Trustee O’Leary, Chair, convened the meeting.

Draft Changes to Policies for Non-Represented Employees. Ms. Tracy Bigney, Chief Human Resources and Organization Development Officer, reviewed the draft changes to the Policies for Non-Represented Employees. These changes will be brought to the Board for action at a subsequent meeting. As a part of the New Challenges, New Directions initiative, the Board of Trustees requested a review of policies for non-represented employees related to notice, severance and terms of appointment in order to determine whether these policies resulted in unacceptable costs when workforce actions were necessary in response to financial constraints.

A White Paper was presented with the possible changes along with suggested principles for establishing policies for non-represented employees, themes of comments from groups that have reviewed the draft changes, an estimate of the financial impact, and information about policies at selected peer institutions. The draft changes attempt to balance the need to avoid excessive costs with the need to provide employment conditions that are conducive to attracting and retaining highly qualified and committed staff.

The draft changes for non-represented hourly employees decrease notice for longer term employees in order to bring policies closer to notice provisions in some of the collective bargaining agreements. For non-represented salaried employees the draft changes will result in less notice and severance than is provided to represented employees. The primary change in the Policy on Chancellor and Presidents’ Benefit Package is deletion of the provision of a sabbatical leave during the term in office. The recommended change is a standardized provision to allow a sabbatical at the end of the service as Chancellor or President if the individual is transitioning back to a faculty position. The Appointment of University of Maine System Professor, Researcher or Administrator has been substantially restructured.

Trustee Murphy commented that in this financial climate the UMS benefits are very generous and questioned if the draft policies should be reviewed to see if the benefits are too generous. Chancellor Pattenaude commented that the UMS is at the low-midpoint on the national salary scale. It is a fine balance of salary and benefits necessary to attract qualified employees.

Trustee Flahive asked if the UMS is being inclusive enough in whom it asks for feedback on the draft changes to the policies. Ms. Bigney commented that in addition to discussing the changes with the Presidents and Senior Administrators at the campuses, the policy changes will be posted online for feedback.
**UMS Workforce Analysis: Workforce Profile, Compensation and Turnover.** Ms. B igney reviewed the Workforce Profile, Compensation Report and the Turnover Analysis. These reports help the UMS to better understand the current and future issues that will affect the ability to recruit and retain highly qualified, engaged, and productive faculty and staff.

**Workforce Profile**
The Workforce Profile is an overview of the UMS workforce, reflecting full-time regular employees. This represents about 4,712 employees, calculated as of December 2008. There are an additional 460 part-time regular employees and 811 part-time temporary faculty not included in the data. Of the 4,712 full-time regular employees 3% are administrators, 28.7% are faculty, 34.2% are salaried professional staff, and 34.1% are hourly paid staff. The UMS has 2.8% fewer full-time regular employees than last year. Women now comprise just over 40% of the full-time faculty. A significant proportion of faculty (46.3%) and administrators (58.3%) are age 55 and older. UMS has many employees with long service. The average length of service ranges from 10 years for professional staff to 16 years for administrators. More than 20% of the faculty and more than 25% of the administrators have 25 or more years of service.

**Turnover Analysis**
In the calendar year 2008, the number of employee separations for all reasons was 10.5% of the population of regular employees. Of this, voluntary resignations made up 5.2%, retirements accounted for 2% and the remaining 3.3% resulted from end of term appointments, layoff, termination, disability or death. The rate of separations (10.5%) exceeded the rate of new hires and rehires (7.7%), indicating a reduction in the total number of regular employees. The number of separations due to position elimination or staff reduction grew from 12 in 2006, 11 in 2007 to 53 in 2008 reflecting the downsizing due to current financial conditions.

The relatively low rate of voluntary resignations indicates that UMS has overall strong retention. However, there are specific positions and locations where hiring and retention are problematic. UM has 45.1% of the UMS employee populations and 45% of the separations from 2006 through 2008. Separation rates in 2008 vary from a high of 17.5% at UMM to 5.5% at UMFK. Voluntary resignations account of 61.7% of separations. In 2008 the percentage of separations varies within bargaining groups from a high of 20.8% in the Police Unit to 6.3% in the Non-Represented Faculty Group. Separation rates in represented bargaining units for 2008 were: AFUM – 6.8%, UMPSA – 13.8%, COLT – 13.2%, Service and Maintenance – 9.2%, University Supervisors – 6.5% and Police – 20.8%.

**Compensation Report**
The UMS Values Driven Pay Strategy includes: develop total compensation that is competitive with the relevant labor market; attract and retain well qualified, productive employees; develop programs that are fair and equitable; and merit pay for performance. To measure UMS competitiveness requires valid and reliable market data. The UMS continually strives to be competitive with total compensation, which includes both salaries and benefits. People are our strength and a vital resource for advancing our mission and programs. To acquire highly qualified employees, the UMS must offer competitive rates at the time of hire. Over time, however, salary increases do not keep pace with the labor market. This creates salary compression and morale problems, which can result in turnover. UMS turnover is generally on par with other government organizations, higher than federal but lower than state and local comparators. Low pay hinders the ability to attract, retain, recognize and reward highly qualified and productive faculty and staff.
Since compensation is a major driver of increased costs, efforts to improve the UMS competitive position are at odds with the imperative to achieve financial sustainability.

Individual salaries may recognize exceptional performance. In setting compensation policy and strategy to achieve the goals stated in the UMS compensation philosophy and to address issues such as compression and high market demand, the University needs to address the following challenges:

- Balancing human resource needs with other organizational priorities.
- Finding the appropriate balance of pay and benefits in a total compensation strategy.
- Identifying appropriate market comparators for each employee group.
- Strengthening openness and commitment to more rigorous performance measurement, feedback and variable pay.
- Determining appropriate market targets for each employee group.
- Assessing short-term and long-term salary targets.
- Identifying resources needed to meet compensation goals.

Trustee Baker asked if the market comparisons for salaries included benefits. Ms. Bigney responded that the data does not include benefits. Comparative benefits data is not easily available but it is an area that the Human Resources Department is pursuing. Trustee Murphy asked if there was any data including cost of living statistics. Ms. Bigney stated she would look into cost of living data.

**Executive Session**

On a motion by Trustee Johnson, which was seconded by Trustee Medd, the Human Resources and Labor Relations Committee went into Executive Session under the provisions of 1 MRSA Section 405 6A & 6C for the purpose of discussing personnel reassignments and duties, and labor contracts and upcoming negotiations between UMS and the employee labor unions.

On a motion by Trustee Johnson, which was seconded by Trustee Medd, the Committee concluded the Executive Session.

**Appointment for Trustee Approval.** Trustee O’Leary presented the appointments at or above the level of Dean or equivalent or with tenure which require approval of the Board of Trustees. The following appointment was recommended by the Chancellor:

Susan J. Hunter, Senior Vice President for Academic Affairs and Provost, UM

On a motion by Trustee Johnson, which was seconded by Trustee Fournier, the Committee agreed to forward the recommendation to the consent agenda for action.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk