

University of Maine System  
Board of Trustees  
Rudman Conference Room, 253 Estabrooke Hall, Orono

June 20, 2017

**Human Resources & Labor Relations Committee**

**Present: Committee Members:** James Erwin, Chair (at USM); Norman Fournier (at UMFK), Sam Collins (UMKF), Shawn Moody (at USM), Karl Turner (at USM) and Theresa Sutton (at USM). **Other Trustees:** Samuel Collins (at UMFK). **Chancellor:** James Page. **President:** John Short (at UMFK). **Staff:** Tracy Bigney, Megan Clough, Lynda Dec, Ellen Doughty, Ryan Low (at UMA), Mark Schmelz and Rebecca Wyke (at UMA).

**Committee Members Absent:** none.

Trustee Erwin called the meeting to order.

**Change to Board Policy 401 – General Equal Opportunity.** Ms. Lynda Dec, Chief Human Resources Officer presented the proposed changes to Board Policy 401 – General Equal Opportunity. The current University of Maine System non-discrimination statement lists gender status and gender identity as a subset of sexual orientation. The proposed change to Board Policy 401 would list gender status and gender identity as separate categories. This change will recognize and differentiate the status, as these categories are not subsets of sexual orientation.

On a motion by Trustee Sutton, which was seconded by Trustee Fournier, the Human Resources and Labor Relations Committee forwarded this item to the Consent Agenda for the July 17, 2017 Board of Trustee meeting for approval of the following resolution:

That the Board of Trustees approves the Change to Board Policy 401 - General Equal Opportunity, as presented.

**Review of UMS Health Plan – Active and Retiree.** Ms. Dec provided an overview of the UMS Health Plan for Active Employees and Retirees. The University of Maine System offers its employees and their eligible dependents healthcare coverage. It also provides a Medicare Advantage Health Plan for eligible retirees and their dependents.

The employee and dependent health plan is a self-insured plan and covers ~9,363 employees and their dependents with claims of approximately \$69,000,000 per year and administrative fees and taxes of approximately \$2,000,000 per year. The plan spend in the current period was \$7,365 per member per year (PMPY), an increase of 6.8% from the base period, and 15.0% greater than the norm based on CIGNA's education book of business. The average membership in the current period was 9,363, a decrease of 2.6%. The current member cost share was \$343 PMPY, or 4.7% of the total plan spend, compared to \$331 PMPY, or 4.8% in the base period, with a norm of 10.3%.

The portion of the UMS population that drives the health plan cost of \$68.9 million includes the following:

- The top 1% of claimants is comprised of 108 individuals and is 27% of total costs or \$18.7 million.
- The top 20% of claimants are 2,161 individuals and is 80% of total cost or \$55.2 million, which is typical of most health plans.

Based on the population that is driving health plan cost, the Committee discussed how to ensure that the right people are getting the needed screening for early detection. Ms. Dec committed to providing additional information and reporting in this area.

The current UMS medical cost and utilization include the following highlights:

- Medical/Pharmacy \$7,365 PMPY (15% greater than norm)
- Catastrophic claim spend increased 14.3% in the current year.
- Top diagnostic categories were Musculoskeletal and Neoplasms.
- Non-catastrophic trend rose 2.8% in the current period, primarily due to an increase in utilization for inpatient facility services
- Members with chronic conditions (46% of population) drove 77% of the overall spend.
- 8% of members were Non-Users (average age 34 / 64% male), up from 7% the base year and lower than the norm of 9%
- Individuals with qualified gaps in care are slightly less compliant at 72.6% vs. the expected value of 73.4%
- Specialist Visits – lower cost than norm and specialist visits as a percentage of overall office visits, 39%, is lower than norm.
- Screening compliance rates for Breast, Cervical and Colon cancers were 77%, 62% and 44% respectively.

The current UMS pharmacy cost and utilization highlights are as follows:

- \$14,353,638 in prescription drug plan expenses were saved during the current period. These savings were achieved through a combination of negotiated plan discounts and clinical benefit management
- Overall Trend increased 11.1% from \$1,292.11 to \$1,435.42 compared to a norm of \$1,345.50
- The Generic prescription utilization rate increased 1.5% from 84.4% to 85.9% compared to a norm of 85.5%. Based on the difference between Brand and Generic costs per prescription the savings are \$931,162
- For every 1% increase in generic utilization, claim costs will be reduced by \$492,449
- Step Therapy produced a total comparative savings of \$1,595,606 across 14 Therapy Drug Classes in the period
- 542 members (5.1%) are on specialty medications driving \$22,443,915 (33.8%) of the plan spend during the current period.

### **Retiree Medicare Advantage Health Plan**

The retiree health plan is a fully-insured plan provided through Aetna and covers 2,699 retirees and their dependents. The cost to UMS is approximately \$9.3 million annually. The plan provides a blended health plan between Government Medicare A (hospital) and B (physician/out-patient coverage) and the UMS component. The average age for the retiree health plan is 74.8 years old.

The pharmacy utilization for the retiree health plan includes:

- Generic Utilization of 87.69%
- Generic Substitution (written for brand, but changed generic) of 90%
- Brand Utilization of 13.8%
- Formulary Utilization of 99.9%

For calendar 2016 and 2017, renewal for UMS would have resulted in 5.5% and 3.5% increases, respectively; however, several modest plan changes were made resulting in flat costs to UMS for both calendar years.

The Retiree Medicare premium subsidy provided by UMS is as follows:

- Retirees prior to July 1, 2010 – Medicare eligible retiree pays \$0 for their individual monthly health premium and 50% of any dependent monthly health premium.
- Retirees from July 1, 2010 through December 31, 2016 – Medicare eligible retiree pays 7% (currently \$20/mo.), 10% (currently \$28/mo.), or 15% (currently \$42/mo.) of their individual monthly health premium based on years of service and 50% of any dependent monthly health premium.
- Retirees on or after January 1, 2017 (September 2, 2017 for faculty) – Medicare eligible retiree pays 20% of their individual monthly health premium (currently \$57/mo.) regardless of service beyond the minimum required (10 years) and 50% of any dependent monthly health premium.

Trustee Turner asked to see a comparison between UMS's retiree plan and the State of Maine's plan. Ms. Dec agreed to follow up with a comparison.

**UMS Compliance Education Update.** Ms. Megan Clough, Director of Learning and Organizational Development provided an update on UMS Compliance Education. The University of Maine System Human Resources' Learning & Organizational Development Unit (L&OD) in partnership with Risk Management recently conducted a System-wide analysis of Compliance Education.

Based on Federal and State Law plus University Policy, the University of Maine System has greater than one hundred compliance courses applicable for our employees and students. These courses span various topics and areas including but not limited to: Human Resources & Equal Opportunity, Information Security, Safety & Environmental Management, and Research & Sponsored Programs. Institutions the size and complexity of the University of Maine System require an efficient method to offer, track and manage compliance training. It is estimated that approximately 35,000 people across our System require one or more compliance courses.

A team led by Strategic Human Resources' L&OD function and comprised of Compliance Education providers/administrators plus the General Counsel's office outlined and analyzed the current-state situation. The audit revealed gaps pertaining to content offering, employee engagement and completion, and coordination and tracking.

In assessing causation, L&OD identified three primary factors:

1. The necessary retirement of the Information Technology platform hosting all Safety and Environmental Management courses due to that system no longer meeting Information Technology security protocols
2. Decentralization of Compliance Education management
3. Instances where compliance requirements leadership has not occurred

### **Solution**

L&OD is leading the solution through its UMS Academy development. UMS Academy has a governance structure of core content committees, one of which is Compliance Education. The Compliance Education Committee (CEC) comprises UMS Compliance Education owners, Senior Legal Counsel, and UMS Chief Risk Officer. The CEC represents the first time when Compliance Education owners have convened together to centrally coordinate the Compliance Education approach and experience for our employees and students.

We also initiated a 5-year contract with Atomic Learning (AL), a Training Management System (TMS) provider. Our contract includes AL providing and governing the regular legal update of the core set of seven compliance courses all UMS employees will be expected to take. Additional more role-specific courses will added and maintained by UMS compliance owners. The TMS supports assignment, course reminders, employee/manager access to completion details, and tracking/reporting. In June the AL contact was signed and the CEC will be devising the approach and partnering with Campus Human Resource Leaders on implementation.

### Addressing Immediate Gaps

Implementation using AL is both a short- and long-term solution. That said, AL's content builds being available starting September 1 still leaves gaps between now and then.

Using the Compliance Education audit to identify most immediate risks, we have already and continue to put in place more immediate solutions for gaps. Examples include:

- HR redeployed the HIPAA Training
- Our Senior Legal Counsel provided feedback to AL on their FERPA course during the full UMS RFP; AL updated the course and it meets our approval for immediate use
- We are moving core content immediately over to AL in baseline, self-built format prior to AL's offerings being available. Our baseline self-builds will meet regulatory criteria

Trustee Erwin asked Ms. Clough if the Committee would receive an update once training was completed. Ms. Clough indicated that Ms. Dec would have data to present at a future Committee meeting.

**Turnover Analysis.** Ms. Dec presented the following highlights from the Turnover Analysis report:

- From November 1, 2015 through October 31, 2016 the number of employee separations for all reasons was 11.8% of the population of regular employees. Of this, voluntary resignations made up 7.1%, and retirements accounted for 2.8%. The remaining 1.9% involuntary separations resulted from end of term appointments, layoff, and termination.
- The turnover rate reported for higher education employers in 2016 is 11.3% according to a national survey of 342 higher education organizations, which is considered relatively flat to what was reported in 2015. The survey was conducted by Compdata, surveys/consulting.
- The number of separations due to position elimination/staff reduction is 18. This is 20 fewer than last year for the same period.
- The rate of voluntary separations at the University of Maine System is 9.9%.
- 80.8% of the 527 total separations are due to voluntary resignations and retirements. Retirements alone account for 24.3% of the 527 total separations.
- Separation rates vary among universities from a high of 22.5% for University of Maine Machais to 8.4% at the University of Maine at Fort Kent.
- The average years of service for resignation is 5.0 years, 25.7 years for voluntary retirements, and 5.8 years for involuntary separations.
- The average years of service for voluntary separations in the UMPSA unit is 4.8 years, and in the COLT unit, 3.8 years. The average years of service for retirements in the UMPSA unit is 21.5 years, and in the COLT unit, 23.1 years.
- The percent of separations for the represented and non-represented as a percentage of the bargaining unit vary with a high of 18.6% in the PATFA unit to 4.2% in the Police unit. Separation rates in other represented bargaining units are: AFUM - 7.3%, UMPSA - 13.9%, COLT - 13.8%, Service &

Maintenance - 11.0%, University Supervisors - 8.7%, Non-represented Hourly - 17.9%, Non-represented Salary - 15.5%, Non-represented Faculty - 8.6%.

- The UMPSA bargaining unit is 30.4% of the population and accounts for 35.9% of the separations; of that number 29.0% are voluntary resignations.
- The percent of new hires/rehires at Universities as a percent of University population varies from a high of 14.1% at University of Maine Machias to 6.4% at UMPI.
- The percent of new hires/rehires in represented and non-represented units varies from a high of 25.4% in Non-represented Hourly to a low of 0.00% and 2.1% in the Law Faculty and Police units respectively.
- Retention of employees at all Universities is 88.2%, the lowest retention rate among bargaining groups is PATFA at 74.4%.

Ms. Dec commented that the Turnover data is trending the same year over year.

**Workforce Profile.** Ms. Dec reviewed the Workforce Profile, which is an overview of the UMS workforce, reflecting full-time and part-time regular employees. This represents the 4,459 regular employees that were actively receiving a paycheck as of October 31, 2016. Additionally, there were 857 part time faculty members teaching in the Fall 2016 semester.

#### Count and Gender by Category

- Of the 4,459 UMS employees reported: 2.2% are administrators, 27.4% are faculty, 38.5% are salaried staff, and 32.0% are hourly paid staff.
- Women are a minority of the full-time faculty at all universities except UMA and UMF. Overall women constitute 44.6% of full time faculty.
- Women are well represented among administrators at 40.2%. There are 97 administrators, 69 of whom are in the Management Group. 44.9% of the Management Group are women.
- Approximately 55.4% of hourly paid employees are women. Many positions in this group are heavily male or female dominated, although this is not reflected in group totals.

#### Average Salary by Category

- The average salary for administrators is \$131,651; \$75,644 for faculty; \$51,241 for salaried staff; and \$31,606 for hourly staff.
- Wage increases were negotiated and implemented during the fiscal year 2017 resulting in a net increase across the board.
- There is less variation across the universities in average salaries of hourly staff because of greater similarity of jobs and because salary and wage programs establish pay levels.
- Most faculty are appointed on an academic year basis and the annual salary is for the nine-month appointment.

#### Age

- Age distribution is an important consideration for Workforce and Succession Planning.
- The average age by employee category is: Administrators average age is 56, faculty 53, salaried 46, and hourly employees average age is 51.
- A significant proportion of faculty (48.5%), hourly (46.6%) and administrators (63.9%) are 55 or older.

### Highest Degree

- As would be expected, a high number of faculty (72.2%) and administrators (37.1%) hold terminal degrees.
- 15.3% of hourly staff have self-reported a baccalaureate or higher degree. More than 33% of salaried staff have a master's degree or higher. Education level was not reported by 26.6% of employees.

### Race and Ethnicity

- There is limited diversity as measured in the federal ethnicity categories. Faculty diversity is gradually increasing with 7.9% of all faculty declaring minority status, an increase of 0.9% since the 2015 report. Diversity across all employee groups is at 5.3%.
- The University of Maine at Fort Kent has the largest proportionate diversity among its employees with 8.4% identifying as minority. The University of Maine reports the highest quantity of minority employees with 129 employees, 6% identifying as such.

### Years of Service/Average Years of Service

- UMS has many long-service employees. Average length of service ranges from 10.2 years for salaried staff to 14.2 years for faculty.
- More than 21.6% of faculty and more than 22.7% of administrators have 25 or more years of service.
- The University of Maine has the highest average years of service for all employment categories at 12.5. The University of Maine at Machias has the lowest average years of service at 10.6 years.

### Part-Time Faculty

- In the Fall 2016 semester there were approximately 842 Part-Time Faculty teaching 4,321 credit hours of course work. The University of Southern Maine employs the most Part-Time Faculty with 319 (37.9%), followed by the University of Maine with 210 (24.9%) and then the University of Maine at Augusta with 159 (18.9%).
- The methods for classifying Part-Time Faculty in the Human Resources system has changed over the last year. In order to accurately report on Part-Time Faculty counts, credit hours and classes the data is now coming directly from the Campus Solutions database which fully accounts for course details.

The Committee discussed that age as well as gender are key call outs of the report. The Committee asked Ms. Dec to research both age and gender data for faculty new hires.

**Administrative Review Status Update.** Ms. Dec presented a status update on the final stages of the Administrative Review that was presented and approved at the November 16, 2014 Board of Trustee meeting. On July 1, 2015 Human Resources reporting structure changed to a solid reporting line to the Chief Human Resources Officer and a dotted line to University Presidents. This has allowed the ability to efficiently utilize resources across the System. At the start of the Administrative Review in 2014, the compensation costs were approximately \$6 million per year. The FY2018 compensation budget is \$5,353,674 per year which realized an approximate savings of \$646,326 per year.

### Human Resources Partner Campus Teams

The Human Resource Partner teams are active members of the President's cabinet on every campus. The teams participate in the day to day support of our employees and managers. They also work closely with the campuses to develop programs, tools, and initiatives that promote achievement of campus goals. Some of this work includes but is not limited to:

- Organizational Structure
- Recognition

- Training and Development
- Workforce Planning
- Union/Management Relationships
- Consultation on program offerings
- Succession Planning

Ms. Dec outlined a few concerns as Human Resources moved from a tactical approach to a more strategic, which impacts staffing and has a greater compliance focus. Human Resources continues to be challenged with the lack of technology and data.

The Committee asked if cost savings were comparable to projections, Ms. Dec answered that the cost savings are higher than projections.

### **Executive Session**

On a motion by Trustee Turner, which was seconded by Trustee Moody, the Human Resources and Labor Relations Committee agreed to go into Executive Session under provisions of 1 MRSA Section 405 6-D to discuss planning for negotiations and communications with AFUM, UMPSA, ACSUM, Police, PATFA, and Service and Maintenance Units.

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

Adjournment.

Elissa Ivey for  
Tracy B. Bigney, Clerk of the Board