, employees must have been employed in a regular status as of June 30, 2015. To be eligible for a base wage increase in FY17, employees must have been employed in a regular status as of June 30, 2016.

**Non-Represented Faculty Excluding Law Faculty**

- For full-time non-represented faculty, salary increases, health plan premiums and any other benefit changes will be equivalent to what the faculty members would receive if they were included in the full-time faculty bargaining unit.

- For non-represented part-time faculty, salary increases and any other benefit changes will be equivalent to what the faculty members would receive if they were included in the part-time faculty bargaining unit, unless otherwise indicated below.

**Law Faculty**

- Effective July 1, 2015, Law faculty will be eligible for a one-time, non-base payment of $750. This payment is in addition to post-tenure review increases.

- Effective July 1, 2016, Law faculty will be eligible for performance based increases equal to 2% of the total salary pool for Law faculty to be distributed in accordance with a plan approved by the President. This pool is in addition to post-tenure review increases.

- Health plan premium contributions, benefits and policies will be under the same terms as non-represented salaried employees.

**Non-represented Hourly Employees**

- Effective July 1, 2015, employees who were employed as of June 30, 2015, shall receive a one-time non-base payment of $750.

- Effective July 1, 2015, the non-represented employee wage schedule shall be increased by 2%.
Non-represented Salaried Employees, Management Group, and Presidents

- Effective July 1, 2015, non-represented employees in the Salaried Employee Classification and Compensation program, who were employed as of June 30, 2015, shall receive a one-time non-base payment of $750.

- Effective July 1, 2016, non-represented employees in the Salaried Employee Classification and Compensation program will receive an across-the-board increase of 2%.

- For employees in positions not in the Salaried Employee Classification and Compensation Program, for FY16 a $750 one-time non-base payment may be made at the discretion of the President and or Chancellor based on exemplary performance.

- FY17 each president and the chancellor will have an amount equal to 2% of the salary base for that group of employees, to be distributed by the president and chancellor on the basis of performance, to correct inequities and for retention. All increases awarded from this pool will be effective July 1, 2016.

Health Insurance Plan and Wellness Incentive

Non-Represented Hourly, Non-Represented Salaried, Non-Represented Faculty, Law Faculty, Non-Represented Part-time Faculty, Management Group, Presidents and Chancellor:

Health plan provisions and premium share and wellness program incentives will be modified if necessary to manage the increase in the group health plan for calendar year 2016. Plan modifications will be reviewed by the Employee Health Plan Task Force and to the extent possible will be consistent with the pathways established by the Task Force.

5. TEXT OF PROPOSED RESOLUTION:

That the Human Resources and Labor Relations Committee forward this item to the Consent Agenda at the September 20-21, 2015 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees approves the Non-Represented compensation and benefit changes for FY16 and FY17 as presented.