Human Resources

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 $230k starting in FY’15. The Human Resource work in process has identified and will realize an ongoing savings of $815k per year starting in FY’15. 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 FY’15 and FY’16.

Work Completed

1. Move of the onsite Employee Assistance Program (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 $230k.
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. Selected TIAA-CREF as sole record keeper for the 403(b) defined contribution retirement plan. This work was in collaboration with the Controller and the Board Investment Committee. The change to a sole record keeper allows for a consolidated investment menu for employees with a stronger list of investment options. It results in improved ability to monitor funds in accordance with our fiduciary responsibility, meets best practices for 403(b) plans, and generates savings of about $650,000 per year for employees through lower investment fees.
4. Contract settlement and implementation. A tentative agreement with the Service and Maintenance unit has been reached. The Service and Maintenance unit was the last agreement to be settled. All labor contracts have been settled.

Savings on completed work: $230k

Work in Process. Some of the work currently being conducted is exploratory in nature. We have been asked to identify areas for potential savings. This does not mean that all identified savings will be pursued.

1. 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.
2. Implementation of Case Management Software. Went with in-house solution saving a one-time expense of $125k and a recurring expense of $37k from what was budgeted for in the HR Admin Review.

3. Development of a wellness strategy – Reduced 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 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. In addition to current plans, we are designing a low cost, high deductible health plan (HDHP) to meet the affordability requirement of the Affordable Care Act. This will be a calendar year ’15 option. This is a growing trend as indicated by the 2013 Employee Health Benefits in Higher Education survey. This survey showed that in 2009, 17% of higher education institutions offered a HDHP and in 2013, HDHP are now offered by 40% of the participants.

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. First step in this initiative is the addition of a dedicated Project Manager to the HR team.

Total 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

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