AGENDA ITEM SUMMARY

1. NAME OF ITEM: FY14 Compensation and Benefit Changes for Non-Represented Employees

2. INITIATED BY: James H. Page, Chancellor

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 130 University Supervisors and 60 confidential employees;
   b. Non-Represented Salaried Employees, approximately 400 employees;
   c. Management Group, positions at or above the level of dean, approximately 65 employees;
   d. Non-Represented Faculty, including Law Faculty, full-time and part-time non-represented faculty, approximately 160 employees; and
   e. Presidents and Chancellor, 8 employees

The Chancellor recommends wage and salary adjustments for non-represented employees reflecting funds freed up from health plan costs by implementation of actions to manage the trend in the group health plan for calendar year 2014. In addition, wage and salary programs based on performance similar to programs in place for represented employees will continue.

The Chancellor recommends adjustments for non-represented employees for FY14 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, 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 an across-the-board increase in FY14, salaried employees must have been employed in a regular status as of June 30, 2013.

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, except that non-represented faculty are included in the Quality Incentive Health Plans.
- 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, 2013, Law faculty will be eligible for performance based increases equal to 1.75% of the total salary pool for Law faculty to be distributed in accordance with a plan approved by the President. This pool will cover both annual and post-tenure review increases.
- Health plan premium contributions, benefits and policies will be under the same terms as non-represented salaried employees, described below.

Non-represented hourly employees

- Effective July 1, 2013
  - The wage schedule shall be increased by 0.75% at the mid-point with other rates calculated from the mid-point to create the FY14 wage schedule.
  - Employees will be placed on the FY14 wage schedule in the band and step held as of June 30, 2013.
  - Employees whose hourly rate exceeds the maximum for the wage band will receive a one-time payment equal to 0.75% of their annual salary.
  - Employees who have completed two or more years of regular service in the same classification as of June 30, 2013, who will achieve an even numbered anniversary of classification service in FY14 and with satisfactory performance shall move to the next higher step on the wage band.
  - Employees who have completed two or more years of regular service in the same classification as of June 30, 2013, who will achieve an even numbered anniversary of classification service in FY14 and with satisfactory performance whose hourly rates
are at or above the maximum rate for the wage band will receive a one-time payment equal to 1.0% of annual base salary.

Non-represented salaried employees

- Across-the-board increase of 0.75% effective July 1, 2013.
- “Moving through the bands” cohort increases based on two-year record of satisfactory or outstanding performance, effective July 1, 2013. Employees who have completed four or more years of continuous, regular service by June 30, 2013 will be assigned to two cohorts for purposes of these increases. During FY14 Cohort 1 employees will be eligible for consideration for an increase. Under this program each two years an employee may receive a 1.5% increase for satisfactory performance and an additional base increase of $500 or $750 if they meet the standards for Level I or Level II of outstanding performance. Employees at or above the maximum for the salary band will not be eligible for a one-time payment of $500 or $750 for Level I or Level II outstanding performance.

Management Group

- Employees in the Management Group will not be eligible for any across-the-board increase in FY14.
- Effective July 1, 2013, a pooled amount equal to three-quarters of one percent (0.75%) of the total salary base for Management Group employees at the university may be distributed by the president or chancellor in the case of the System Office as salary increases on the basis of performance, to correct inequities and for retention. All increases awarded from this pool will be reported to the Chancellor by October 31, 2013.

Presidents and Chancellor:

- Presidents and Chancellor will not be eligible for any across-the-board increase in FY14.
- Effective July 1, 2013, the chancellor is authorized to distribute a pooled amount equal to three-quarters of one percent (0.75%) of the total salary base for presidents for performance, correction of inequities and retention.

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 2014. 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.

Retirement Plan Investment Alternatives

- Changes to investment alternatives for the retirement plans will be applicable to non-represented employees consistent with the move to a single record keeper and
streamlined investment menu. These changes will be implemented sometime after January 1, 2014 when determined to be feasible by UMS.

5. TEXT OF PROPOSED RESOLUTION

That the Board of Trustees approves the recommendations of the Chancellor for wage and salary adjustments and changes in benefits and policies for non-represented employees for FY14 as presented.

9/12/2013