

**University of Tennessee Health Science Center (UTHSC)
Employee Relations Committee (ERC) Meeting
Tuesday, May 5, 2015
1:30-3:00pm
SAC 313**

Start Time: 1:30

Members Present: Marion Grinston, Jayne McKinnie, Stanley Tyler, Valerie Wheeler, David Epps, April Jones

Members Absent: Jason Holloway, Chandra Johnson, Jeddie Maxwell, Wanda Patrick, Tara Bea, Lindsey Price, Mary Tunstall, Betty Turner, Lara Nichols, Brenda Clark, Netia Watson, Beverly Avis, Harriet Lang, Sherri Jackson, Jasmine Shorter

Welcome: **Marian Harris, Employee Relations Counselor:** Committee was welcomed and meeting proceeded according to agenda.

Equity and Diversity Update

Marian Harris, Employee Relations Counselor: Sexual Assault Awareness month was a success in the month of April and OED will host a number of events for Asian Pacific American Heritage month in the month of May, which can be found on the OED webpage: <http://uthsc.edu/oed/events.php>

ESC Member Updates

David Epps ~ ITS: Renovations are complete in the Library and work will begin on other floors in the Lamar Alexander building which will eventually impact the relocation of certain departments in the this Lamar Alexander building.

Marion Grinston ~ Finance and Operations: Michael Ebbs hired as the Associate Vice Chancellor of Finance and Operations replacing Pam Vaughn.

April Jones ~ College of Nursing: The CON has a new Director of over the BSN Program, Hallie Bensinger. Dr. Cheryl Scheid is retiring in June as Vice Chancellor of Academic, Faculty and Student Affairs. The department is still interviewing visiting candidates for her position.

Valerie Wheeler ~ ITS: Please be advised to remove all old employees from the billing roster and accurately update your billing records. This delay can cause problems with your ITS bill.

Stanley Tyler ~ Facilities: Question: Will we receive a merit increase? Answer: There has been no confirmation whether we will or will not receive a merit increase but we will receive an across the board increase.

ERAB Updates

See attached

Human Resource Updates

Debbie Jackson, Benefits Team Leader: For employees hired on or after **July 1st, 2015**, the rules regarding the effective date of insurance coverage will change. Beginning July 1st, insurance coverage will begin the first day of the month following completion of **one full calendar month of employment**. For example, an employee hired on March 1st will have coverage effective on April 1st. An employee hired on March 2nd will have coverage effective May 1st. If a current employee drops below 75% they are still covered by the University insurance, for at least 12 more months. Please be advised to update your beneficiary information, which can be done on the tcrs.gov website.

All employees who are not enrolled in the Sick Leave Bank and would like to join can do so beginning April 1– June 30. As of February 25th, same sex legally married and common law couples are now covered under the Family Medical Leave Act (FMLA).

Donna Lenoir, Employment Team Leader: HR is going paperless on the I9 forms and they will be available on HR's website soon. We will not host minors on campus this summer with Shelby County Schools this year. Please

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sign up for the different [HR128](#) Employment Training classes being offered this year by Donna Lenoir, mostly targeting managers/supervisors.

Marian Harris, Employee Relations Counselor: The HR-Employee Relations Complaint form has been updated and can be found on the Employee Relations webpage.

Damon Davis, Compensation Manager: Performance evaluations were due March 31st. If an employee received a rating score below a 15, they should be placed on a Performance Improvement Plan (PIP). Employees can only receive a merit raise if their score is 15 or higher. New pay grades will be implemented July 1st of this year and may affect some employees' current rate of pay. Employees affected will be notified by HR via letter, making them aware of the change.

Darnita Brassel, Training Administrator: July 15th we will host a manager/supervisor training targeting at least 200 managers across campus. The cost of his conference is \$150 per participant. Please view the [HR-Training](#) page for more information and upcoming classes or contact Darnita Brassel, Training Administrator.

AVC Updates

In the June/July ERC/ESC meeting we will invite the Chancellor and Vice Chancellor to discuss the committee member's feedback and suggestions for improvement based on the Workplace Dynamics survey results. In doing this the committee will also review what has already changed within the past few months and how can we make more effective changes in the future. To do this the committee will meet with their assigned workgroups before the next June/July meeting with.

Retirement incentives are being offered on different campuses but UTHSC will not offer incentives. Although, if you are retirement eligible, upon request, your department head may or may not be willing to negotiate an early retirement plan with you.

No minors allowed in the lab, zero tolerance and minors are also discouraged from being on campus during breaks, holidays or any other time.

ID badges must be worn at all times on campus. This will be enforced by Campus Police and employees without badges on campus will be escorted off campus or to the Campus Police Department.

The University of Tennessee
Employee Relations' Advisory Board Meeting
March 4, 2015 (10:00 a.m.-1:00 p.m., Eastern)
In-person Meeting

Attendees:

Ellie Amador	Mike Herbstritt	Jackie McClarin (via video)
Tom Anderson	Cheryl Hodge	Carla McMillan
Keith Carver	Valerah Hodges	Lela Moore
Rob Chance	Debbie Hunter (via video)	Paula Morris (via video)
Brenda Clark (via video)	Dennis Jones	Mark Paganelli
Joe DiPietro	Andrew Karlin	Sherry Sims
Kim Harmon	Tonia Martin	Ann Chappell Tallent

Minutes

President DiPietro reported that he had been attending legislative budget hearings in Nashville recently and said he was to attend another hearing that afternoon. While President DiPietro said Gov. Haslam's proposed budget is among the strongest for higher education and UT that he has seen in seven years, he stressed that UT's current business model is not sustainable, long-term. This conclusion is based on extensive analysis, modeling and consultation with experts, such as Dr. Bill Fox, who heads the UT Knoxville Center for Business and Economic Research. Despite how strongly President DiPietro said he feels about the need to address UT's business model, he said he continues to advocate, meantime, for necessary state support.

In his legislative update, President DiPietro explained that funding for traditional (undergraduate) campuses has moved toward a performance-based system. Excellent performance on a campus would lead to increased appropriation. Currently, UT Chattanooga is the top performer in the system, according to these criteria. In terms of compensation this year, the goal is for a 1.5 percent merit raise for employees of these campuses. The campuses are responsible for funding 45 cents of every dollar needed to provide pay raises, while the remainder would be funded by the state. Two important facilities have received a proposal for full funding: the West Tennessee 4-H Center and the UT Knoxville Science Laboratory Facility. The governor's proposed budget also includes approximately \$25 million to fund some of UT's capital maintenance requests to make improvements to existing infrastructure. President DiPietro said UT System administration is working and hoping to keep funding proposals strong through the legislative process.

President DiPietro also summarized his report to the UT Board of Trustees in February, which may be reviewed as an archived webcast at:

<http://sf.ites.utk.edu/utk/Play/e038d3d2f5e442d9a099885740920ddc1d>.

Because tuition increases in lieu of state funding are not sustainable, President DiPietro said, he presented a plan to the Board to lead campuses and institutes in cutting costs and increasing revenue to. If changes aren't made in the University's current business model, President DiPietro said a funding gap of \$377 million is projected to develop over the next 10 years. The president's plan gives campus and institute leaders latitude to use a variety of methods to make changes within a set of identified

boundaries, he said. President DiPietro's Board report, budgeting plan and boundaries all can be reviewed at: <http://tennessee.edu/media/releases/2015-02-26-bot-business-model.html>.

One of the president's plan elements addresses unfunded mandates for tuition waivers and discounts. These waivers are offered well beyond UT staff and faculty. The Tennessee legislature has made several other state employee groups eligible for this benefit, which currently adds up to \$7.4 million annually in waived tuition for the UT System. Yet UT receives only \$1 million in state funding to cover tuition waiver cost annually, resulting in a \$6.4 million budget deficit for the University.

A regional tuition model is being used by some campuses. Increasing out-of-state enrollment could help bridge the University's funding gap, but Tennessee students must be kept a priority. Increasing out-of-state enrollment while keeping the same number of Tennessee students enrolled could help keep costs low and generate greater revenue.

Reviewing the University's policies and procedures around tenure is an effort for which a broad group of participants is just beginning to be organized. The process is intended to determine whether the right tools are in place to adequately serve post-tenured faculty. Depending on findings, the study could recommend recognition of high-performance faculty and identifying poor performers, but recommendations will follow a process that will involve UT Trustees, strategic planning committee members, academic affairs officials, the University Faculty Council and campus faculty senate leaders.

President DiPietro said that while the University needs everyone's help and support, many good things are being accomplished because of UT's people and what we do. He said the business model must change for our excellent work to continue. He said he feels a strong conviction about the need to make these changes, and the strategic plan is being updated to reflect the situation.

President DiPietro took clarifying questions from the representatives in attendance. The president thanked everyone for their hard work and stressed that UT is moving in the right direction to correct the issues with the business model.

The questions below were submitted by the ERAB representatives:

1. Inventory Tags

Why do the inventory numbers have to be so small on the UT Inventory Tag? Is it possible that future UT Tags could have larger inventory numbers to make them easier to see? (Debbie Hunter, UTM)

This is the first complaint that I am aware of regarding the inventory tags. Is the issue relating to the inventory tags themselves or the reissued tags that are typed and can have transfer issues?

Debbie Martin responded that the issue is with the inventory tags themselves and the size of the information on them.

These tags are from the vendor. The comptroller's office will contact the vendor and ask what can be done about the size of the information on the inventory tags. (Mark Paganelli)

2. Health Coaching

What is the purpose/goal of using a third party vendor for health coaching? What cost savings/benefits are realized by requiring members to engage in a secondary discussion regarding health care? Is there a measurable goal set for this vendor? At the September 2014 ERAB meeting, Rob Chance and Mark Paganelli were tentatively scheduled to meet with the Executive Director of Benefits Administration and Healthways representative to discuss problems and improvements for problems. Did this meeting occur and, if so, what were the results? (Jackie McClarin, UTHSC)

We have raised these questions to the State Benefits Administration at their meeting. They indicated that results of the savings would be presented soon but they have not done so. They have also indicated that Healthways has beefed up their staff and training to provide a better coaching experience to our staff. The purpose of the coaching is to encourage healthy habits and to ensure you are doing what is needed to improve your overall health. (Mark Paganelli; Rob Chance)

3. Full-time Hours

Would the university consider changing the full-time hours worked per week from 40 hours to 37 ½ hours to match the full-time work week currently in place at all TBR institutions as well as the State of Tennessee? TBR changed to a 37 ½-hour work week in 1982:

<https://policies.tbr.edu/guidelines/procedures-implementation-375-hour-work-week>;

the State of Tennessee work schedule can be found here:

http://www.tn.gov/dohr/tech_svrs/pdf/Attendance%20and%20leave%20manual.pdf.

(Jackie McClarin, UTHSC)

This issue was raised several years ago. At that time the administration said that fewer hours worked by current employees would result in the need for more employees, and if more employees were added there would also be a concurrent increase in benefit costs. Two other points were raised: if this change were to come about, it would reduce an employee's work time by more than 16 days per year; and since the University has numerous operations that run on a 24/7 schedule, a shortened work day would be difficult to accommodate. Another issue a 37.5 hour work week would cause is daily coverage.

The University's official hours are 8am to 5pm daily. If this schedule were implemented, there would need to be different starting and ending times for employees in the same area.

The suggestion was considered, but obviously, it wasn't implemented.

Also, since there would be a reduction of 2.5 hours per week (a reduction of 6.25%), employees' pay would also be reduced. For example: a full-time employee making \$13/hour would see a reduction of \$32.50 per week, or \$1,690 per year. (Mike Herbstritt)

Mr. Herbstritt followed up by asking Jackie McClarin if she would like this issue to be considered further. She responded that her constituent had asked for information regarding the reason for the difference in hours.

Mr. Paganelli shared the following link to the TBR website regarding the implementation of the 37.5 hour work week: <https://policies.tbr.edu/guidelines/procedures-implementation-375-hour-work-week>.

4. Proposed Changes to State Employee Insurance

What would be the implications of the proposed legislation regarding state employee benefits? The information below was sent via email to myself and other UT employees.

As proposed, the legislation would give permission to the state insurance committee to:

- Designate “basic” group insurance health, term life, and accidental death and dismemberment plans and “voluntary” insurance plans. The state will contribute to the cost of basic insurance plans; the employee will pay the entire cost of the voluntary plans.
- Reduce the state’s contribution to dependent coverage. The state employer will continue to pay at least 80% of the cost of the basic health plan for employees. The percentage paid for dependents would be reduced to 70% of the cost of the basic plan over the next two years.
- Continue eligibility for insurance for enrolled employees during temporary periods of disability caused by a work injury and allow the employer to pay the entire cost of health insurance during the period that the employee is not on state payroll because of the work related injury.
- Continue insurance eligibility under certain circumstances for dependents of employees killed in the performance of duty.
- Deny coverage to spouses of state employees who are eligible for group health insurance from their own employer.
- Maintain a graduated system of shared costs for retirees eligible for Medicare supplemental insurance, paying up to 80% of premium costs for retirees with 30 years of service down to 40% for retirees enrolled in Medicare supplement with 15 to 20 years of service. Retirees with under 15 years of service will be eligible for, but will not have a state contribution to the Medicare supplement.
- Not offer retiree coverage to employees hired after June 30, 2015.

(Andrew Karlin, UTK ESC)

To help solve problems raised by new accounting standards and the Patient Protection and Affordable Care Act, legislation has been proposed that includes the following:

- *State and higher education, local education, and local government employees hired after July 1, 2015, will not be eligible for pre-65 retiree health insurance. The state and local education insurance committees will have the flexibility to offer a defined contribution or defined benefit to current state, higher education and local education employees for pre-65 insurance. This mirrors the practice with most large private sector employers.*
- *The state will not offer Medicare Supplement Insurance for employees hired after July 1, 2015. Current employees and current Medicare Supplement members will be grandfathered.*
- *The State Insurance Committee will have the flexibility to change the % subsidy that is given to the active state and higher education employees by offering one basic health plan in which the state pays at least 80% towards the employee premium and 80%, 75% and 70% towards the dependent premium in 2016, 2017 and 2018, respectively.*
- *The state plan may require a state or higher education employee's spouse to choose a different insurance plan if he/she is offered insurance through their employer.*
- *After July 1, 2015, no state or higher education employee working less than, on average, 30 hours/week may be eligible for any insurance plan. Current state and higher education employees working 1,450 hours or more per year will be grandfathered.*

For these changes to take place, the legislation must be passed and the State Insurance Committee must vote to approve the individual items.

Also, the State will offer a Consumer Directed Health Plan with a Health Savings Account for calendar year 2016 coverage.

(Rob Chance)

5. Benevolent Fund Update

At the September 2013 meeting, this topic was raised and it was referred to the HRO's for their fall meeting. At the December 2013 meeting, the HRO's decision to not recommend the development of such a fund was shared with the group. It was then requested that the HRO's provide information regarding their concerns for a benevolent fund. The HRO's met in February 2014 and discussed the benevolent fund. Numerous concerns about this fund were raised. Here is a partial list of their concerns:

- *How will the committee to review the requests be selected? Do the committee members have to donate to the fund?*
- *How will the fund be funded? Will the fund need to maintain a minimum balance?*
- *How will the donations be collected? Will there be a minimum donation required?*
- *To receive a donation from the fund, must the employee be a donor?*

- *What types of situations qualify for a donation?*
- *Will the requesting employee's personal financial situation have an impact? If so, how will the data be collected?*
- *What documentation will the requestor need to provide?*
- *Can employees make multiple requests for the same situation? Will there be a limit on the number of dollars received? Will there be a limit on the number of requests an employee can make?*
- *Will there need to be a list of events and the amounts to be given for each event?*
- *The donations received are considered taxable income, how should or will Payroll be involved to ensure the appropriate taxes are withheld and recorded on the employee's W-2?*
- *How will the money be allocated-through Payroll or a fund management check? If it's a fund management check, where will the funds be deposited and who will have access to the account?*
- *What happens when someone is turned down and they argue someone else got a donation for the same situation?*

The HRO's said the state or campus's EAPs are designed to deal with these types of situations. The EAP coordinator is knowledgeable of community-based organizations in each local area whose missions are to deal with these situations. They can refer the employees to the appropriate organization. (Mike Herbstritt)

6. Other Business

Longevity Pay

Anne Tallent, UTK ERC

The Office of the Treasurer sent an email to UT employees addressing the longevity pay issue. They stated that UT employees would not be affected. However, the Governor continues to state at functions and in addresses that all state employees will be affected by this proposed change. Can someone clarify this issue?

The President responded that with certainty the University can state that UT employees will not be affected by this proposed change should it occur. This has been confirmed by Butch Peccolo. As UT employees have a separate pay scale from state employees the longevity pay is considered almost as a form of compensation rather than a benefit.

- **Next Meeting**
 - **June 19, 2015**
 - Video-conference
 - 10:00-12:00 (Eastern)